

SECTION A

(DIRECT TAX)

PART – A M.C.Qs (Compulsory)

QUESTION : 1

Multiple Choice Questions:

M.C. Q No. 1 to 6 carries 1 mark each

M.C. Q No. 7 to 12 carries 2 marks each

1. Mr. Raghav has three houses for self-occupation. What would be the tax treatment for A.Y.2020-21 in respect of income from house property?
 - (a) One house, at the option of Mr. Raghav, would be treated as self-occupied. The other two houses would be deemed to be let out.
 - (b) Two houses, at the option of Mr. Raghav, would be treated as self -occupied. The other house would be deemed to be let out.
 - (c) One house, at the option of Assessing Officer, would be treated as self-occupied. The other two houses would be deemed to be let out.
 - (d) Two houses, at the option of Assessing Officer, would be treated as self -occupied. The other house would be deemed to be let out.

2. Arun's gross total income of P.Y. 2019-20 is Rs. 2,45,000. He deposits Rs. 45,000 in PPF. He pays electricity bills aggregating to Rs. 1.20 lakhs in the P.Y.2019-20. Which of the statements is correct?
 - (a) Arun is not required to file his return of income u/s 139(1) for P.Y. 2019-20, since his total income before giving effect to deduction under section 80C does not exceed the basic exemption limit.
 - (b) Arun is not required to file his return of income u/s 139(1) for P.Y. 2019 -20, since his electricity bills do not exceed Rs. 2,00,000 for the P.Y.2019-20.
 - (c) Arun is not required to file his return of income u/s 139(1) for P.Y. 2019 -20, since neither his total income before giving effect to deduction under section 80C exceeds the basic exemption limit nor his electricity bills exceed Rs. 2 lakh for the P.Y.2019-20.
 - (d) Arun is required to file his return of income u/s 139(1) for P.Y. 2019 -20, since his electricity bills exceed Rs.1 lakh for the P.Y.2019-20.

3. Where specified movable property is acquired during the previous year and its market value exceeds the purchase price by more than Rs. 50,000, such excess amount shall be taxable in the hands of
 - (a) all assessee
 - (b) assessee other than company
 - (c) individual of HUF only
 - (d) individual only

4. During the P.Y.2019-20, Mr. Ranjit has short-term capital gains of Rs. 95 lakhs taxable under section 111A, long-term capital gains of Rs. 110 lakhs taxable under section 112A and business income of Rs. 90 lakhs. Which of the following statements is correct?
- (a) Surcharge@25% is leviable on income-tax computed on total income of Rs. 2.95 crore, since total income exceeds Rs. 2 crore.
 - (b) Surcharge@15% is leviable on income-tax computed on total income of Rs. 2.95 crore.
 - (c) Surcharge@15% is leviable in respect of income-tax computed on capital gains of Rs. 2.05 crore; in respect of business income, surcharge is leviable@25% on income- tax, since total income exceeds Rs. 2 crore.
 - (d) Surcharge@15% is leviable in respect of income-tax computed on capital gains of Rs. 2.05 crore; surcharge@10% is leviable on income-tax computed on business income, since the same exceeds Rs. 50 lakhs but is less than Rs. 1 crore.
5. R is employed with S Ltd. . He is provided with motor car of 1.4 lits capacity by the employer which he has used partly for official purposes and partly for private purposes. The expenses of running and maintenance of motor car is also met by employer. Such facility shall :
- (a) be a perquisite in the hands of the specified employee
 - (b) not be a perquisite
 - (c) be a per perquisite in the hands of both specified and non – specified employee
 - (d) be a perquisite in the hands of non – specified employee
6. If the deductor is able to establish that the payee has furnished the return of income by including such income on which tax was deductible at source and has paid tax due on income declared by him in such return of income, it shall be deemed that the assesee has deducted and paid tax on such income :
- (a) on the date of payment of tax by the payee
 - (b) on the date when the tax was deductible at source
 - (c) on the date of furnishing return of income by the resident payee
 - (d) none of the above
7. Mr. Ritvik has purchased his first house in Gwalior for self-occupation on 5.4.2019 for Rs. 45 lakhs (stamp duty value being the same) with bank loan sanctioned on 30.3.2019 and disbursed on 3.4.2019. He paid interest of Rs. 3.8 lakhs during the P.Y.2019-20. What is the tax treatment of interest paid by him?
- (a) Interest of Rs.2 lakhs allowable u/s 24
 - (b) Interest of Rs.2 lakhs allowable u/s 24 and Rs.1.8 lakhs allowable u/s 80EEA
 - (c) Interest of Rs.2 lakhs allowable u/s 24 and Rs.1.5 lakhs allowable u/s 80EEA
 - (d) Interest of Rs.1.5 lakhs allowable u/s 24 and Rs.1.5 lakhs allowable u/s 80EEA

