

TOPIC: FULL DIRECT AND INDIRECT TAXATION

PART A : DIRECT TAX

DIVISION A : MULTIPLE CHOICE QUESTIONS

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

QUESTION 1

(1* 6 = 6 MARKS)

1. Mr. Arvind gifted a house property to his wife, Ms. Meena and a flat to his daughter-in law, Ms. Seetha. Both of the properties were let out. Which of the following statements are correct?
 - (a) Income from both properties is to be included in the hands of Mr. Arvind by virtue of section 64.
 - (b) Income from property gifted to wife alone is to be included in Mr. Arvind's hands by virtue of section 64.
 - (c) Mr. Arvind is the deemed owner of house property gifted to Ms. Meena and Ms. Seetha.
 - (d) Mr. Arvind is the deemed owner of property gifted to Ms. Meena. Income from property gifted to Ms. Seetha would be included in his hands by virtue of section 64.
2. The benefit of payment of advance tax in one installment on or before 15th March is available to assessee computing profits on presumptive basis –
 - (a) under section 44AD
 - (b) under section 44AD and 44ADA
 - (c) under section 44AD and 44AE
 - (d) under section 44AD, 44ADA and 44AE
3. A member of parliament is entitled to salary, constituency allowance and daily allowance when the Parliament is in session. Which of the following statements are correct?
 - (a) His entire income is taxable under the head "Salaries"
 - (b) Only his salary component is taxable under the head "Salaries". Constituency allowance and daily allowance are exempt.
 - (c) Only his salary component is taxable under the head "Income from other sources". Constituency allowance and daily allowance are exempt
 - (d) His salary component and constituency allowance is taxable under the head "Income from other sources". Daily allowance is exempt.
4. Mr. Harish, aged 40 years, earned income of Rs.15,000 during P.Y. 2018-19 from post office savings bank account. What portion of such income would be ultimately included in his total income?
 - (a) Rs.15,000
 - (b) Rs.5,000
 - (c) Rs.1,500
 - (d) Nil
5. Who can verify the return of income of a non-resident company?
 - (a) Managing Director of the company
 - (b) Any director of the company
 - (c) Both (a) and (b)
 - (d) A person who holds a valid power of attorney from such company to do so

6. A, a resident individual, is engaged in the business of money lending. For the purpose of lending money to various persons, A borrows money from other persons. As a part of his business, A took a loan from B of an amount of Rs.10 lacs. B is a non-resident. On the said loan, A paid an amount of Rs.1 lac as interest during the P.Y. 2018-19 to B in India. A did not deduct tax at source while crediting/paying the interest amount to B. A is of the view that the amount of Rs.1 lac shall be allowed to him as a deduction under the Income-tax Act, 1961. Whether A's view is correct?
- Correct, interest expenses incurred for business are allowed as deduction u/s 36(1)(iii).
 - Incorrect, as tax at source has not been deducted by A on the interest amount, full amount of interest of Rs.1 lac shall be disallowed in A.Y. 2019-20.
 - Incorrect, as tax at source has not been deducted by A on the interest amount, amount of interest of Rs.30,000 shall be disallowed in A.Y. 2019-20.
 - Correct, interest expenses incurred for business are allowed as deduction u/s 37(1).

QUESTION 2

(2* 6 = 12 MARKS)

