

PART A : Multiple Choice Questions ----- (30 MARKS)

Question 1.

(2*10 = 20 marks)

1. M/s. Shahrukh Beedi Company (P) Ltd., is a manufacturer of cigarettes. It has been registered under GST in the State of West Bengal.
The turnover of the company from the period April, 2018 to March, 2019 is Rs. 90,00,000/-. The Excise duty paid on the cigarettes removed is Rs. 10,00,000/-. CGST and SGST paid on the cigarettes is Rs. 18,00,000/-.
- The company also recovered actual freight of Rs. 5,00,000/- on the supply of cigarettes so made during the financial year 2018-19, and also charged CGST/ SGST thereon. The company paid RCM @ 5% while availing the services of GTA of Rs. 5,00,000/-.
- Compute the aggregate turnover of M/s. Shahrukh Beedi Company (P) Ltd.,
- (a) Rs. 90,00,000/- (b) Rs. 1,00,00,000/-
(c) Rs. 1,18,00,000/- (d) Rs. 1,05,00,000/-
2. Mr. Palliwal Desai, a registered practicing Chartered Accountant, located in Jaipur, in the State of Rajasthan, is providing professional and consultancy services to its various clients from his firm.
He has taken some professional consultancy services from another establishment of its firm in UK. He has not paid any consideration for the same.
- Such services would have been taxable @ 18% (9% under CGST + 9% under SGST and 18% under IGST), had they been received in India. Also, Mr. Palliwal Desai would have paid Rs. 4.00 Lakh, had he not received the said services from the UK establishment.
- State the liability of Mr. Palliwal Desai, under CGST/ IGST Act, 2017, out of the following options-
- a) Rs. 72,000/- as Integrated Tax
b) CGST Rs. 36,000/- & SGST Rs. 36,000/-, since POS is in India
c) Nil, since no foreign exchange was paid
d) Nil, since such services are exempt
- 3.. In which of the following cases, import of services by an individual is taxable under GST?
- (1) Import of service with consideration in course or furtherance of business.
(2) Import of service with consideration not in course or furtherance of business.
(3) Import of service without consideration from a related person in course or furtherance of business.
(4) Import of service without consideration from a related person not in course or furtherance of business.
- (a) (1) and (3)
(b) (2) and (4)
(c) (1), (2) and (3)
(d) (4)

4. M/s. Jolly Electronics (P) Ltd., is an authorized dealer of M/s. GG Micro Ltd., located and registered in Lucknow, Uttar Pradesh. It has sold following items to Mr. Alla Rakha (a consumer):

Product	Amount (Rs.)
Refrigerator (500 litres) taxable @ 18%	40,000/-
Stabilizer for refrigerator taxable @ 12%	5,000/-
LED television (42 inches) taxable @ 12%	30,000/-
Split air conditioner (2 Tons) taxable @ 28%	35,000/-
Stabilizer for air conditioner taxable @12%.	5,000/-
Total value	1,15,000/-

M/s. Jolly Electronics (P) Ltd. has given a single invoice, indicating price of each item separately to Mr. Alla Rakha. Mr. Alla Rakha, has given a single cheque of Rs. 1,00,000/- for all the items as a composite discounted price. State the type of supply and the tax rate applicable on the same.

- Composite supply; Highest tax rate applicable to split air conditioner, i.e. 28%
 - Mixed supply; Highest tax rate applicable to split air conditioner, i.e. 28%
 - Supply other than composite and mixed supply; Highest tax rate applicable to split air conditioner i.e. 28%
 - Supply other than composite and mixed supply; respective tax rate applicable to each item
5. M/s. Dev Bhoomi Rice (P) Ltd., a registered person under GST, is providing services of processing of milling of paddy into rice, loading, unloading, packing, storage and warehousing of rice in the State of Chhattisgarh. The company has made following supplies during the tax period of April, 2018 to September, 2018:
- Loading and unloading of rice: Rs. 50,00,000/-.
 - Packing and warehousing of rice: Rs. 30,00,000/- .
 - Processing services of milling of paddy into rice: Rs. 1,00,00,000/-.
- Determine the amount of GST payable on the above supplies assuming rate of tax as 5%.
- Rs. 32,40,000/-
 - Rs. 9,00,000/-
 - Rs. 5,00,000/-
 - Rs. Nil/-

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

- Supply of food by a hospital to patients (not admitted) or their attendants or visitors.
- Transportation of passengers by non-air-conditioned railways
- Services by a brand ambassador by way of folk dance performance where consideration charged is Rs. 1,40,000.
- Transportation of agriculture produce by air from one place to another place in India
- Services by way of loading, unloading, packing, storage or warehousing of rice
- 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. Which of the following transactions does not qualify as supply under GST law?

