



Division A: Multiple Choice Questions (30 marks)

(Questions nos. 1-10 are of 2 marks each and 11- 20 are of 1 marks each)

1. In which of the following supplies of goods and services made exclusively to Government departments, agencies etc., TDS is required to be deducted?
- (i) Health Department executed a contract with a local supplier to supply “medical grade oxygen” of Rs. 2.6 lakh (including GST @ 18%) and is making full payment.
 - (ii) Government school is making a payment of Rs.3.5 Lakh to a supplier for supply of cooked food as mid-day meal under a scheme sponsored by Central/State Government
 - (iii) Municipal Corporation of Kolkata purchases a heavy generator from a supplier in Delhi. Now, it is making payment of Rs.5 lakh and IGST @18% on Rs.5 lakh for such purchase.
 - (iv) Finance Department is making a payment of Rs.3 lakh (including GST @ 18%) to a supplier of ‘printing & stationery’.

Assume all other conditions for deduction of TDS are fulfilled.

- (a) (i), (ii) and (iii)
 - (b) (ii), (iii) and (iv)
 - (c) Only (i) and (ii)
 - (d) Only (iii) and (iv)
2. M/s Gyaan Publishing House, registered under GST in Delhi, is engaged in printing and selling of books as well as trading of stationery items. He has provided following information of a consignment which is to be supplied to Mumbai: -
- (i) Taxable value of supplies indicated on tax invoice: Rs. 35,000/-
 - (ii) Value of exempted supplies: Rs. 8,000/-
 - (iii) Value of goods to be sent to job worker on delivery challan: Rs. 15,000/-
- Calculate the consignment value for the purpose of generating e-way bill for inter-State supply of goods. Assume rate of tax on taxable goods to be 18%.
- (a) Rs. 35,000/-
 - (b) Rs. 50,000/-
 - (c) Rs. 56,300/-
 - (d) Rs. 64,300/-
3. Mr. Manubhai and Mr. Anubhai are two brothers running a business of supplying lubricants located in the State of Gujarat in their company, M/s. Ambani Lubricants (P) Ltd. On death of their respected father, the two brothers have divided their business. However, they have

signed an agreement that Mr. Anubhai will not enter into business of supplying lubricants similar to business done by M/s. Ambani Lubricants (P) Ltd. run by Mr. Manubhai, for which Mr. Manubhai will pay him Rs. 2.5 crores as a lump sum payment. State whether transaction entered through the above agreement constitutes supply under CGST Act, 2017 or not.

- (a) Yes, supply of goods by Mr. Manubhai.
- (b) Yes, supply of goods by Mr. Anubhai.
- (c) Yes, supply of services by Mr. Manubhai.
- (d) Yes, supply of services by Mr. Anubhai.

4. Banke Bihari (Pedewala), is a famous sweets manufacturer, located and registered in Mathura, Uttar Pradesh. He received an order for 200 kg of sweets on 2nd November, 2018 from M/s. Ghoomghoom Travels (P) Ltd., located and registered in same locality of Mathura for a total consideration of Rs. 1,00,000/- on occasion of Diwali festival. All 200 kg sweets were delivered to M/s. Ghoomghoom Travels (P) Ltd. on 5th November, 2018, but without invoice, as accountant of Mr. Banke Bihari was on leave on that day. However, the invoice was raised for the same on 6th November, 2018, when the accountant joined the office after leave. Payment in full was made on 7th November, 2018. Determine the time of supply of goods in this case.

- (a) 2nd November, 2018
- (b) 5th November, 2018
- (c) 6th November, 2018
- (d) 7th November, 2018

5. M/s. Buildwell Engineering Consultants, located and registered in Gurugram, Haryana provided consultancy services to M/s. Taj India Ltd., (located and registered in Mumbai, Maharashtra) for its hotel to be constructed on land situated in Dubai.