- APM Ltd. is a pioneer company in textile industry. At the end of F.Y. 2018-19, it decided to distribute deposit certificates (without interest) to its shareholders (preference as well as equity shareholders). Total value of accumulated profits of APM Ltd. was Rs. 25 lakhs. Mr. A is an equity shareholder of APM Ltd. holding 10% of share capital. During F.Y. 2018-19, Mr. A received deposit certificates (without interest) valuing Rs. 5,00,000 from APM Ltd. Comment upon taxability of receipt of deposit certificates in the hands of Mr. A.
 - Deposit Receipts (without interest) are taxable to the extent of Rs.2,50,000 under Income from other sources.
 - Deposit Receipts (without interest) are fully taxable under Income from other sources.
 - Deposit Receipts (without interest) are exempt since DDT is payable by the company.
 - Deposit Receipts (without interest) are fully taxable and shall be included in Gross total income. But such receipt shall be allowed as deduction under Chapter-VI A.
- XYZ Ltd. has two units, one unit at Special Economic Zone (SEZ) and other unit at Domestic Tariff Area (DTA). The unit in SEZ was set up and started manufacturing from 12.3.2012 and unit in DTA from 15.6.2015. Total turnover of XYZ Ltd. and Unit in DTA is Rs. 8,50,00,000 and 3,25,00,000, respectively. Export sales of unit in SEZ and DTA is Rs. 2,50,00,000 and Rs. 1,25,00,000, respectively and net profit of Unit in SEZ and DTA is Rs. 80,00,000 and Rs. 45,00,000, respectively. XYZ Ltd. would be eligible for deduction under section 10AA for -

(a) Rs. 38,09,524 (b) Rs. 19,04,762 (c) Rs. 23,52,941 (d) Rs. 11,76,471
- Mr. Happy, a US citizen, came to India for an assignment from 11.01.2015 to 09.10.2015 and went back to his home country on completion of the same. He thereafter, visited India on 05.07.2017 again for an assignment, which ended on 26.05.2018. What is the latest date by which Mr. Happy should depart from India after completing the assignment so as to qualify as non-resident for P.Y. 2018-19? (Assume that he shall not be visiting India again during the year)

(a) 29-05-2018 (b) 30-05-2018 (c) 31-05-2018 (d) 28-09-2018
- ABC a partnership firm was dissolved on 1-5-2018. A machine acquired on 1-5-2016 for Rs.3,50,000 was distributed amongst the partners on dissolution for Rs.3,00,000. The value of machinery as per books of account and Fair Market Value on 1-5-2018 was Rs.2,50,000 and Rs.4,00,000, respectively. What will be the full value of consideration of this machine?

(a) Rs.3,00,000 (b) Rs.4,00,000 (c) Rs.3,50,000 (d) Rs.2,50,000

5. In which of the following transactions, quoting of PAN is mandatory by the person entering into the said transaction?
- I. Opening a Basic savings bank deposit account with a bank.
 - II. Applying to a bank for issue of a credit card.
 - III. Payment of Rs.40,000 to mutual fund for purchase of its units.
 - IV. Cash deposit with a post office of Rs.1,00,000 during a day.
 - V. A fixed deposit of Rs.30,000 with a NBFC registered with RBI.
 - VI. Sale of shares of an unlisted company for an amount of Rs.60,000.
- (a) II, IV
 - (b) II, III, IV
 - (c) I, II, III, V, VI
 - (d) II, IV, VI
6. Mr. Hari is 65 years old residing in Agra. During F.Y. 2013-14, he purchased a house property in Kamla Nagar for Rs. 25 lacs. This house property was self-occupied by him till F.Y. 2015-16. In F.Y. 2016-17, he shifted to Delhi and the house property in Kamla Nagar was let out to Mr. Kishore. His income from house property was Rs. 5 lacs per annum (computed). During F.Y. 2018-19, Mr. Hari earned long-term capital gain of Rs. 2.50 lacs, casual income of Rs. 10 lacs, agricultural income of Rs. 3 lacs and profits from business of Rs. 4 lacs. During the same year, he transferred house property situated in Kamla Nagar to Mrs. Neelam (his son's wife) without any consideration. Subsequently, income from house property was received by Mrs. Neelam for F.Y. 2018-19. Compute gross total income of Mr. Hari for A.Y. 2019-20:
- (a) Rs. 16.50 lacs
 - (b) Rs. 21.50 lacs
 - (c) Rs. 19.50 lacs
 - (d) Rs. 24.50 lacs

DIVISION B : DESCRIPTIVE QUESTIONS

Question No. 1 is compulsory

Attempt any **two** questions from the remaining **three** questions

QUESTION 3

(14 MARKS)