- When the Head Office makes a supply of services to its own branch outside the State.
- When a person import services without consideration for the purposes of his business from his son living outside India.

- (iii) Disposal of car without consideration and where the supplier has not claimed input tax credit on such car.
 - (iv) When a principal makes supplies to his agent who is also registered and is situated within the same State.
 - (a) (i) & (iii)
 - (b) (i), (ii) & (iii)
 - (c) (iii)
 - (d) (iii) & (ii)
8. Sukanya, a registered supplier, failed to pay the GST amounting to Rs. 5,000 for the month of January, 20XX. The proper officer imposed a penalty on Sukanya for failure to pay tax. Sukanya believes that it is a minor breach and in accordance with the provisions of section 126 of the CGST Act, 2017, no penalty is imposable for minor breaches of tax regulations. In this regard, which of the following statements is true?
- (a) Penalty is leviable on Sukanya since the breach is considered as a 'minor breach' only if amount of tax involved is less than Rs. 5,000
 - (b) Penalty is not leviable on Sukanya since the breach is considered as a 'minor breach' if amount of tax involved is upto Rs. 5,000
 - (c) Penalty is leviable on Sukanya since the breach is considered as a 'minor breach' only if amount of tax involved is Nil.
 - (d) None of the above.
9. Certain goods were imported by air. The free on board value of goods is Rs. 100. The cost of transport, loading, unloading and handling charges up to place of importation is Rs. 25. The cost of insurance is Rs. 10. For the purposes of rule 10(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, which of the following shall be added to the value of imported goods?
- (a) Cost of transport, loading, unloading and handling charges – Rs. 25; and Cost of insurance Rs. 10;
 - (b) Cost of transport, loading, unloading and handling charges – Rs. 25; and Cost of insurance Rs. 1.125
 - (c) Cost of transport, loading, unloading and handling charges – Rs. 20; and Cost of insurance Rs. 1.125
 - (d) Cost of transport, loading, unloading and handling charges – Rs. 20; and Cost of insurance Rs. 10
10. Social welfare surcharge is leviable on-
- (i) Basic Customs Duty;
 - (ii) IGST;
 - (iii) Anti-Dumping Duty;
 - (iv) GST Compensation Cess
 - (a) Only (i)
 - (b) (i) + (ii) + (iii)
 - (c) (i) + (ii) + (iv)
 - (d) (i) + (iii)

Question 2.

(1*10 = 10 marks)

1. 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.
2. If a taxable person has done the following act, inspection can be ordered:
(a) Suppression of any transaction of supply of goods or services
(b) Suppression of stock of goods in hand
(c) Contravention of any provision of the GST law to evade tax
(d) All of the above
3. What will be the rate of tax and nature of supply of a service, if the same is not determinable at the time of receipt of advance?
(a) 12%, Inter-State supply
(b) 12%, Intra-State supply
(c) 18%, Inter-State supply
(d) 18%, Intra-State supply
4. GST compliance rating shall be assigned to:
a. only a person who is liable to deduct TDS/ collect TCS
b. only a composition dealer
c. only an Input Service Distributor
d. every registered person
5. 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
6. Where the National Anti-Profitereering Authority determines that a registered person has not passed on the benefit of input tax credit to the recipient by way of commensurate reduction in price, the Authority may order:
i. reduction in prices
ii. imposition of prescribed penalty
iii. cancellation of registration
Which of the above options are correct?
(a) i. and ii.
(b) i., ii. and iii.
(c) i. and iii.
(d) i.
7. Which one of the following cannot be a reason for cancellation of 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.
8. 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 been issued latest by____.
(a) 31.12.2021 (b) 30.09.2021
(c) 30.06.2021 (d) 31.12.2020

- (B) 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 taxable products. The firm also provides taxable consultancy services.

Mr. Rajesh Surana has provided the consultancy service to his brother - Mr. Akhilesh Surana (located in USA) without any consideration. The products manufactured by Mr. Akhilesh are similar to the ones manufactured by Mr. Rajesh Surana. Mr. Surana charges Rs. 3,00,000 for providing similar consultancy services to other independent customers located in USA.

Compute the GST liability, if any, in the given case assuming the rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively.

