

Question 1 & 2 are compulsory and attempt any three out of four questions

Question 1: Objective Questions

(1 mark x 30 = 30 marks)

1) Import of services by a taxable Person from a related person or from any of his other establishments outside India, in the course or furtherance of business shall be _____.

- (a) not treated as supply of services
(b) treated as supply when made with consideration
(c) treated as supply even if without consideration
(d) treated as supply of goods

2) Determine the time of supply of services where services are taxed on reverse charge basis :

Date of invoice issued by supplier	Date of completion of service	Date of payment by recipient	Entry of receipt of service in recipient's books
30.11.2018	30.11.2018	10.03.2019	30.11.2018

- (a) 30.11.2018 (b) 28.11.2018 (c) 10.03.2019 (d) 30.01.2019

3) Determine the value of taxable supply as per provisions of Section 15 of the CGST Act, 2017?

Contracted value of supply of goods (including GST @ 18%)	11,80,000
The contracted value of supply includes the following :	
(1) Cost of Primary Packing	25,000
(2) Cost of protective packing at recipient's request for safe transportation	15,000

- (a) Rs. 10,00,000 (b) Rs. 11,80,000 (c) Rs. 11,55,000 (d) Rs. 11,40,000

4) Importer must pay demand u/s 18(3) of customs Act, 1962 on finalization of provisional assessment with interest @ _____ .

- (a) 24% p.a (b) 12% p.a. (c) 15%p.a. (d) 18% p.a.

5) "Premises" for the purpose of conduct of audit u/s 99A of customs Act, 1962 includes:

- (a) Registered office (b) Unregistered office
(c) Both a & b (d) None

6) Compute customs value : CIF Value US \$ 12,000; Air Freight & Handling paid US \$ 4,000; Insurance cost US \$ 1,400, US \$ 1 = Rs. 45.5.

- (a) Rs. 3,30,330 (b) Rs. 4,24,060
(c) Rs. 3,81,460 (d) None of the above

- 7) Determine the value (before insurance / freight) : Cost of material Rs. 1,00,000; Commissions and brokerage (Inclusive Buying commissions) of Rs. 5,000; Buying commissions Rs. 2,000 ; Cost of packing Rs. 15,000.
- (a) Rs. 1,18,000 (b) Rs. 1,20,000 (c) Rs. 1,15,000 (d) Rs. 1,00,000
- 8) SCL, a shipping company located in Mumbai, has hired vessels from a foreign shipping line of Japan for a period of 25 days. The vessel is anchored at Vizag port. The place of supply of hiring services shall be _____.
- (a) Mumbai (b) Japan (c) Vizag (d) None of above
- 9) Can Composition scheme be availed if the registered person effects interstate supplies of goods ?
- (a) Yes (b) Yes, subject to prior approval of Central Government
- (c) No (d) Yes, subject to prior approval of the concerned State Government
- 10) Where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to the registered if his aggregate turnover in a financial year exceeds _____.
- (a) Rs. 10 lakhs (b) Rs. 1.5 crores (c) Rs. 15 lakhs (d) Rs. 20 lakhs.
- 11) Which of the following persons are not required to obtain registration under GST law :
- (a) Any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Service Tax Act.
- (b) An agriculturist, to the extent of supply of produce out of cultivation of land.
- (c) Persons only engaged in making taxable supplies, total tax on which is liable to be paid – on reverse charge basis
- (d) All of the above
- 12) Who is authorized to conduct the audit including books of account u/s 66?
- (a) Chartered Accountant as may be nominated by the Commissioner
- (b) Cost Accountant as may be nominated by the Commissioner.
- (c) (a) or (b)
- (d) Any officer as may be nominated by Additional Director
- 13) What is the rate of Drawback if period between date of clearance for home consumption & date to when goods are placed under Customs control for export is more than 3 months but upto 6 months –
- (a) 60% (b) 70% (c) 85% (d) 95%
- 14) Ship arrives at customs port on 11.6.2018. Bill of Entry is filed on 14.6.2018. Duty payable on goods is Rs. 7,000. The charges for late presentation, if any, of Bill of Entry are :
- (a) Rs.15,000 (b) Rs. 5,000 (c) Rs. 10,000 (d) None of the above