From the following particulars of Shri Jagdish (aged 59 years) for the Assessment Year 2019-20, you are required to find out **his taxable income and net tax liability** :

- (i) Basic Salary @ Rs. 51,000 per month, Dearness allowance @ Rs. 10,000 per month (Part of salary for retirement benefits), House rent allowance Rs. 4,000 per month and rent paid for house in Mumbai is Rs. 7,000 per month.
- (ii) He owns a commercial building at New Delhi, which is let out on 1/7/2018 at a monthly rent of Rs. 46,000. He paid municipal taxes of Rs. 27,000 and Rs. 25,000 for the financial year 2017-18 and 2018-19 on 31-3-2019 and 20-4-2019, respectively.
- (iii) He deals in shares. During financial year 2018-19, he earned Rs. 1,70,000 from his share business and paid Rs. 30,000 as securities transaction tax.
- (iv) He purchased 4000 unlisted shares of Shyam Limited on 16-1-2008 for Rs. 80,000. Company declared bonus in the ratio of 1:1 on 1st February, 2008. Shri Jagdish sold 3000 Bonus Shares on 28/12/2018 for Rs. 2,00,000 to his friend Mr. Mehul through unrecognized stock exchange. (Cost Inflation Index: 2007-08: 129, 2018-19: 280)
- (v) He received dividend of Rs. 13,00,000 as dividend income from listed domestic company (on which dividend distribution tax is paid) Interest from saving bank account deposits with IDBI Bank Rs. 15,000 and lottery winnings (Net of TDS@30%) is Rs. 21,000.

He paid the following amount out of his taxable income:

- (a) Deposits in Public Provident Fund Rs. 2,00,000.
- (b) Medical insurance premium paid for health of his wife Rs. 19,000 and for health of dependent son Rs. 12,000 through cheque.

QUESTION 4(A)

(5 MARKS)

Mr. Rajesh Sharma (aged 62 years), an Indian citizen, travelled frequently out of India for his business trip as well as for his outings. He left India from Delhi airport on 29th May 2018 as stamped in the passport and returned on 27th April 2019. He has been in India for less than 365 days during the 4 years immediately preceding the previous year.

Determine his residential status and his total income for the assessment year 2019-20 from the following information:

- (1) Short term capital gain on the sale of shares of Tilt India Ltd., a listed Indian company, amounting to Rs. 58,000. The sale proceeds were credited to his bank account in Singapore.
- (2) Dividend amounting to Rs. 48,000 received from Treat Ltd., a Singapore based company, which was transferred to his bank account in Singapore. He had borrowed money from Mr. Abhay, a non-resident Indian, for the above-mentioned investment on 2nd April, 2018. Interest on the borrowed money for the previous year 2018-19 amounted to Rs. 5,800.
- (3) Interest on fixed deposit with Punjab National Bank, Delhi amounting to Rs. 9,500 was credited to his saving bank account.

QUESTION 4(B)

(7 MARKS)

Mrs. Yuvika bought a vacant land for Rs. 80 lakhs in May 2004. Registration and other expenses were 10% of the cost of land. She constructed a residential building on the said land for Rs. 100 lakhs during the financial year 2006-07.

She entered into an agreement for sale of the above said residential house with Mr. Johar (not a relative) in April 2015. The sale consideration was fixed at Rs. 700 lakhs and on 23-4-2015, Mrs. Yuvika received Rs. 20 lakhs as advance in cash by executing an agreement. However, due to failure on part of Mr. Johar, the said negotiation could not materialise and hence, the said amount of advance was forfeited by Mrs. Yuvika.

Mrs. Yuvika, again entered into an agreement on 01.08.2018 for sale of this house at Rs. 810 lakhs. She received Rs. 80 lakhs as advance by cash payment. The stamp duty value on the date of agreement was Rs. 835 lakhs. The sale deed was executed and registered on 14-1-2019 for the agreed consideration. However, the State stamp valuation authority had revised the values, hence, the value of property for stamp duty purposes was Rs. 870 lakhs. Mrs. Yuvika paid 1% as brokerage on sale consideration received.