(4 MARKS)

QUESTION : 2

- (A) Musicera Pvt. Ltd., owned by Nitish Daani - a famous classical singer - wishes to organise a 'Nitish Daani Music Concert' in Gurugram (Haryana). Musicera Pvt. Ltd. (registered in Ludhiana, Punjab) enters into a contract with an event management company, Supriya (P) Ltd. (registered in Delhi) for organising the said music concert at an agreed consideration of Rs. 10,00,000. Supriya (P) Ltd. books the lawns of Hotel Dumdum, Gurugram (registered in Haryana) for holding the music concert, for a lump sum consideration of Rs. 4,00,000. Musicera Pvt. Ltd. fixes the entry fee to the music concert at Rs. 5,000. 400 tickets for 'Nitish Daani Music Concert' are sold.

You are required to determine the CGST and SGST or IGST liability, as the case may be, in respect of the supplie(s) involved in the given scenario.

Will your answer be different if the price per ticket is fixed at Rs. 450?

Note: Rate of CGST and SGST is 9% each and IGST is 18%. All the amounts given above are exclusive of taxes, wherever applicable.

(9 MARKS)

- (B) **Determine the customs duty payable** under Customs Tariff Act, 1975 including the safeguard duty of 30% u/s 8B of the said Act with the following details available on hand :

Import of Sodium Nitrite from a developing country from 26 th February, 2018 to 25 th February, 2019 (both days inclusive)	30,00,000
Share of imports of Sodium Nitrite from the developing country against total imports of Sodium Nitrite to India	4%
Basic Customs Duty	10%
Integrated tax u/s 3(7) Customs Tariff Act, 1975	18%
GST compensation Cess	Nil
Social Welfare Surcharge	10%

(5 MARKS)

QUESTION : 3

- (A) Educators Ltd. providing educational services, furnishes you with the following information for the various services provided by it. It has collected an aggregate sum of Rs. 25 lakhs during the month ended 30.09.2018 as under :

- (1) Receipts of 'Gyan sagar' an industrial training institute (ITI) affiliated to the National Council for Vocational Training (NCVT) : Rs. 1.2 lakhs
- (2) Receipts of 'Edu care' a vocational education provider affiliated to Sector Skill Council formed under National Skill Development Corporation (NSDC) : Rs. 1.8 lakhs

- (3) Receipts of 'Abhigyan Skill Centre' an industrial training centre (ITC) affiliated to the State Council for Vocational Training, Rajasthan : Rs. 2 lakhs
- (4) Receipts of 'Mission', an institute, registered with Directorate General of Employment and Training (DGET), Union Ministry of Labour and Employment, running a Modular Employable Skill Course (MESOC) approved by the National Council of Vocational Training : Rs. 1 lakhs
- (5) Receipts of 'Scinart' a Commercial coaching institute providing commercial coaching in the field of arts and science : Rs. 0.8 lakhs (no certificate was issued on completion of the training)
- (6) Receipts of 'Commerce concepts' a Commercial coaching institute providing coaching in the field of commerce : Rs. 1.2 lakhs (a certificate was awarded to each trainee after completion of the training)
- (7) Receipts of Gurukul school providing education upto higher secondary : Rs. 6 lakhs
- (8) Receipts of 'Play Kids' school providing education upto primary level : Rs. 11 lakhs (such receipts includes receipts from renting of premises to commercial centre : Rs. 3 lakhs)

Computer the value of taxable supply and GST payable thereon. All the amounts are exclusive of GST. Rate of GST – 18%.

(9 MARKS)

- (B)** Mr. X imported certain goods from a related person Mr. Paul of US and transaction value has been rejected. Rules 4 and 5 of the Import Valuation Rules are found inapplicable, as no similar / identical goods are imported in India. Mr. X furnishes cost related data of imports and requests Customs Authorities to **determine value accordingly as per Rule 8**. The relevant data are –

(1) Cost of materials incurred by Mr. Paul	\$ 2,000
(2) Fabrication charges incurred by Mr. Pual	\$ 1,000
(3) Other chargeable expenses incurred by Mr. Paul	\$ 400
(4) Other indirect costs incurred by Mr. Paul	\$ 250
(5) Freight from Mr. Paul's factory to US Port	\$ 250
(6) Loading charges at US port	\$ 100
(7) Normal net profit margin of Mr. Paul	20% of FOB
(8) Air freight form US port to Indian port	\$ 1,500
(9) Insurance from US port to Indian port	\$ 50
(10) Exchange Rate	Rs. 65 per \$

The Customs Authorities are of the opinion that since value as per Rule 7 can be determined at Rs. 4,00,000, there is no need to apply Rule 8.