11. The W.D.V. of a block (Plant and Machinery, rate of depreciation 15%) as on 1.4.2019 is Rs. 3,20,000. A second hand 'machinery costing Rs. 50,000 was acquired on 1.9.2019 through account payee cheque but put to use on 1.11.2019. During Jan 2020, part of this block was sold for Rs. 2,00,000. The depreciation for A.Y.2020-21 would be –
- 21,750
 - 25,500
 - 21,125
 - 12,750
12. X Ltd. files its return of loss for the A.Y. 2020-21 on 01.12.2020. The following data is taken from return submitted by the company:

Business Loss for P.Y. 2019-20 (before depreciation)	Rs.1,70,000
Depreciation	Rs.30,000
Short term capital loss	Rs.45,000
Long term capital gain	Rs.10,000
Income from other sources	Rs.23,000
Unabsorbed depreciation pertaining to A.Y. 2018-19 and A.Y. 2019-20 which has been determined in pursuance of return filed	Rs.75,000

Compute the amount of loss that can be carried forward by X Ltd.

- Rs.1,05,000
- Rs.30,000
- Rs.2,87,000
- Nil

PART –B (DESCRIPTIVE)

Question no.2 is compulsory and attempt any two out of remaining three questions.

QUESTION : 2

Mr. Manohar, a resident individual, age 53 years provides consultancy services in the field of Taxation. His Income and Expenditure account for the year ended 31st March, 2020 is as follows:

Income and Expenditure account for the year ending 31st March, 2020

Expenditure	Amount (Rs.)	Income	Amount (Rs.)
To Salary	4,00,000	By Consulting fees	58,00,000
To Motor car expenses	88,000	By Share of Profit from HUF	55,000
To Depreciation	87,500	By Interest on saving bank deposits	25,000
To Medical expenses	70,000	By Interest on income tax refund	26,000
To Purchase of computer	90,000		
To Bonus	25,000		

To General expenses	1,05,000		
To Office & administrative	1,15,000		
To Excess of income over Expenditure	49,25,500		
	59,06,000		59,06,000

The following other information relates to the financial year 2019-20:

- (1) Salary includes a payment of Rs. 22,000 per month to his sister-in-law who is in-charge of the marketing department. However, in comparison to similar business, the reasonable salary of a marketing supervisor is Rs. 18,000 per month.
- (2) Written down value of the assets as on 1st April, 2019 are as follows:

Motor Car (25% used for personal use)	Rs. 3,50,000
Furniture and Fittings	Rs.80,000
- (3) Medical expenses includes:
 - Family planning expenditure Rs. 15,000 incurred for the employees which was revenue in nature.
 - Medical expenses for his father Rs. 55,000. (Father's age is 65 years and he is not covered under any medical insurance policy). Rs. 2,500 incurred in cash and remaining by credit card.
- (4) The computer was purchased on 5th June, 2019 on credit. The total invoice was paid in the following manner:
 - Rs. 18,000 paid in cash as down payment on the date of purchase.
 - Remaining amount was paid through account payee cheque on 10th August, 2019.
- (5) Bonus was paid on 30th September, 2020.
- (6) General expenses include commission payment of Rs. 42,000 to Mr. Mahesh for the promotion of business on 17th September, 2019 without deduction of tax at source.
- (7) He also received gold coins from a family friend on the occasion of marriage anniversary on 15th November, 2019. The market value of the coins on the said date was Rs.85,000.

The consultancy fees for the previous year 2018-19 was Rs. 52,50,300.

Compute the total income and the tax liability of Mr. Manohar for the assessment year 2020-21.