Subsequent to sale, Mrs. Yuvika made following investments:

- (i) Acquired a residential house at Delhi for Rs. 130 lakhs on 31.5.2019.
- (ii) Acquired a residential house at UK for Rs. 290 lakhs on 23.3.2019.
- (iii) Subscribed to NHAI capital gains bond (approved under section 54EC) for Rs. 47 lakhs on 29-3-2019 and for Rs. 50 lakhs on 12-5-2019.

Compute the income chargeable under the head 'Capital Gains'. The choice of exemption must be in the manner most beneficial to the assessee.

Cost Inflation Index: F.Y. 2004-05 – 113; F.Y. 2006-07 – 122; F.Y. 2018-19 - 280.

QUESTION 4(C)

(2 MARKS)

What is the **fee for default** in furnishing return of income **u/s 234F**?

QUESTION 5(A)**(10 MARKS)**

Ms. Geeta, a resident individual, provides the following details of her income/losses for the year ended 31.03.2019:

	Particulars	Amount (Rs.)
(i)	Income from salary (computed)	41,20,000
(ii)	Rent received from house property situated in Delhi	5,00,000
(iii)	Interest on loan taken for purchase of above property. Loan was taken from a friend	7,50,000
(iv)	Rent received from house property situated in Jaipur	3,20,000
(v)	Interest on loan taken for house property in Mumbai, which is self-occupied. Loan was taken from PNB on 01.01.1999 for purchase of this property.	1,57,000
(vi)	Interest on loan taken for repair of house properties situated in Mumbai and Delhi. Loan was taken on 01.04.17 and was utilized in 50:50 ratio for house properties situated in Mumbai and Delhi, respectively.	1,50,000
(vii)	Long-term capital gains on sale of equity shares computed in accordance with section 112A	8,95,000
(viii)	Interest on fixed deposit	73,000
(ix)	Loss from textile business	7,50,000
(x)	Speculation profit	2,30,000
(xi)	Lottery income	75,000
(xii)	Loss incurred by the firm in which she is a partner	1,60,000
(xiii)	Salary received as a partner from partnership firm. The same was allowed to firm	50,000
(xiv)	Brought forward short-term capital loss on sale of gold	2,75,000
(xv)	Brought forward loss on sale of equity shares of the nature specified u/s 111A	25,000
(xvi)	Life insurance premium paid for her son who is 30 years of age and is working in USA	15,000

Compute total income of Ms. Geeta for the assessment year 2019-20 and **the amount of loss that can be carried forward.**

For the above solution, you may assume principal repayment of loan as under:

- (1) Loan taken for purchase of house property in Delhi - Rs. 2,50,000
- (2) Loan taken for purchase of house property in Mumbai - Rs. 50,000
- (3) Loan taken for repair of house properties in Delhi and Mumbai -Rs. 75,000

Working notes should form part of your answer. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of note.

QUESTION 5(B)**(4 MARKS)**

Mr. Arihant, a resident individual aged 40 years, has Gross Total Income of Rs. 7,50,000 comprising of income from Salary and income from house property for the assessment year 2019-20. He provides the following information:

Paid Rs. 70,000 towards premium for life insurance policy of his handicapped son (section 80U disability). Sum assured Rs. 4,00,000; and date of issue of policy 1-8-2017.

Deposited Rs. 90,000 in tax saver deposit in the name of his major son in Punjab National Bank of India.

Paid Rs. 78,000 towards medical insurance for the term of 3 years as a lump sum payment for himself and his spouse. Also, incurred Rs. 54,000 on medical expenditure of his father, a resident aged 68 years. No medical insurance policy is taken in the name of his father. His father earned Rs. 4,50,000 interest from fixed deposit.

Contributed Rs. 25,000 to The Clean Ganga Fund, set up by the Central Government.

Compute the Total Income and deduction under Chapter VI-A for the Assessment year 2019-20.