(5 MARKS)

QUESTION : 4

(A)

- (I)** **State the exceptions to the principle of unjust enrichment** as applicable to refund claims.

(5 MARKS)

- (II)** Radhaswamy owns and supplies certain goods costing Rs. 30,00,000 in a conveyance hired from Manikaran Transporters. Market value of said goods is Rs. 40,00,000 and tax chargeable thereon is Rs. 4,80,000.

The goods supplied by Radhaswamy and the conveyance [owned by Manikaran Transporters] used for carriage of such goods are confiscated since Radhaswamy has supplied said goods in contravention of the provisions of the CGST Act, 2017 with an intent to evade payment of tax.

However, the proper officer intends to give an option to Radhaswamy and Manikaran Transporters to pay in lieu of confiscation, a fine leviable under section 130 of the CGST, Act, 2017.

Determine the maximum amount of the fine in lieu of confiscation on :

- (i) the goods liable for confiscation.
- (ii) the conveyance used for carriage of such goods.

(4 MARKS)

(B) State the **difference between transit and transshipment** of goods under the provisions of the Customs Act. **(5 MARKS)**

QUESTION : 5

(A)

(I) Beauty Cosmetics Ltd. has multiple wholesale outlets of cosmetic products in Mumbai, Maharashtra. It receives an order for cosmetics worth Rs. 1,20,000 (inclusive of GST leviable @ 18%) from Prasanna, owner of a retail cosmetic store

in Delhi. While checking the stock, it is found that order worth Rs. 55,000 can be fulfilled from the company's Dadar (Mumbai) store and remaining goods worth Rs. 65,000 can be sent from its Malad (Mumbai) store. Both the stores are instructed to issue separate invoices for the goods sent to Prasanna. The goods are transported to Prasanna in Delhi, in a single conveyance owned by Radhey Transporters.

You are required to advise Beauty Cosmetics Ltd. with regard to issuance of e-way bill(s). **(5 MARKS)**

(II) M/s. Dental Care Ltd. has introduced a new product 'CLOVE' toothpaste. **Determine the GST payable** if rate of tax is 18% on tooth paste and tooth brush :

- (i) 1,000 pieces having retail sale price (RSP) Rs. 70 per piece are sold in retail packages to wholesale dealer at Rs. 50 per piece.
- (ii) 2,500 pieces having RSP Rs. 70 per piece are sold in retail packages, but buyer is charged for 2,400 pieces only at Rs. 50 per piece (100 pieces have been given free as quantity discount).
- (iii) 50 pieces were given away as free samples, without any RSP on the pack.
- (iv) 200 multi – packs were cleared at Rs. 90 per pack, each containing two toothpaste tubes and one tooth brush free (without any RSP on it.)

The amount charged from the dealers/ buyers are exclusive of GST.

(4 MARKS)

(B)

Mrs. A, a person of Indian origin, aged 40 years came to India on tour along with her baby aged 1 ½ years. She carried with her following goods :

- (1) Personal effects like clothes of Mrs. A valued at Rs. 40,000.
- (2) Used personal effects to infant valued at Rs. 60,000.
- (3) Laptop worth Rs. 65,000.
- (4) Travel souvenirs valued at Rs. 25,000.
- (5) 1 liter wine worth Rs. 5,000.
- (6) Mobile worth Rs. 20,000.
- (7) Digital camera Rs. 60,000.
- (8) Cigars 20 worth Rs. 1,340.

What is the customs duty payable ?

(5 MARKS)

QUESTION : 6

(A) (I) Specify the amount of mandatory pre – deposit which should be made along with every appeal before the Appellate Authority and the appellate Tribunal. Does making the pre – deposit have any impact on recovery proceedings ? **(4 MARKS)**

(II) Mr. A, a retailer who keeps no inventories, presents the following estimated information for the year –

(1) Purchases of goods : Rs. 50 lakhs (GST @ 5%)

(2) Sales (at fixed selling price inclusive of all taxes) : Rs. 60 lakhs (GST on sales @ 5%)

Discuss whether he should opt for composition scheme if composite tax is 1% of turnover. Expenses of keeping detailed statutory records required under the GST Laws will be Rs. 1,20,000 p.a., which shall get reduced to Rs. 50,000 if composition scheme is opted for. Other expenses are Rs. 3,00,000 p.a.

(5 MARKS)

(B) What are the mandatory documents required to export / import of goods from /into India.

(5 MARKS)