(14 MARKS)

QUESTION : 3

(A) **From the following particulars, calculate the taxable income for the assessment year 2020 – 21.**

Particulars	Amount (Rs.)
Salary per month	16,000
Dearness Allowance per month	6,000
Medical bill reimbursed (out of which Rs. 14,000 is treatment of specified ailment in a hospital approved by the Principal Chief Commissioner or Chief Commissioner)	42,000
Free telephone at residence	12,000
House Rent Allowance per month (Rent paid Rs. 15,000 p.m. for a house in Delhi.	10,000

House property is let out on a monthly rent of Rs. 2,000. The annual value of the house property is Rs. 30,000. Municipal tax paid is Rs. 1,800 for whole year. Re – payment of house building loans taken from friends is Rs. 5,000 and from Life Insurance Corporation is Rs. 9,000 (which includes Rs. 6,000 on account of interest)

Particulars	Amount (Rs.)
Interest on Savings Bank A/c.	69,000
Interest on P.P.F. A/c.	2,000
Income from units of Unit Trust of India	800
Life Insurance Premium	6,000
Contribution to Public Provident Fund	6,000
Deposit in account under National Savings Scheme, 1992	10,000
Interest accrued on (NSC VIII Issue)	34,000

The construction of the building was completed on 01.01.1992

(7 MARKS)

(B) **Examine the TDS implications** in the following cases along-with reasons thereof:

- (i) Ms. Varsha received a sum of Rs. 95,000 on 31st December 2019 towards maturity proceeds of LIC taken on 1st October 2014 for which sum assured was Rs. 80,000. and annual premium was Rs. 10,000.
- (ii) Mr. Deepak transferred a residential house property to Mr. Karan for Rs. 45 lacs. The stamp duty value of such property is Rs. 55 lacs.
- (iii) XYZ Private Limited pays the following amounts to Mr. Narayan during previous year 2019-20 :
 - (1) Rs. 22,000 towards fee for professional services
 - (2) Rs. 18,000 towards royalty.
- (iv) Payment of Rs. 1,75,000 made to Mr. Vaibhav for purchase of calendar according to specifications of M/s. ABC Limited. However, no material was supplied for such calendar by ABC Limited to Mr. Vaibhav.
- (v) Talent Private Limited pays Rs. 12,000 to Ms. Sudha, its director, towards sitting fee which is not taxable u/s 192.
- (vi) Radha Limited is engaged for Shyam Limited only in the business of operation of call centre. On 18-03-2020, the total amount credited by Shyam Limited in the ledger account of Radha Limited is Rs. 70,000 regarding service charges of call centre. The amount is paid through cheque on 28/03/2020 by Shyam Limited.

(7 MARKS)

QUESTION : 4

- (A) Dr. Arjun runs a clinic in Delhi. As per new rule in the city, private cars can be plied in the city only on alternate days. He has purchased a car on 25-09-2019, for the purpose of his medical profession, as per following details:

Cost of car (excluding GST)	15,00,000
Add: Delhi GST at 14%	2,10,000
Add: Central GST at 14%	<u>2,10,000</u>
Total price of car	<u>19,20,000</u>

He put his car to use from 25.9.2019 itself. He estimates the usage of the car for personal purposes will be 25%. He is advised by his friends that since the car has run only on alternate days, half the depreciation, which is otherwise allowable, will be actually allowed. He has started using the car immediately after purchase.

Determine the depreciation allowable on car for the A.Y. 2020-21, if this is the only asset in the block. If this car would also be used in the subsequent Assessment Year 2021-22 on the same terms and conditions above, what will be the depreciation allowable? Assume that there is no change in the legal position under the Income-tax Act, 1961.

(3 MARKS)

- (B) 'R' a resident of India, purchased 1000 listed equity shares of Rs. 10 each at Rs. 115 per share from a broker on 5.4.2001. He paid Rs. 2,000 as brokerage. On 2.3.2003 he was given bonus shares by the company on the basis of one share for every 2 shares held. On 24.2.2019 he was given a right to acquire 1,000 right share @ Rs. 60 per share. He acquired 50% of the right shares offered and sold the balance 50% of the right for a sum of Rs. 60,000 on 3.4.2019. The right shares were allotted to him on 20.4.2019.

All the shares held by him were sold on 24.3.2020 @ Rs. 400 per share.

Compute Capital gain and tax for the assessment year 2020 – 21 assuming his income from other sources is Rs. 1,12,000 and shares had been sold through a recognized stock exchange. Assume the FMV of shares on 31.1.2018 was Rs. 350 per share.

Index number for P.Y. 2019 – 20 is 289, for P. Y. 2001-02 is 100 .

(7 MARKS)

- (C) The following are the incomes of Shri Subhash Chandra, a citizen of India, for the previous year 2019-20 :
- Income from business in India Rs. 2,00,000. The business is controlled from London and Rs. 60,000 were remitted to London.
 - Royalty of Rs. 4,00,000 received from Shri Ramesh, a resident, for technical service provided to run a business outside India.
 - Agricultural income of Rs. 90,000 in Bhutan.
 - Income of Rs. 73,000 from house property in Dubai, which was deposited in bank at Dubai.