QUESTION 6(A)

(5 MARKS)

Mr. Chandra Prakash, a resident individual aged 54, is planning to pay self-assessment tax and furnish his return of income on 15.12.2019. He furnishes the following details of his income, the amount of tax deducted at source and advance tax paid for the previous year 2018-19 as under:

- (i) Retail Toy business, whose turnover is Rs. 185 lakhs [received Rs. 90 lakhs by Account payee cheque, Rs. 50 lakhs through ECS and balance in cash]. He opts for presumptive taxation scheme under section 44AD.
- (ii) Income from other sources Rs. 3,05,000.
- (iii) Tax deducted at source Rs. 55,000.
- (iv) Advance tax paid Rs. 1,45,000 on 14-3-2019.

Calculate the interest payable under section 234B of the income-tax Act, 1961.

QUESTION 6(B)

(3 MARKS)

Examine with reference to the relevant provisions of Income-tax Act, 1961 whether the following **losses/deductions can be carried forward/claimed by Mr. Sharma**. These losses/deductions are in respect of the financial year 2018-19.

- (i) Loss from the business carried on by him as a proprietor: Rs. 9,80,000 (computed)
- (ii) Unabsorbed Depreciation: Rs. 3,25,000 (computed)
- (iii) Loss from House property: Rs. 50,000 (computed)

The due date for filing the return for Mr. Sharma was 31st July, 2019 under section 139(1). However, he filed the return on 25.9.2019.

QUESTION 6(C)

(2 MARKS)

Examine with brief reasons, **whether the following are chargeable to income-tax** and the **amount liable to tax** with reference to the provisions of the Income-tax Act, 1961:

Allowance of Rs. 18,000 p.m. received by an employee, Mr. Uttam Prakash, working in a transport system granted to meet his personal expenditure while on duty. He is not in receipt of any daily allowance from his employer.

QUESTION 6(D)

(4 MARKS)

Examine the TDS implications in the following cases along-with reasons thereof:

- (i) Talent Private Limited pays Rs. 12,000 to Ms. Sudha, its director, towards sitting fee which is not taxable u/s 192.
- (ii) Radha Limited is engaged for Shyam Limited only in the business of operation of call centre. On 18-03-2019, 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 28/03/2019 by Shyam Limited.

PART B : INDIRECT TAX

DIVISION A : MULTIPLE CHOICE QUESTIONS

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

QUESTION 7

(1* 6 = 6 MARKS)

1. Balance in electronic credit ledger can be utilized against which liability?
(a) Output tax payable (b) Interest (c) Penalty (d) All of the above
2. Which of the following activity shall be treated neither as a supply of goods nor a supply of services?
(i) Permanent transfer of business assets where input tax credit has been availed on such assets
(ii) temporary transfer of intellectual property right
(iii) transportation of deceased
(iv) services by an employee to the employer in the course of employment
(a) (i) & (iii) (b) (ii) & (iv) (c) (i) & (ii) (d) (iii) & (iv)
3. With reference to the provisions relating to transaction value under section 15 of the CGST Act, 2017, which of the following is not correct?
(a) Central excise duty will not be included in transaction value for supply of tobacco.
(b) Municipal taxes paid by tenant will be included in transaction value for supply of renting service.
(c) Entertainment tax included in movie ticket will form part of transaction value.
(d) Customer makes payment of freight which is payable by the supplier, directly to the service provider. However, supplier does not include this amount in the invoice. Such amount will be included in transaction value of the supplier.
4. A non-resident taxable person is required to apply for registration:
(a) within 30 days from the date on which he becomes liable to registration
(b) within 60 days from the date on which he becomes liable to registration
(c) at least 5 days prior to the commencement of business
(d) None of the above
5. In case of taxable supply of services by a non-banking financial company (NBFC), invoice shall be issued within a period of _____ from the date of supply of service.
(a) 30 days (b) 45 days (c) 60 days (d) 90 days
6. What is the validity of the registration certificate?
(a) One year (b) No validity (c) Valid till it is cancelled. (d) Five years.

