

**TOPIC : FULL COURSE**

**SECTION – A**

**M.C.Q NO 1 TO 10 carries 1 mark each**

**M.C.Q NO 11 TO 20 carries 2 marks each**

- 1 Mr. X, a registered supplier of Meghalaya wants to opt for composition levy. The turnover limit for composition levy is-
  - (a) Rs. 50 lakh
  - (b) Rs. 75 lakh
  - (c) Rs. 1 crore
  - (d) none of the above
  
- 2 Mr. X, a registered person, deals in supply of taxable goods. He need not issue tax invoice for the goods supplied on 16.04.20XX as the value of the goods is \_ .
  - (a) Rs. 1,200
  - (b) Rs. 600
  - (c) Rs. 150
  - (d) Rs. 200
  
3. A person having \_ \_business verticals in a State \_\_\_\_obtain a separate registration for each business vertical.
  - (a) Single, shall
  - (b) Multiple, shall
  - (c) Multiple, may
  - (d) Single, May
  
4. Which of the following services does not fall under reverse charge provisions as contained under section 9(3) of the CGST Act?
  - (a) Services supplied by arbitral tribunal to business entity
  - (b) Sponsorship provided to any partnership firm
  - (c) Sponsorship provided to any body corporate
  - (d) None of the above
  
5. Which of the following is not a supply of services?
  - a. Renting of Commercial Office Complex
  - b. Payment of Non-Compete Fee by an ex-employee to his previous employer
  - c. Repairing of Mobile Phone
  - d. Permanent transfer of business assets on which ITC is availed

6. GST is payable by recipient of services in the following cases:-
- (i) Services provided by way of sponsorship to ABC Ltd.
  - (ii) Services supplied by a director of Galaxy Ltd. to Mr. Krishna.
  - (iii) Services by Department of Posts by way of speed post to MNO Ltd.
  - (iv) Services supplied by a recovering agent to SNSP Bank
    - (a) (i) & (iii)
    - (b) (i) & (iv)
    - (c) (ii) & (iii)
    - (d) (ii) & (iv)
7. Which of the following is treated as exempt supply under the CGST Act, 2017?
- a. Sale of liquor
  - b. Supply of health care services
  - c. Supply of electricity
  - d. All of the above
8. In case of Goods Transport Agency (GTA) services, tax is to be paid under forward charge if:
- a. GST is payable @ 12%
  - b. GST is payable @ 5% and a factory registered under the Factories Act, 1948 is the recipient of GTA service.
  - c. GST is payable @ 5% and an unregistered individual end customer is the recipient of GTA service.
  - d. None of the above
9. What is the due date for payment of tax for a normal taxpayer?
- a. Last day of the month to which payment relates
  - b. Within 10 days of the subsequent month
  - c. Within 20 days of the subsequent month
  - d. Within 15 days of the subsequent month
10. The due date of filing Final Return is\_\_\_.
- (a) 20th of the next month
  - (b) 18th of the month succeeding the quarter
  - (c) Within 3 months of the date of cancellation or date of order of cancellation, whichever is later
  - (d) 31st December of next financial year
11. Mr. A has a tax invoice [dated 20-1-2018] of services received by him. Its input tax credit is lost if ITC is not availed on or before–
- a) 20-1-2019.
  - b) 31-12-2018.
  - c) 20-1-2020.

d) date of filing return of September, 2018 or date of filing of annual return for 2017-18, whichever is earlier

12. Warehousing of \_\_\_\_\_ is exempt from GST.

- a. Rice.
- b. Minor forest produce
- c. Jaggery
- d. Whole gram

a) 1), 2) and 4)

b) 1) and 3)

c) 2), 3) and 4)

d) 3)

13. Which of the following services received without consideration amount to supply?

- a. Import of services by a person in India from his son well-settled in USA
- b. Import of services by a person in India from his brother well-settled in Germany
- c. Import of services by a person in India from his brother (wholly dependent on such person in India) in France
- d. Import of services by a person in India from his daughter (wholly dependent on such person in India) in Russia

a) 1), 3) and 4)

b) 2), 3) and 4)

c) 2) and 3)

d) 1) and 2)

14. Rama Ltd. has provided following information for the month of September:

(i) Intra-State outward supply	Rs. 8,00,000/-
(ii) Inter-State exempt outward supply	Rs. 5,00,000/-
(iii) Turnover of exported goods	Rs. 10,00,000/-
(iv) Payment made for availing GTA services	Rs. 80,000/-

Calculate the aggregate turnover of Rama Ltd.