Compute Gross Total Income of Shri Subhash Chandra for the A.Y. 2020-21, if he is -

- (1) A Resident and Ordinarily Resident; and
- (2) A Resident but Not Ordinarily Resident

(4 MARKS)

QUESTION : 5

- (A) Mr. Ramesh furnishes the following particulars for the previous year 2019-20 in respect of an industrial undertaking established in "Special Economic Zone" in March 2014. It began manufacturing in April 2014.

Particulars	Rs.
Total sales	85,00,000
Export sales [proceeds received in India]	45,00,000
Domestic sales	40,00,000
Profit from the above undertaking	20,00,000

Export Sales of F.Y. of 2019-20 include freight and insurance of Rs. 5 lacs for delivery of goods outside India. **Compute the amount of deduction available to Mr. Ramesh under section 10AA for A.Y. 2020-21.**

(5 MARKS)

- (B) Mr. K Sikri is Asstt. Manager of a Textile Company of Jaipur since 1990. He has submitted the following particulars of his income for the financial year 2019 – 20 :
- (i) Basic Salary Rs. 2,40,000.
 - (ii) Dearness Allowance Rs. 5,000 p.m. (Rs. 200 p.m. enters into retirement benefits).
 - (iii) Education allowance for two children at Rs. 150 p.m. per child.
 - (iv) Commission on sales 1% of turnover of Rs. 10,00,000.
 - (v) Entertainment allowance Rs. 700 p.m.
 - (vi) Travelling Allowance of for his official tours Rs. 30,000. The entire amount is spent on the official tour.
 - (vii) He was given cloth worth Rs. 1,000 by his employer free of cost.
 - (viii) He resides in the flat of the company. Its market rent is Rs. 12,000 p.m. A watchman and a cook have been provided by the company at the bungalow who are paid Rs. 400 p.m. each.
 - (ix) He has been provided with a motor car of 1.8 ltr engine capacity for his official as well as personal use. The running and maintenance costs are borne by the company.
 - (x) Employer's contribution to R.P.F. is Rs. 40,000 and the interest credited to this fund at 13% rate amounted to Rs. 16,250.
 - (xi) Contribution by Sikri to recognized provident fund Rs. 40,000.

(xii) Rent of house recovered from Sikri Rs. 1,500 p.m.

(xiii) Tax deducted at source from the above payments Rs. 6,000.

Compute income from salaries for the assessment year 2020 – 21. Assume the population of Jaipur is 26 lakhs as per 2001 census.

(5 MARKS)

(C) (i) What is the fee for default in furnishing return of income u/s 234F?

(ii) To whom the provisions of section 139AA relating to quoting of Aadhar Number do not apply?

(4 MARKS)

SECTION B
(INDIRECT TAX)
PART – A M.C.Qs (Compulsory)

QUESTION : 1

Multiple Choice Question :

M.C. Q No. 1 to 2 carries 2 marks each

M.C. Q No. 3 to 10 carries 1 mark each

1. Kala Niketan School is an educational institution providing pre-school education and education up to higher secondary school. Which of the following services are exempt if provided to Kala Niketan School?

- (i) Transportation of students, faculty and staff
 - (ii) Catering services
 - (iii) Cleaning services performed in such educational institution
- (a) (i)
- (b) (i) and (iii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

2. Calculate the amount of eligible input tax credit-

No.	Particulars	GST paid (Rs.)
1.	A Mini bus having seating capacity of 15 persons (including driver) used for running on hire	15,00,000
2.	Car having seating capacity of 8 people used for business purposes	1,00,00,000
3.	Car having seating capacity of 4 persons used for imparting training on driving such car	50,00,000
4.	Special purpose vehicle having seating capacity of 2 persons used for transportation of goods	60,00,000

(a) Rs.2,25,00,000/-

(b) Rs.2,10,00,000/-

(c) Rs.1,25,00,000/-

(d) Rs.75,00,000/-

3. Late fee for delay in filing annual return is

(a) Rs. 50 for every day during which such failure continues subject to a maximum of an amount calculated @ 0.25% of his turnover in the State or Union territory

(b) Rs. 100 for every day during which such failure continues subject to a maximum of an amount calculated @ 0.25% of his turnover in the State or Union territory

(c) Rs. 200 for every day during which such failure continues subject to a maximum of an amount calculated @ 0.25% of his turnover in the State or Union territory

(d) Rs. 100 for every day during which such failure continues subject to a maximum of an amount calculated @ 0.50% of his turnover in the State or Union territory

4. Which of the following persons is not eligible for composition scheme even though their aggregate turnover does not exceed Rs. 1 crore in preceding FY, in Uttar Pradesh?