QUESTION 8

(2* 3 = 6 MARKS)

1. Mr. Arun, a registered supplier, is engaged in selling sweets. The sweets are sold in boxes and the cost of each sweet box is Rs. 500/-. In order to increase his turnover, he purchased certain juice cans @ Rs. 20/- each and added juice can with every sweet box as a gift. A sweet box along with free juice can is sold at Rs.500/- each.
Which of the statements is correct?
(a) He is liable to pay tax on Rs.520/- and eligible to claim input tax credit on purchase of juice cans
(b) He is liable to pay tax on Rs.500/- and not eligible to claim input tax credit on purchase of juice cans
(c) He is liable to pay tax on Rs.500/- and also eligible to claim input tax credit on purchase of juice cans
(d) Either (a) or (b)

2. Miss. Raksha is engaged in providing private coaching services in Noida, Uttar Pradesh and is not registered under GST till 25-Sep-20XX. Her aggregate turnover is Rs.19,00,000/- on 30-Sep-20XX. She got GST registration on 30-Sep-20XX. Which of the following options are available to her?
- She can pay tax @ 18%, charge it from customer and avail full input tax credit on procurements made.
 - She can pay tax @ 6% under exemption scheme for service providers but she cannot charge GST from customer and also cannot avail input tax credit.
 - She is not liable for registration since her aggregate turnover is less than Rs.40,00,000/-
 - Either (a) or (b)
3. Which of the following services are notified under section 9(3) of CGST Act, 2017 or section 5(3) of IGST Act, 2017 the tax on which shall be paid on reverse charge basis by the recipient of such supply:
- Supply of security services provided by a person other than a body corporate to a composition taxpayer
 - Services supplied by an insurance agent to insurance company located in taxable territory
 - Supply of services by way of renting of hotel accommodation through e-commerce operator.
 - Supply of notified categories of goods or services or both by a supplier, who is not registered, to specified class of registered persons.
- Choose from the following options:
- (i) & (ii)
 - Only (ii)
 - (i), (ii), (iii)
 - (i) & (iv)

DIVISION B : DESCRIPTIVE QUESTIONS

Question No. 9 is compulsory

Attempt any **two** questions from the remaining **three** questions

QUESTION 9

(8 MARKS)

Mr. Himanshu, a registered supplier of chemicals, pays GST under regular scheme. He is not eligible for any threshold exemption. He has made the following outward taxable supplies for the month of September 2018:

Intra-State supply of goods	Rs. 25,00,000
Inter-State supply of goods	Rs. 5,00,000

He has also made the following inward supply :

Intra-State purchase of goods from registered dealer	Rs. 14,00,000
Intra-State purchase of goods from unregistered dealer	Rs. 2,00,000
Inter-State purchase of goods from registered dealer	Rs. 4,00,000

Balance of ITC at the beginning of September 2018 :

CGST	Rs. 95,000
SGST	Rs. 60,000
IGST	Rs. 50,000

Additional Information :

- He purchased a car (Intra-State supply) used for business purpose at a price of Rs. 6,72,000/- (including CGST of Rs. 36,000 & SGST of Rs. 36,000) on September 15, 2018. He capitalized the full value including GST in the books on the same date to claim depreciation.
- Out of Inter-State purchase from registered dealer, goods worth Rs. 1,00,000 were received on October 3, 2018 due to road traffic jams.

Note:

- (i) Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively.
- (ii) Both inward and outward supplies given above are exclusive of taxes, wherever applicable.
- (iii) All the conditions necessary for availing the ITC have been fulfilled except mentioned above.

Compute the net CGST, SGST and IGST payable in cash by Mr. Himanshu for the month of September, 2018.

QUESTION 10(A)

(6 MARKS)

Mr. Ajay has a registered repair centre where electronic goods are repaired/serviced. His repair centre is located in State of Rajasthan and he is not engaged in making any inter-State supply of services. His aggregate turnover in the preceding financial year (FY) is Rs. 45 lakh.