(a) Rs. 8,00,000/-

(b) Rs. 23,80,000/-

(c) Rs. 23,00,000/-

(d) Rs. 18,00,000/-

15. 'P' Ltd. has its registered office, under the Companies Act, 2013, in the State of Maharashtra from where it ordinarily carries on its business of taxable goods. It also has a warehouse in the State of Telangana for storing said goods. What will be the place of business of 'P' Ltd. under the GST law?
- Telangana
  - Maharashtra
  - Both (a) and (b)
  - None of the above
16. In case of Goods Transport Agency (GTA) services, tax is to be paid under forward charge if:
- GST is payable @ 12%
  - GST is payable @ 5% and a factory registered under the Factories Act, 1948 is the recipient of GTA service.
  - GST is payable @ 5% and an unregistered individual end customer is the recipient of GTA service.
  - None of the above
17. Which of the following are services exempt from GST?
- Services by an artist by way of a performance in folk or classical art forms of painting/sculpture making etc. with consideration therefor not exceeding Rs. 1.5 lakh.
  - Services by an artist by way of a performance in modern art forms of music/ dance/ theatre with consideration therefor not exceeding Rs. 1.5 lakh.
  - Services by an artist by way of a performance in folk or classical art forms of music/ dance/theatre with consideration therefor exceeding Rs. 1.5 lakh.
  - Services by an artist by way of a performance in folk or classical art forms of music/ dance / theatre with consideration therefor not exceeding Rs. 1.5 lakh.
18. For banking companies using inputs and input services partly for taxable supplies and partly for exempt supplies, which of the statement is true?
- ITC shall be compulsorily restricted to credit attributable to taxable supplies including zero rated supplies
  - 50% of eligible ITC on inputs, capital goods, and input service shall be mandatorily taken in a month and the rest shall lapse.
  - Banking company can choose to exercise either option (a) or option (b)
  - None of the above

19. A supplier takes deduction of depreciation on the GST component of the cost of capital goods as per Income- tax Act, 1961. The supplier can-

- a. avail only 50% of the said tax component as ITC
- b. not avail ITC on the said tax component
- c. avail 100% ITC of the said tax component
- d. avail only 25% of the said tax component as ITC

20. In which of the following situations, taxpayer needs to reverse the credit already taken?

- (a) If payment is not made to the supplier within 45 days from the date of invoice
- (b) If payment is not made to the supplier within 90 days from the date of invoice
- (c) If payment is not made to the supplier within 180 days from the date of invoice
- (d) None of the above

#### SECTION – B

**Question no.1 is compulsory and attempt any four questions out of the remaining five questions.**

#### QUESTION : 1

- (a) X, a manufacturer of roofing sheets, has total input tax credit of Rs. 1,60,000 as on 30.06.2018. He provides the following other information pertaining to June 2018 :
- (1) Input tax on raw material in June is Rs. 40,000.
  - (2) Input tax on account of Harvest caterers in connection with his Housewarming is Rs. 10,000.
  - (3) Input tax on inputs contained in exempt supplies of Rs. 2 lakh in June is Rs. 20,000.
  - (4) GST paid on cosmetic and plastic surgery of CEO of the company is Rs. 30,000.
  - (5) Total turnover (interstate, taxable @ 18%) for the month of June 2018 is Rs. 60 lakh.