Determine the place of supply of consultancy services provided by M/s. Buildwell Engineering Consultants to M/s. Taj India Ltd.:

- (a) Gurugram, Haryana
- (b) Mumbai, Maharashtra
- (c) Dubai
- (d) None of the above

6. Which of the following activity is taxable under GST?

- (i) Supply of food by a hospital to patients (not admitted) or their attendants or visitors.
- (ii) Transportation of passengers by non-air-conditioned railways
- (iii) Services by a brand ambassador by way of folk dance performance where consideration charged is Rs. 1,40,000.
- (iv) Transportation of agriculture produce by air from one place to another place in India
- (v) Services by way of loading, unloading, packing, storage or warehousing of rice

(vi) Service provided by GTA where consideration charged for transportation of goods for a single carriage is Rs. 900

(a) (i), (v), (vi) (b) (iii), (iv), (v)(c) (i), (iii), (iv) (d) (iv), (v)

7. XY, Bangalore, Karnataka furnishes following information:

(i) 10 MT of inputs stock transferred to branch located in Chennai, Tamil Nadu on 10th April, 20XX. Transfer value of the inputs shown in the invoice is Rs. 10,000.

(ii) 5 MT of inputs supplied to customer located in Chennai at Rs. 12,500 on 10th April, 20XX.

(iii) Cost of production of 1 MT of input is Rs. 750.

(iv) Chennai branch is eligible for full input tax credit.

The value of the inputs stock transferred to Chennai Branch is-

(a) Rs. 10,000 (b) Rs. 25,000 (c) Rs. 8,250 (d) Rs. 12,500

8. Shagun started supply of goods in Vasai, Maharashtra from 01.01.20XX. Her turnover exceeded Rs. 20 lakh on 25.01.20XX. However, she didn't apply for registration. Determine the amount of penalty, if any, that may be imposed on Shagun under section 122(1) of the CGST Act, 2017 on 31.03.20XX, if the tax evaded by her, as on said date, on account of failure to obtain registration is Rs. 1,26,000:

(a) Rs. 10,000

(b) Rs. 1,26,000

(c) Rs. 12,600

(d) None of the above

9. Rochester Private Limited has been issued a show cause notice (SCN) on 31.08.2021 under section 73(1) of the CGST Act, 2017 on account of short payment of tax during the period between 01.07.2017 and 31.12.2017. As per section 73(1), in the given case, SCN can be issued latest by_____.

(a) 31.12.2021

(b) 30.09.2021

(c) 30.06.2021

(d) 31.12.2020

10. Prabhat International Ltd. exported some goods to USA by air at an FOB price of US \$ 1,00,000. Other details are as follows:

Particulars	Date	Rate of duty	Rate of exchange notified by CBIC	Rate of exchange prescribed by RBI
Presentation of shipping bill	16.04.20XX	12%	1 US \$ = 65	1 US \$ = 68

The export duty payable by Prabhat International Ltd. is:

- (a) Rs. 6,50,000 (b) Rs. 7,80,000 (c) Rs. 7,68,000 (d) Rs. 6,40,000

11. Which of the following legal services does not fall under reverse charge mechanism provisions as contained under section 9(3) of the CGST Act, 2017-
- (a) Representation services provided by an individual advocate
(b) Representation services provided by a senior advocate
(c) Representation services provided by a firm of advocates
(d) Legal services provided by an advocate to an unregistered individual
12. Which one of the following cannot be a reason for cancellation of GST registration?
- (a) There is a change in the constitution of business from partnership firm to proprietorship.
(b) The business has been discontinued.
(c) A composition taxpayer has not furnished returns for three consecutive tax periods.
(d) A registered person, other than composition taxpayer, has not furnished returns for three consecutive tax periods.
13. A registered person can claim refund of unutilised input tax credit on zero rated supplies without payment of tax or the credit accumulated on account of inverted tax rate structure:
- (a) at the end of the tax period, but before the expiry of 2 years from the relevant date.
(b) before the expiry of the tax period.
(c) before the expiry of 3 years from the relevant date.
(d) before the expiry of 18 months from the relevant date.
14. A registered person, who is under investigation for an offence under Chapter XIX of the CGST Act, 2017, needs to retain the books of accounts/other records pertaining to such investigation until the expiry of:
- (a) 72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records.
(b) 1 year after final disposal of such investigation.
(c) (a) or (b), whichever is later