- 15) Renting of immovable property services provided by ____ to person registered under GST are liable under RCM
- (a) Person Registered under GST (b) Government
(c) Trusts (d) Government or Local Authority
- 16) Priya industries Ltd. Delhi, entered into a contract with Virat Entrepreneurs, Delhi, for supply of spare parts of a machine on 7th September. The spare parts were to be delivered on 30th September. Priya industries Ltd. removed the finished spare parts from its factory on 29th September. Determine the date which invoice must be issued by Priya Industries Ltd. under GST law.
- (a) On or before 7th September (b) On or before 29th September
(c) On or before 30th September (d) On or before 29th October
- 17) “Continuous supply of services” means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding ____ with periodic payment obligations.
- (a) 3 months (b) 6 months (c) 9 months (d) 12 months
- 18) The payment of tax on provisional basis may be allowed, if the taxable persons :
- (a) Request the proper officer in writing giving reasons for payment of tax on a provisional basis.
(b) if the taxable person executes a bond in such Form as may be prescribed with such surety or security as the proper officer may deem fit, binding the taxable person for differential tax if any.
(c) Furnishes such surety or security as the proper officer may deem fit, binding the himself for payment of the difference between the amount of tax as may be finally assessed and the amount of tax provisionally assessed.
(d) All of the above
- 19) Foreign Trade Policy is required to regulate / manage foreign trade. It aims to –
- (a) Facilitate imports of goods/ services
(b) Encourage foreign trade in goods/ services
(c) Develop export potential
(d) All of them.
- 20) Akin rule for classification falls under :
- (a) Rule 3(a) (b) Rule 3(b) (c) Rule 3(c) (d) Rule 4

- 21) "Relevant date" in a case where duty is not levied or not paid or duty is short – levied or short – paid, or interest is not charged on goods cleared by proper officer is :
- (a) Date on which proper officer makes an order for clearance of goods;
 - (b) Date of re – assessment
 - (c) Date of physical removal of goods
 - (d) Date of payment of duty or interest
- 22) Where a Person is arrested u/s 69 for an offence specified u/s 132(5), the officer authorized to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate _____.
- (a) Within 12 hours
 - (b) Within 24 hours
 - (c) Within 48 hours
 - (d) Within 72 hours
- 23) If any of the parties are aggrieved by the advance ruling of the AAR, what will be the option available to the dealer or CGST/ SGST Officials ?
- (a) File appeal before the AAAR
 - (b) Refer the case for the revision Order of the Commissioner
 - (c) Approach the Tribunal
 - (d) Any of the Above
- 24) Can Appellate Authority Pass an order for enhancing any fees/ penalty/ redemption fine or reducing the refund?
- (a) No, this is only the jurisdiction of the adjudicating authority
 - (b) Yes, always as the decision of the Appellate authority is final
 - (c) Yes, but only after appellant has been given a reasonable opportunity of showing cause against proposed order.
 - (d) None of the above
- 25) What will happen if the turnover of a registered person opting to pay taxes under composition schemes during the year 2017 – 18 crosses Rs. 100 lakhs ?
- (a) He can continue under composition scheme till the end of the financial year.
 - (b) He will be liable to pay tax at normal rates of GST on the entire Turnover for the F.Y. 2017 – 18.
 - (c) He will cease to remain under the composition scheme with immediate effect.

- (d) He will cease to remain under the composition scheme from the month following the month in which the aggregate turnover exceeds Rs. 100 lakhs
- 26) Single Member Bench of Tribunal may hear appeal, if amount involved is upto :
- (a) Rs. 10 lakhs (b) Rs. 2 lakhs (c) Rs. 50 lakhs (d) Rs. 20 lakhs
- 27) Drawback of import duty shall be allowed when they are exported out of India after use –
- (a) Wearing apparel (b) Teal – chests
(c) Exposed cinematograph films (d) Camera
- 28) Minimum value addition required to be achieved under Advance Authorization is
- (a) 10% (b) 15% (c) 20% (d) 5%
- 29) Place of supply of goods taken on board at Delhi for aircraft from Jaipur to Bangalore via Delhi – Mumbai is ____.
- (a) Mumbai (b) Delhi (c) Jaipur (d) Bangalore
- 30) Temporary transfer or permitting the use or enjoyment of any intellectual property right is ____.
- (a) Supply of goods (b) Neither as a supply of goods nor a supply of services.
(c) Supply of services (d) Either as a supply of goods or as a supply of services.