**Compute the ITC available and his output tax liability for the month of June 2018.**

**(10 MARKS)**

- (b) **Determine taxable value of supply** under the GST law with respect to each of the following independent services provided by the registered persons :

- (1) Fees charged from office staff of in – house personality development course conducted by M.V. College – Rs. 10,000.
- (2) Bus fees collected from students by M.V. College – Rs. 2,500 per month.
- (3) Housekeeping service provided by M/s. Clean well to Himavarsha Montessori school, a play school – Rs. 25,000 per month.
- (4) Info link supplied “Tracing Alphabets”, an online educational journal, to students of UKG class of Sydney Montessori School – Rs. 2,000.

**(4 MARKS)**

**QUESTION : 2**

- (a) Mr. George, a registered supplier of goods at Kerala who pays GST under regular scheme, has made the following transactions (exclusive of tax) during April 2018 :

Source	Purchases (Rs.)	Sales(Rs.)	Tax Rate
New Delhi	5,00,000	10,00,000	18%
Trivandrum	2,50,000	8,00,000	9% each for SGST & CGST
Total	7,50,000	18,00,000	

He has complied with all the conditions for availing the ITC and has the following ITC credit on 01.04.2018 :

Source	Taxes (Rs.)	Interest (Rs.)	Penalty (Rs.)
CGST	30,000	1500	500
SGST	30,000	1500	500
IGST	1,00,000	2000	500

**Compute the net CGST, SGST and IGST payable by Mr. George during April 2018 in cash ?**

**(9 MARKS)**

- (b) **Determine the total duties (duty, tax and cess) payable under Customs Act** if Mr. Rao imported rubber from Malaysia at landed price of Rs. 25 lakh. It has been notified by the Central Government that share of imports of rubber from the developing country against total imports to India exceeds 5%. Safeguard duty notified on this product is 30%, rate of integrated tax u/s 3(7) is 12% and rate of basic customs duty is 10%.

**(5 MARKS)**

**QUESTION : 3**

- (a) Flowchem Palanpur (Gujarat) has entered into a contract with R Refinery, Abu Road (Rajasthan) on 1<sup>st</sup> July, 2018 to supply 10 valves on FOR basis for its project, with following terms and conditions :

- (1) List price per valve is Rs. 1,00,000 exclusive of taxes.
- (2) The valves go through two stage third party inspection during manufacturing, as required by R refinery. Cost of inspection of Rs. 15,000 is directly paid by R Refinery to testing agency.
- (3) A special packing is to be done, as required by R Refinery. Cost of special packing is Rs. 10,000.
- (4) After making supply of valves, Flowchem has to arrange for erection and testing at the site for commissioning. Cost of erection etc. is of Rs. 15,000.
- (5) The goods were dispatched with tax invoice on 20<sup>th</sup> July, 2018 and they reached the destination at Abu – Road on 21<sup>st</sup> July, 2018. The lorry freight of Rs. 5,000 has been paid by R Refinery directly to lorry driver.

Assume the CGST and SGST rates to be 9% each and IGST rate to be 18%. Opening ITC of CGST is Rs. 20,000 and SGST is Rs. 20,000. All the given amounts are exclusive of GST, wherever applicable.

It has also undertaken following local transactions during the month of July, 2018 on which it has paid CGST and SGST as under :

S. No.	Particulars	Amount paid CGST (Rs.)	Amount paid SGST (Rs.)
1.	It has availed services of works contractor to erect foundation for fixing the machinery to earth in the factory.	5,000	5,000
2.	It has laid pipe line upto the gate of its factory to bring the water to the factory for the purpose of production facility.	10,000	10,000
3.	For the purpose of smooth and convenient communication in its factory, it has installed telecommunication tower of a mobile company (with due permission), the mobile phones of which have been provided to staff for factory work.	5,000	5,000
4.	It has entered into an agreement with a travel company to provide home travel facility to its employees when they are on leave.	2,500	2,500
5.	It has entered into an agreement with a fitness centre to provide wellness services to its employees after office hours	2,000	2,000

**Work out the GST liability** [CGST & SGST or IGST, as the case may be] of Flowchem Palanpur (Gujarat) for July, 2018 after making suitable assumptions, if any.