- (d) None of the above
15. The time-limit for issuance of order of best judgment assessment under CGST Act, 2017 is:
- (a) 5 years from the date specified for furnishing of the annual return for the financial year to which the tax not paid relates.
- (b) 4 years from the date specified for furnishing of the annual return for the financial year to which the tax not paid relates.
- (c) 3 years from the date specified for furnishing of the annual return for the financial year to which the tax not paid relates.
- (d) None of the above
16. Inspection under CGST Act, 2017 can be ordered if the taxable person has:
- (a) suppressed any transaction of supply of goods or services
- (b) suppressed stock of goods in hand
- (c) contravened any provision of the GST law to evade tax
- (d) All of the above
17. Where any agent supplies goods on behalf of his principal:
- (a) Such agent shall be jointly and severally liable to pay the GST payable on such goods.
- (b) The principal shall be jointly and severally liable to pay the GST payable on such goods.
- (c) Both (a) and (b)
- (d) None of the above.
18. Under the Customs Act, 1962, the relevant date for determining the rate of exchange in case of imported goods is:
- (a) Date when the vessel arrives in India
- (b) Date of presentation of bill of entry
- (c) Date of examination of goods by proper officer
- (d) Date of deposit of duty
19. Which of the following statement(s) is/are correct?
- (i) Cases which are specially designed or fitted to contain a specific article and given with the articles for which they are intended shall follow the classification of items which are packed;
- (ii) Packing materials whether capable of repetitive use or not, cleared along with goods, are classifiable with goods.
- (a) (i) (b) (ii)
- (c) Both (i) and (ii) (d) None

20. Anti-Dumping duty is calculated as
- Higher of margin of dumping or injury margin
 - Lower of margin of dumping or injury margin
 - Higher of export price or normal value
 - Lower of export price or normal value

Division B: Descriptive Questions (70 Marks)

Question no. 1 is compulsory. Attempt any four questions out of the remaining five questions.

- 1. (a)** 'Sarvshiksha Trust' is a charitable trust registered under section 12AA of the Income-tax Act, 1961. The trust is registered under GST in the State of Uttar Pradesh. The trust runs the following educational institutions:
- 'Kaypee Institute of Technology' (KIT), a private engineering college in Ghaziabad. KIT also runs distance learning post graduate engineering programmes. Exams for such programmes are conducted in select cities at centres appointed by the KIT. All the engineering courses including the distance learning post graduate engineering programme run by KIT are approved by The All India Council for Technical Education (AICTE).
 - 'Nanhi Mutthi', a pre-school in Lucknow.
 - 'Bright Minds', a coaching institute in Kanpur. The Institute provides coaching for Institute of Banking Personnel Selection (IBPS) Probationary Officers Exam.
 - 'Gyan Vaibhav' a higher secondary school affiliated to CBSE Board.

The trust provides the following details relating to the goods and services received by the various institutions run by it during the period April 20XX to September 20XX:

Table 1

S.No.	Particulars	KIT (Rs.)	Nanhi Mutthi (Rs.)	Bright Minds (Rs.)	Gyan Vaibhav (Rs.)
(i)	Printing services for printing the question papers (paper and content are provided by the Institutions)	2,50,000		1,50,000	2,00,000
(ii)	Paper procured for printing the question papers	4,30,000		2,58,000	3,44,000
(iii)	Courier services for sending the admit cards for the examination, to the students	50,000			

(iv)	Honorarium to paper setters and examiners (not on the rolls of the Institution)	5,00,000			
(v)	Rent for exam centers taken on rent like schools etc, for conducting examination	8,00,000		1,00,000	
(vi)	Subscription for online educational journals [Nanhi Mutthi has taken the subscription for online periodicals on child development and experiential learning]	4,00,000	80,000	2,20,000	2,40,000
(vii)	Hire charges for buses used to transport students and faculty from their residence to college and back	4,80,000	5,50,000	1,30,000	7,50,000
(viii)	Catering services for running a canteen in the campus for students (Catering services for KIT include a sum of Rs. 60,000 for catering at a student event organised in a banquet hall outside the campus)	3,20,000	2,60,000	1,80,000	5,00,000
(ix)	Security and housekeeping services for the institution(s) (Security and housekeeping services for Gyan Vaibhav include a sum of Rs. 80,000 payable for security and housekeeping at the student event organised in a banquet hall outside the campus)	6,00,000	4,00,000	3,75,000	4,65,000