(a) A person supplying restaurant services

(b) A person supplying restaurant services and earning bank interest

(c) A person supplying restaurant services and warehousing of rice

(d) A person supplying restaurant services and warehousing of processed tea

5. Where goods are transported in other than over dimensional cargo, the e – way bill or a consolidated e – way bill generated shall be valid for.

(a) 1 day up to 50 kms and 1 additional day for every additional 50 kms or part thereof

(b) 1 day up to 75 kms and 1 additional day for every additional 75 kms or part thereof

(c) 1 days up to 100 kms and 1 additional day for every additional 100 kms or part thereof

(d) 1 days up to 150 kms and 1 additional day for every additional 150 kms or part thereof

6. Mr. Shahid, a wholesale supplier of dyes, provides you with the details of the following cash payments he made throughout the year –

- 12.06.2018: loan repayment of Rs. 27,000 taken for business purpose from his friend Kunal. The repayment also includes interest of Rs.5,000.

- 19.08.2018: Portable dye machinery purchased for Rs. 15,000. The payment was made in cash in three weekly installments.

- 26.01.2019: Payment of Rs. 10,000 made to electrician due to unforeseen electric circuit at shop
- 28.02.2019: Purchases made from unregistered dealer for Rs. 13,500

What will be disallowance under 40A(3), if any, if Mr. Shahid opts to declare his income as per the provisions of section 44AD?

- (a) Rs. 18,500
 - (b) Rs.28,500
 - (c) Rs.13,500
 - (d) NIL
7. Mr. Avishkar is a painter registered under GST in Delhi. He sends his artwork for exhibition in Mumbai. At what point of time, supply is considered to have been made under GST?
- (a) When painting is completed.
 - (b) When painting is sent for exhibition in Mumbai.
 - (c) When painting is displayed at the exhibition in Mumbai.
 - (d) When painting is purchased by one of the visitors in the exhibition.
8. Which of the following is not covered under Schedule III of CGST Act, 2017?
- (a) Director's monthly salary under employment agreement
 - (b) Sitting fees to independent directors for attending AGMs
 - (c) Payment to employee for providing broking services to the employer for purchase of commercial property. Such services do not form part of the employment contract entered into by the employer with the employee.
 - (d) Both (b) and (c)
9. Which of the following service is not exempt under GST?
- (a) Loading and unloading of paddy
 - (b) Loading and unloading of sugarcane
 - (c) Loading and unloading of tea bags
 - (d) Loading and unloading of potato
10. A taxable person who makes an undue or excess reduction in output tax liability, shall pay interest on such undue or excess reduction at such rate as may be notified by the Government on the recommendation of the Council but not exceeding
- (a) 12%
 - (b) 18%
 - (c) 24%
 - (d) 36%

PART –B (DESCRIPTIVE)

Question no.2 is compulsory and attempt any two out of remaining three questions.

QUESTION : 2

M/s. Grey, a registered taxable person under regular scheme provides following information in respect of supplies made by it during the month of April 2020 :

	(All amount in rupees)
(i) Inter – state supply of goods	1,00,000
(ii) Intra – state supply of 500 packets of detergent @ Rs. 400 each alongwith a plastic bucket worth Rs. 100 each with each packet, being a mixed supply. (Rate of GST on detergent is 18% and on plastic bucket is 28%)	
(iii) Supply of online educational journals to M/s. Pinnacle private coaching centre providing tuitions to students of Class X – XII. Being intra – state supply.	50,000
M/s. Grey has also received the following inward supplies :	
(iv) Inter – state supply of goods (out of which invoice for goods worth Rs.20,000 is missing and no other tax paying document is available)	70,000
(v) Repairing of bus with seating capacity of 20 passenger used to transport its employees from their residence, being intra – state supply.	50,000

Details of opening balance of ITC as on 1.4.2020 are as follows :

CGST	5,000
SGST	5,000
IGST	40,000

Following additional information is provided :

- (a) Rate of CGT in respect of all inward and outward supplies except item (ii) above is 18%. i.e. CGST and SGST @ 9% and IGST @ 18%.
- (b) All figures mentioned above are exclusive of taxes.
- (c) All the conditions for availing the ITC have been fulfilled except specifically given and M/s. Grey is not eligible for any threshold exemption.