**(9 MARKS)**

(b) **Determine the Assessable value** under customs law of an imported machine based on the following information :

(1) Cost of machine

(Contract price = Rs. 1,00,000, Revised price = Rs. 2,00,000, Negotiated & Agreed Price = Rs. 1,50,000)

(2) Freight from the factory of the exporter to the port for shipment = Rs. 20,000

(3) Freight incurred from port of entry to inland container depot = Rs. 60,000

(4) Handling charges paid for loading the machine in the ship = Rs. 5,000

(5) Demurrage charge paid at port = Rs. 30,000

(6) Buying commission paid by importer = Rs. 5,000

(7) Commission paid to local agent appointed by exporter = Rs. 1,000

(8) Vendor inspection charges (not required under contract) = Rs. 8,000

**(5 MARKS)**

**QUESTION : 4**

A. LMN Pvt. Ltd., Coimbatore exclusively manufactures and sells product 'X' which is exempt from GST vide notifications issued under relevant GST legislations. The company sells 'X' only within Tamil Nadu. The turnover of the company in the previous year was Rs. 45 lakh. The company expects the sales to grow by 30% in the current year. The company purchased additional machinery for manufacturing 'X' on

01.07.20XX. The purchase price of the capital goods was Rs. 30 lakh exclusive of GST @ 18%.

However, effective from 01.11.20XX, exemption available on 'X' was withdrawn by the Central Government and GST @ 12% was imposed thereon. The turnover of the company for the half year ended on 30.09.20XX was Rs. 45 lakh.

**Examine the above scenario and advise LMN Pvt Ltd. whether it needs to get registered under GST.** (6 MARKS)

- B. Mr. Z, a supplier registered in Hyderabad (Telangana), procures goods from China and directly supplies the same to a customer in US. With reference to the provisions of GST law, examine whether the said activity of supply of goods by Mr. Z to customer in US is taxable under GST. If yes, determine the place of supply of the same. (4 MARKS)
- C. With reference to section 9A(1A) of the Customs Tariff Act, 1975, mention the ways that constitute circumvention of antidumping duty imposed on an article which may warrant action by the Central Government. (4 MARKS)

**QUESTION : 5**

- (a) When is an e – way bill required to be generated ? (5 MARKS)
- (b) Zindagi Life Insurance company Limited (ZLICL) has collected premium from subscribers and it intimates the amount allocated for investment to subscribers at the time of collection of premium. During the month of September 2018, it has collected the following receipts :

Sl. No.	Particulars	Amount
1.	Premium for only risk cover	25,00,000
2.	Premium from new sub	40,00,000
3.	Renewal Premium	80,00,000
4.	Single premium on an	1,00,00,000

All amounts are exclusive of tax. **You are required to compute the value of supply by ZLICL in accordance with GST Laws.** (4 MARKS)

- (c) Z Ltd. a 100% export oriented unit cleared some goods to a unit in domestic traffic area and some irregularity was committed and therefore a show cause notice demanding custom duty was issued. Is the show cause notice defective in law ? Express your views with reference to some decided case law, if any. (5 MARKS)

**QUESTION : 6**

- (a) The supplier opting for composition levy need not maintain certain records as per rule 56(2) and 56(4) of the CGST Rules, 2017. Explain. (5 MARKS)
- (b) Enumerate any four orders against which appeal cannot be filed under the CGST Act, 2017. (4 MARKS)
- (c) State export categories / sectors which are ineligible for duty credit scrip entitlement under Merchandise Exports from India Scheme (MEIS) of Foreign Trade Policy. (5 MARKS)

**OR**



Nirav Shah used some duly paid inputs for manufacture of the export products. However, for the rest of the inputs, he wants to apply for advance authorization. Can he do so ? Advise him with reference to the Foreign Trade Policy 2015 – 2020.