The trust further provides the following details relating to the output services provided to the students by the various institutions run by it during the period April 20XX to September 20XX:

Table 2

S.No.	Particulars	KIT (Rs.)	Nanhi Mutthi (Rs.)	Bright Minds (Rs.)	Gyan Vaibhav (Rs.)
(i)	Tuition fee	35,00,000	15,00,000	20,00,000	25,00,000
(ii)	Transport fee charged from students	5,00,000	6,00,000	1,30,000	8,50,000
(iii)	Charges for food supplied in canteen (located in the premises of the Institutions) The canteen facility being provided by Bright Minds is not	4,60,000		2,40,000	6,10,000

	compulsory and is open to general public as well. However, canteen facility being provided by KIT and Gyan Vaibhav is only for students and staff of such educational institutions.				
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With the help of the above details –

- (i) **determine the amount of GST payable**, if any, on goods and services received during April 20XX- September 20XX by the various educational institutions run by the 'Sarvshiksha Trust';
- (ii) **compute net GST liability of the 'Sarvshiksha Trust' payable** from the Electronic Cash Ledger, for the period April 20XX to September 20XX.

All the amounts given above are exclusive of taxes, wherever applicable.

Notes:

- (i) Rate of GST on catering service is 5%. No ITC has been availed on inputs and input services used in the supply of catering service. Assume that while providing the catering service in the canteen, the educational institutions have not used any inputs and input services except the catering service (mentioned at Sl. No. VIII of Table 1) availed from third parties. **(10 Marks)**
 - (ii) Rate of GST on goods is 12%. Rate of GST on printing services is 12% and on other services is 18%.
 - (iii) Except catering service, wherever relevant, all the conditions necessary for availing the ITC have been complied with. **(4 Marks)**
- 2. (a)** Mr. Rajesh Surana has a proprietorship firm in the name of Surana & Sons in Jaipur. The firm, registered under GST in the State of Rajasthan, manufactures three taxable products 'M', 'N' and 'O'. Tax on 'N' is payable under reverse charge. The firm also provides taxable consultancy services.

The firm has provided the following details for the period April 20XX – September 20XX:

Particulars	(Rs.)
Turnover of 'M'	14,00,000
Turnover of 'N'	6,00,000
Turnover of 'O'	10,00,000
Export of 'M' with payment of IGST	2,50,000
Export of 'O' under letter of undertaking	10,00,000
Consultancy services provided to independent clients located in foreign countries under LUT. In all cases, the consideration has been received in convertible foreign exchange within 2-3 months from the date of the invoice	20,00,000
Sale of building (excluding stamp duty of Rs. 2.50 lakh, being 2% of value)	1,20,00,000
Interest received on investment in fixed deposits with a bank	4,00,000
Sale of shares (Purchase price Rs. 2,40,00,000/-)	2,50,00,000
Legal services received from an advocate in relation to product 'M'	3,50,000
Common inputs and input services used for supply of goods and services mentioned above [Inputs - Rs. 35,00,000; Input services - Rs. 15,00,000]	50,00,000

With the help of the above-mentioned information, **compute the net GST liability of Surana & Sons, payable from Electronic Credit Ledger and/or Electronic Cash Ledger**, as the case may be, for the period April 20XX- September 20XX.

Note: Assume that all the domestic transactions of Surana & Sons are intra-State and that rate of GST on goods and services are 12% and 18% respectively. All the conditions necessary for availing the ITC have been complied with. Turnover of Surana & Sons was Rs. 85,00,000 in the previous financial year. All the amounts given above are exclusive of GST, wherever applicable.