With reference to the provisions of the CGST Act, 2017, **examine whether Mr. Ajay can opt for the composition scheme** in the current financial year (FY)? Is he eligible to avail benefit of concessional payment of tax under Notification No. 2/2019 CT (R) dated 07.03.2019? Considering the option of payment of tax available to Mr. Ajay, compute the amount of tax payable by him assuming that his aggregate turnover in the current financial year is Rs. 35 lakh.

Will your answer be different if Mr. Ajay procures few items required for providing repair services from neighbouring State of Madhya Pradesh?

QUESTION 10(B)

(2 MARKS)

Examine the following independent cases of supply of goods and services and **determine the time of issue of invoice** under each of the cases as per the provisions of CGST Act, 2017:

Trust and Fun Ltd, an event management company, has provided its services for an event at Kapoor Film Agencies, Mumbai on 5th June, 2018. Payment for the event was made on 19th June, 2018.

QUESTION 10(C)

(2 MARKS)

M/s. Daksha Enterprises has made a cash deposit of Rs. 10,000 under minor head 'tax' of major head 'SGST'. It has a liability of Rs. 2,000 for minor head "Interest" under the major head "SGST".

State whether M/s. Daksha Enterprises **can utilise the amount available for payment of interest.**

QUESTION 11(A)

(4 MARKS)

Advise regarding availability of input tax credit (ITC) under the CGST Act, 2017 in the following independent cases:-

- (i) "Hans premium" dealing in luxury cars in Chankyapuri, Delhi purchased five Skoda VRS cars for sale to customers.
- (ii) Sun & Moon Packers Pvt. Ltd. availed outdoor catering service to run a canteen in its factory. The Factories Act, 1948 requires the company to set up a canteen in its factory.

QUESTION 11(B)**(2 MARKS)**

State with reasons, **whether GST is payable** in the following independent cases:-

- (i) Services provided to recognized sports body as curator of national team.
- (ii) Services by way of public conveniences such as provision of facilities of washrooms.

QUESTION 11(C)**(2 MARKS)**

Examine **whether the supplier is liable to get registered** in the following independent cases:-

Raghav of Assam is exclusively engaged in intra-State taxable supply of readymade garments. His turnover in the current financial year (FY) from Assam showroom is Rs. 28 lakh. He has another showroom in Tripura with a turnover of Rs. 11 lakh in the current FY.

QUESTION 11(D)**(2 MARKS)**

Decide with reason whether the following independent services are **exempt under CGST Act, 2017**:

Gokul Residents' Welfare Association received Rs. 9,000 per month as contribution from each member for sourcing of goods and services from third persons for common use of its members.

QUESTION 12(A)**(5 MARKS)**

M/s. Flow Pro sold a machine to BP Ltd. It provides the following particulars in this regard:-

S.No.	Particulars	Rs.
(i)	Price of the machine (excluding taxes and incidental charges)	30,000
(ii)	Machine was subject to third party inspection. The inspection charges have been directly paid by BP Ltd. to the inspection agency.	5,000
(ii)	Freight charges for delivery of the machine (M/s Flow Pro has agreed to deliver the goods at BP Ltd's premises)	2,000
(iv)	Subsidy received from State Government on sale of machine under skill Development Programme. [The subsidy is directly linked to the price].	5,000
(v)	Discount of 2% is offered to BP Ltd. on the price and recorded in the invoice	

Note: Items given in S. No. (ii) to (v) have not been considered in the price at S. No. (i).

Determine **the value of taxable supply** made by M/s Flow Pro to BP Ltd.

QUESTION 12(B)**(5 MARKS)**

List out the situations in which a **Credit note/Debit note may be issued** under the CGST Act, 2017.

OR**QUESTION 12(B)****(5 MARKS)**

Answer the following questions with respect to **casual taxable person** under the CGST Act, 2017 :

- (i) Who is a casual taxable person?
- (ii) Can a casual taxable person opt for the composition scheme?
- (iii) When is the casual taxable person liable to get registered?
- (iv) What is the validity period of the registration certificate issued to a casual taxable person?
- (v) Can the validity of registration certificate issued to a casual taxable person be extended? If yes, what will be the period of extension.