Question 2:

- (A) Determine the amount of Input tax credit admissible to PQR Ltd. in respect of the following goods procured by it in the month of January :

Inward supplies	GST (Rs.)
1. Goods used in constructing an additional floor of office building	28,800
2. Packing Materials used in a factory	6,000
3. Goods destroyed due to natural calamities	12,500
4. Goods used for repairing the office building and cost of such repairs is debited to profit and loss account	12,000
5. Paper for photocopying machine used in Administrative Office	950
6. Goods given as gifts	25,000
7. Inputs used for tests or quality control check	15,600

Note : (i) All the conditions necessary for availing the ITC have been fulfilled. (ii) Registered Person is not eligible for any threshold exemption. **(5 Marks)**

(B)

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. **(5 marks)**

Question 3:

(A)

With reference to the provisions relating to the electronic way bill (E-way bill) as prescribed under the GST laws, answer the following questions:

Power Electricals Ltd., a registered supplier of air-conditioners, is required to send from Mumbai (Maharashtra), a consignment of parts of air-conditioner to be replaced under warranty at various client locations in Gujarat. The value of consignment declared in delivery challan accompanying the goods is Rs. 70,000. Power Electricals Ltd. claims that since movement of goods to Gujarat is caused due to reasons other than supply, e-way bill is not mandatorily required to be generated in this case.

You are required to examine the technical veracity of the claim made by Power Electricals Ltd. **(4 marks)**

(B)

Jagatguru transfers stock of 15,000 metres of cloth (costing Rs. 15,00,000) requiring further processing before sale, from Bellary in Karnataka to its Bhilwara branch in Rajasthan. The Bhilwara branch, apart from processing its own goods, engages in processing of similar goods by other persons who supply the same variety of goods, and thereafter sells these processed goods to wholesalers. There are no other factories in the neighbouring area which are engaged in the same business as that of its Rajasthan unit. Goods of the same kind and quality are supplied in lots of 15,000 metres each time, by another manufacturer located in Rajasthan. The price of such goods is Rs. 14,00,000. **You are required to determine the value of goods to be charged under GST.** **(5 Marks)**

(C)

From the following particulars, calculate assessable value and total customs duty payable :

(a) Date of presentation of bill of entry : 20.6.2018 [Rate of BCD 15% ; Exchange Rate : Rs. 65.00 and rate notified by CBIC Rs. 66.00]

- (b) Date of arrival of goods in India : 30.6.2018 [Rate of BCD 10%; Exchange Rate : Rs. 65.50 and rate notified by CBIC Rs. 68.00]
- (c) Rate of Integrated tax : 12%
- (d) CIF value 2,000 US Dollars; Air Freight 500 US Dollars, Insurance cost 100 US Dollars [Landing Charges not ascertainable]
- (e) SWS applicable 10%
- (f) Assume there is no GST compensation cess. **(5 Marks)**

- (D) In an order dated 20.08.2018 issued to M/s. KP & Sons, the Assistant Commissioner of Customs had imposed a penalty of Rs. 10,00,000 under section 114A of the Customs Act, 1962 plus a penalty of Rs. 1,00,000 under Section 117 of Customs Act, 1962. M/s. KP & Sons intends to file an appeal with the commissioner (Appeals) against the said adjudication order.

Compute the quantum of pre – deposit required to be made by M/s. KP & Sons for filling the appeal with the Commissioner (Appeals). **(3 Marks)**

- (E) Explain the **power of the Settlement Commission** to protect revenue in certain cases. **(3 Marks)**

Question 4:

(A)

Kailash Global (P) Ltd. supplies various goods in domestic and international markets. It is engaged in both manufacturing and trading of goods. The company is registered under GST in the State of Karnataka. The company exports goods without payment of tax under letter of undertaking in accordance with the provisions of section 16(3)(a) of the IGST Act, 2017.