(9 Marks)

(b) Shubham & Company Ltd. has imported a machine from U.K. From the following particulars furnished by it, arrive at the **assessable value for the purpose of customs duty payable**.

	Particulars	Amount
(i)	Price of the machine	10,000 U.K. Pounds
(ii)	Freight (air)	3,000 U.K. Pounds
(iii)	Engineering and design charges paid to a firm in U.K.	500 U.K. Pounds
(iv)	License fee relating to imported goods payable by the buyer as a condition of sale	20% of price of machine
(v)	Materials and components supplied in UK by the buyer free of cost	

	valued at Rs. 20,000	
(vi)	Insurance paid to the insurer in India	Rs. 6,000
(vii)	Buying commission paid by the buyer to his agent in U.K.	100 U.K. Pounds

Other particulars:

- (i) Inter-bank exchange rate: Rs. 98 per U.K. Pound.
- (ii) CBIC notified exchange rate: Rs. 100 per U.K. Pound.
- (iii) Importer paid Rs. 5,000 towards demurrage charges for delay in clearing the machine from the airport.

(5 Marks)

3. (a) Rolly Polly Manufacturers Ltd., registered in Mumbai (Maharashtra), is a manufacturer of footwear. It imports a footwear making machine from USA. Rolly Polly Manufacturers Ltd. avails the services of Rudra Logistics, a licensed customs broker with its office at Ahmedabad (Gujarat), in meeting all the legal formalities for getting the said machine cleared from the customs station.

Rolly Polly Manufacturers Ltd. also authorises Rudra Logistics to incur, on its behalf, the expenses in relation to clearance of the imported machine from the customs station and bringing the same to its warehouse at Mumbai. These expenses would be reimbursed by Rolly Polly Manufacturers Ltd. to Rudra Logistics on actual basis. In addition, Rolly Polly Manufacturers Ltd. will also pay the agency charges to Rudra Logistics for the services rendered by it.

Rudra Logistics raised an invoice in July, 20XX as follows:

S.No.	Particulars	Amount* (Rs.)
(i)	Agency charges	5,00,000
(ii)	Unloading of machine at Kandla port, Gujarat	50,000
(iii)	Charges for transport of machine from Kandla port, Gujarat to Rudra Logistics' godown in Ahmedabad, Gujarat	25,000
(iv)	Charges for transport of machine from Rudra Logistics' Ahmedabad godown to the warehouse of Rolly Polly Export Import House in Mumbai, Maharashtra	28,000
(v)	Customs duty on machine	5,00,000
(vi)	Dock dues	50,000
(vii)	Port charges	50,000
(viii)	Hotel expenses	45,000
(ix)	Travelling expenses	50,000
(x)	Telephone expenses	2,000

*exclusive of GST wherever applicable

Compute the value of supply made by Rudra Logistics with the help of given information.

Would your answer be different if Rudra Logistics charges Rs. 13,00,000 as a lump sum consideration for clearing the imported machine from the customs station and bringing the same to the warehouse of Rolly Polly Manufacturers Ltd.?

(9 Marks)

- (b) Pinnacle Pvt. Ltd. imported five mainframe computer systems from Deliheights Computers, USA on 31.01.20XX paying customs duty of Rs. 50 lakh. The computers worked for some time but in June 20XX some technical faults developed in the systems resulting in complete closure of work. On being informed about the problem, Deliheights Computers sent his technicians from USA, to repair the systems in June 20XX itself. However, since no solution was found, the Management of Pinnacle Pvt. Ltd. re-shipped/returned the goods to Deliheights Computers, USA on 31.12.20XX.

You are the Financial Controller of the Pinnacle Pvt. Ltd. Board of Directors has approached you for advising whether import duty paid can be taken back from the Central Government when goods are sent back. Advise, in the light of the provisions of Customs Act, 1962.

(5 Marks)

4. (a) Sudama Industries Ltd., registered in the State of Jammu & Kashmir, manufactures plastic pipes for other suppliers on job-work basis.