Compute the minimum net GST payable in cash by M/s. Grey for the month of April 2020.

(8 MARKS)

QUESTION : 3(A)

Mr. Vicky Frankyn, an unregistered famous author, received Rs. 3 crore of consideration from Shiv Bhawan Publications (SBP) located in Indore for supply of services by way of temporary transfer of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original literary works of his new book. He finished his work & made available the book to the publisher, but has yet not raised the invoice.

Mr. Vicky Frankyn is of the view that SBP is liable to pay tax under reverse charge on services provided by him. SBP does not concur with his view and is not ready to deposit the tax under any circumstances.

Examine whether the view of Mr. Vicky Frankyn is correct. Further, if the view of Mr. Vicky Frankyn is correct, what is the recourse available with Mr. Vicky Frankyn to comply with the requirements of GST law as SBP has completely refused to deposit the tax.

(5 MARKS)

QUESTION : 3(B)

State with brief reason, whether following suppliers of taxable goods are required to register under the GST Law :

- (i) Mr. Raghav is engaged in wholesale cum retail trading of medicines in the State of Assam. His aggregate turnover during the financial year is Rs. 9,00,000 which consists of Rs. 8,00,000 as Intra – State supply and Rs. 1,00,000 as Inter – State Supply.
- (ii) Mr. S. N. Gupta of Rajasthan is engaged in trading of taxable goods on his own account and also acting as an agent of Mr. Rishi of Delhi. His turnover in the financial year 2018 – 19 is of Rs. 22 lakhs on his own account and Rs. 19 lakhs on behalf of principal. Both turnovers are Intra – State Supply.

(5 MARKS)

QUESTION : 4(A)

R Ltd. has paid GST on the following inputs and input services in relation to its outward supply in the month of January 2020.

S. No.	Particulars	Amount (Rs.)
1	GST paid on input R (exclusively used for taxable supplies)	50,000
2	GST paid on input S (Exclusively used for exempted supplies)	20,000
3	GST paid on input T (exclusively used for export of goods i.e. zero rates supply)	15,000
4	GST paid on input U (used for taxable, non – business and exempted supplies)	40,000
5	GST paid on input V (exclusively used for purposes other than business)	5,000
6	GST paid to Chartered Account for audit Services	12,000
7	Value of taxable supplies	50,00,000
8	Value of exempt supplies	15,00,000
9	Value of exports	10,00,000

Calculate the amount of input tax credit available to R Ltd. and the amount of input tax credit required to be reversed on account of non – business purpose and exempted supplies.

(6 MARKS)

QUESTION : 4(B)

Holiday Guest House, situated at Shimla, provides boarding & lodging services to tourists at economical cost. The charges of a single deluxe room per day are Rs. 999. Mr. X has booked one deluxe room for two days during Christmas holidays. You are required to determine whether GST is payable by Holiday Guest House on the above booking. If yes, determine the amount of GST so payable.

Will your answer change, if the charges of a single deluxe room per day charged by Holiday Guest House are Rs. 1,000?

(4 MARKS)

QUESTION : 5(A)

RG Pvt. Ltd. provides the following particulars relating to goods sold by it to GK Pvt. Ltd.

Particulars	Rs.
List price of the goods (exclusive of taxes and discounts)	5,00,000
Tax levied by Municipal Authority on the sale of such goods	50,000
CGST and SGST chargeable on the goods	1,00,440
Packing charges (not included in price above)	10,000

RG Pvt. Ltd. received Rs. 20,000 as a subsidy from a NGO on sale of such goods. The price of Rs. 5,00,000 of the goods is after considering such subsidy.

RG Ltd. offers 2% discount on the list price of the goods which is recorded in the invoice for the goods.

Determine the value of taxable supply made by RG Pvt. Ltd.

(5 MARKS)

QUESTION : 5(B)

Investigation shows that ABC & Co carried out service of cleaning and repairs of tanks in an apartment complex, for which the Apartment Owners' Association showed a payment in cash on 4th April to them against work of this description. The dates of the work are not clear from the records of ABC & Co. ABC & Co have not issued invoice or entered the payment in their books of account.

QUESTION : 5(C)

Discuss the correctness of the following statements:-

- (i) Once generated, an e-way bill cannot be cancelled.
- (ii) E-way bill generated in one State is valid in another State.

(3 MARKS)

OR

QUESTION : 5(C)

Whether transfer of title and/or possession is necessary for a transaction to constitute supply of goods?