The company has made the following supplies during a tax period:

S. No	Particulars	(Rs.)
(i)	Export of product 'A' to UK for \$ 10,000. Assessable value under customs in Indian rupees. [Export duty is levied on product 'A' at the time of exports]	7,00,000
(ii)	Domestic supplies of taxable product 'B'* during the period [excluding tax @ 5%] [Inputs used in manufacturing of such goods are taxable @18%] <i>*not notified as a product, in respect of which refund of unutilised ITC shall not be allowed under section 54(3)(ii) of the CGST Act, 2017</i>	10,00,000
(iii)	Supply of goods to Export Oriented Unit [excluding tax @ 18%] [ITC has been claimed by the recipient]	5,00,000

(iv)	Export of exempt supplies of goods	6,00,000
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The ITC available for the above tax period is as follows:

S. No.	Particulars	(Rs.)
(i)	On inputs (including Rs. 50,000 on export of exempt supplies)	3,50,000
(ii)	On capital goods	1,20,000
(iii)	On input services (including Rs. 18,000 on outdoor catering)	2,00,000

Determine the maximum amount of refund admissible to Kailash Global (P) Ltd. for the given tax period. (6 marks)

(B)

Enlist the **circumstances for which a show cause notice can be issued** by the proper officer under section 73 of the CGST Act, 2017. Specify the **time limit for issuance of such show cause notice** as also the time period for issuance of order by the proper officer under section 73. (5 marks)

(C) Discuss whether any duty drawback is admissible under section 75 in the following cases and if yes, what is the quantum of such duty drawback –

	FOB value of exported goods (Rs.)	Rate or amount of drawback	Market price of goods (Rs.)	Value of imported material used in goods (Rs.)
1	2,00,000	40% of FOB value	1,50,000	1,20,000
2	1,00,000 (2,000 Kgs.)	Rs. 30 per kg.	55,000	40,000
3	4,00,000	3.5% of FOB value	4,60,000	4,50,000
4	4,20,000	4% of FOB value	4,10,000	3,00,000*

*In case (4), the Central Government has specified a minimum value – addition to be achieved @ 40% of imported material in terms of FOB value. (5 Marks)

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

Particulars	Gross amount charged (Rs.)
Fees charged for yoga camp conducted by a charitable trust	2,25,000
Amount charged by business correspondent for the services provided to the rural branch of a bank with respect to Savings Bank Accounts	1,25,000
Amount charged by cord blood bank for preservation of stem cells	4,50,000
Amount charged for service provided by commentator to a recognized sports body	4,25,000

Question 5:**(A)**

B & D Company, a partnership firm, in Nagpur, Maharashtra is a wholesaler of a taxable product 'P' and an exempt product 'Q'. The firm supplies these products only in the eastern part of Maharashtra. All the procurements (both goods and services) of the firm are from the suppliers registered under regular scheme in the State of Maharashtra. The firm pays tax under composition scheme.

B & D Company has furnished the following details with respect to its turnover (exclusive of taxes) and stock (exclusive of taxes):

Particulars	Turnover for the quarter ended 30.06.20XX (Rs.)	Turnover for the quarter ended 30.09.20XX (Rs.)
'P'	40,00,000	30,00,000
'Q'	14,65,000	13,00,000

Particulars	Stock as on 30.06.20XX (Rs.)	Stock as on 30.09.20XX (Rs.)	Stock as on 31.10.20XX (Rs.)
'P'	25,00,000	10,00,000	3,60,000
'Q'	10,00,000	2,00,000	1,20,000

The entire stock of the products 'P' and 'Q' available with the firm as on 30.09.20XX is purchased during the said half year except a consignment of product 'P' valuing Rs. 3,00,000, which was purchased in the April month of the preceding financial year. In the month of October, 20XX, no purchases were made, and the products were sold with a profit margin of 20% on sales [exclusive of taxes].

The extract of the only bill book maintained by the firm showed the following details -

Bill No.	Date	Value of products (exclusive of taxes)		
		'P' (Rs.)	'Q' (Rs.)	Total (Rs.)
2306	01.10.20XX	1,00,000	3,000	1,03,000
2307	01.10.20XX	31,250	2,000	33,250
2308	02.10.20XX	43,750	15,000	58,750
2309	03.10.20XX	35,000	10,000	45,000
2310	05.10.20XX	1,00,000	-	1,00,000
2311	06.10.20XX	94,000	6,000	1,00,000
2312	06.10.20XX	-	17,000	17,000
2313	08.10.20XX	50,000	6,000	56,000
2314	09.10.20XX	60,000	9,000	69,000
2315
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The details of services availed by B & D Company is as follows:

S. No.	Particulars	(Rs.)
(i)	Freight paid to Goods Transport Agency during the period April 20XX – October 20XX. Assume equal amount of freight is paid each month on the 10 th day of each month. Also, assume that the goods for which the freight is paid on 10 th day of the month are transported between 11 th to 20 th day of the month.	1,40,000
(ii)	Special packing charges paid to a Packing Company, having expertise in such specialized packing, during the period January 20XX – October 20XX. The packing charges are paid for the goods which are transported between 11 th to 20 th day of the month (as mentioned in point (i) above). The goods are packed on 10 th day and then transported from 11 th day onwards. Assume equal amount of packing charges are paid each month on the 9 th day of each month.	3,00,000

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

Compute the net GST liability of B & D Company for the period April, 20XX to October, 20XX under composition scheme showing calculations for each quarter separately.