On 10.01.20XX, Plasto Manufacturers (registered in the State of Himachal Pradesh) sent plastic worth Rs. 4 lakh and moulds worth Rs. 50,000, free of cost, to Sudama Industries Ltd. to make plastic pipes. Sudama Industries Ltd. also used its own material - a special type of lamination material for coating the pipes - worth Rs. 1 lakh in the manufacture of pipes. It raised an invoice of Rs. 2 lakh as job charges for making pipes and returned the manufactured pipes through challan to Plasto Manufacturers on 20.10.20XX.

The same quality and quantity of plastic pipes, as was made for Plasto Manufacturers, were made by Sudama Industries Ltd. from its own raw material and sold to Solid Pipes (registered in Jammu and Kashmir) for Rs. 7.5 lakh on 20.10.20XX. Examine the scenario and offer your views on the following issues with reference to the provisions relating to job work under the GST laws:

- (i) Is there any difference between the manufacture of plastic pipes by Sudama Industries Ltd. for Plasto Manufacturers and for Solid Pipes?

(2½ Marks)

- (ii) Whether Sudama Industries Ltd. can use its own material even when it is manufacturing the plastic pipes on job-work basis?

(1 Mark)

- (iii) Whether sending the plastic and moulds to Sudama Industries Ltd. by Plasto

Manufacturers is a supply and a taxable invoice needs to be issued for the same? **(3 Marks)**

- (iv) Whether Sudama Industries Ltd. should include the value of free of cost plastic supplied by Plasto Manufacturers in its job charges? **(2½ Marks)**

(b) Mr. Roy, an Indian entrepreneur, went to London to explore new business opportunities on 01.04.2018. His wife also joined him in London after three months. The following details are submitted by them with the Customs authorities on their return to India on 15.04.2019:

- (a) used personal effects worth Rs. 80,000,
(b) 2 music systems each worth Rs. 50,000,
(c) the jewellery brought by Mr. Roy worth Rs. 48,000 [20 grams] and the jewellery brought by his wife worth Rs. 96,000 [40 grams].

With reference to Baggage Rules, 2016, determine whether Mr. and Mrs. Roy will be required to pay any customs duty? **(5 Marks)**

5. (a) Ranjan intends to start selling certain goods in Delhi. However, he is not able to determine the classification of the goods proposed to be supplied by him [as the classification of said goods has been contentious].

Ranjan's tax advisor has advised him to apply for the advance ruling in respect of said issue. He told Ranjan that the advance ruling would bring him certainty and transparency in respect of the said issue and would avoid litigation later. Ranjan agreed with his view, but has some apprehensions.

In view of the information given above, you are required to advise Ranjan with respect to following:

- (i) The tax advisor asks Ranjan to get registered under GST law before applying for the advance ruling as only a registered person can apply for the same. Whether Ranjan needs to get registered? **(2 Marks)**

- (ii) Can Ranjan seek advance ruling to determine the classification of the goods proposed to be supplied by him?

Further, Sambhav - Ranjan's friend - is a supplier registered in Delhi. He is engaged in supply of the goods, which Ranjan proposes to supply at the same commercial level that Ranjan proposes to adopt.

He intends to apply the classification of the goods if decided in the advance ruling order to be obtained by Ranjan, to the goods supplied by him in Delhi. Whether Sambhav can do so? **(3 Marks)**

- (iii) Ranjan is apprehensive that if at all advance ruling is permitted to be sought, he has to seek it every year. Whether Ranjan's apprehension is correct?

(2 Marks)

(iv) The tax advisor is of the view that the order of Authority for Advance Ruling (AAR) is final and is not appealable. Whether the tax advisor's view is correct?

(2 Marks)

(b) With reference to the provisions of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, explain briefly the chief reasons on the basis of which the proper officer can raise doubts on the truth or accuracy of the declared value.

(5 Marks)

6. (a) In case of death of a person liable to pay tax, interest or penalty, who shall be liable to pay said dues? Discuss as per the provisions of section 93(1) of the CGST Act, 2017.

(4 Marks)

(b) Explain the provisions relating to rectification of errors apparent on the face of record under section 161 of the CGST Act, 2017?

(5 Marks)

(c) Briefly explain as to how FTP is linked with customs laws.

(5 Marks)