Note: Make suitable assumptions wherever required. Rate of CGST and SGST on service of transportation of goods by GTA is 2.5% each. Stock is valued at cost price. **(8 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 of 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)

(C) Explain the procedure for Generation and maintenance of electronic records. **(3 Marks)**

(D) What is culpable mental state? Is 'Mens Rea' an essential precondition for imposition of penalty? **(4 Marks)**

Question 6:**(A)**

XYZ Pvt. Ltd. is a manufacturing company registered under GST in the State of Uttar Pradesh. It manufactures two taxable products 'Alpha' and 'Beta' and one exempt product 'Gama'. On 1st October 20XX, while product 'Beta' got exempted through an exemption notification, exemption available on 'Gama' got withdrawn on the same date. The turnover (exclusive of taxes) of 'Alpha', 'Beta' and 'Gama' in the month of October, 20XX was Rs. 9,00,000, Rs. 10,00,000 and Rs. 6,00,000.

XYZ Pvt. Ltd. has furnished the following details:

S. No.	Particulars	Price (Rs.)	GST (Rs.)
(a)	Machinery 'U' purchased on 01.10.20XX for being used in manufacturing all the three products	2,00,000	36,000
(b)	Machinery 'V' purchased on 01.10.20XX for being used in manufacturing product 'Alpha' and 'Gama'	1,00,000	18,000
(c)	Machinery 'W' purchased on 01.10.20XX for being exclusively used in manufacturing product 'Beta'	3,00,000	54,000
(d)	Machinery 'X' purchased on October 1, three years before 01.10.20XX for being exclusively used in manufacturing product 'Gama'. From 01.10.20XX, such machinery will also be used for manufacturing product 'Beta'.	5,00,000	90,000
(e)	Machinery 'Y' purchased on October 1, four years before 01.10.20XX for being exclusively used in manufacturing product 'Beta'. From 01.10.20XX, such machinery will also be used for manufacturing product 'Gama'.	4,00,000	72,000
(f)	Machinery 'Z' purchased on October 1, two years before 01.10.20XX for being used in manufacturing all the three products	3,00,000	54,000
(g)	Raw Material used for manufacturing 'Alpha' purchased on 05.10.20XX	1,50,000	27,000
(h)	Raw Material used for manufacturing 'Beta' purchased on 10.10.20XX	2,00,000	36,000
(i)	Raw Material used for manufacturing 'Gama' purchased on 15.10.20XX	1,00,000	18,000

Compute the following for the month of October, 20XX:

- (i) Amount of input tax credit (ITC) credited to Electronic Credit Ledger
- (ii) Amount of common credit
- (iii) Common credit attributable to exempt supplies
- (iv) GST liability of the company payable through Electronic Cash Ledger

Note: Assume that all the procurements made by the company are from States other than Uttar Pradesh. Similarly, the company sells all its products in States other than Uttar Pradesh. Rate of IGST is 18%. All the conditions necessary for availing the ITC have been complied with. Ignore interest, if any and make suitable assumptions wherever required. **(10 marks)**

(B) State the main objectives of Special Economic Zone Act 2005. **(5 Marks)**

(C) Determine the safeguard duty payable by X Ltd., Y Ltd., and Z Ltd., and A Ltd. under section 8B of the Customs Tariff Act, 1975 from the following :

Import of Sodium Nitrite from developing and developed countries from 26th February, 2017 to 25th February, 2018 (both days inclusive) are as follows :

Importer	Country of Import	Rs. In crores
X Ltd.	Developing country	70
Y Ltd.	Developing country	82
Z Ltd.	Developing country	52
A Ltd.	Developing country	50
Others	Developed country	2,246
	Total	2,500

Note : Safeguard duty 30%.

(5 Marks)