



CA INTERMEDIATE – May' 19

SUBJECT- IDT

Test Code – PIN 5047

(Date :)

(Marks - 100)

**Question 1 and 2 are compulsory and attempt any 3 out of remaining 4 questions**

**Question 1: Objective Questions**

**(1 mark x 30 = 30 marks)**

- 1) Which of the following shall be discharged first, while discharging liability of a taxable person?
  - (a) All dues related to previous tax period
  - (b) All dues related to current tax period
  - (c) Demand raised under section 73 and 74
  - (d) No such condition is mandatory
  
- 2) Which of the following activity is outside the scope of supply and not taxable under GST?
  - (a) Services by an employee to the employer in the course of or in relation to his employment
  - (b) Services of funeral
  - (c) Actionable claims, other than lottery, betting and gambling.
  - (d) All of the above
  
- 3) In case of continuous supply of services, where due date of payment is not ascertainable from the contract, invoice shall be issued:
  - (a) before or at the time when the supplier of service receives the payment
  - (b) on or before the due date of payment
  - (c) Either (a) or (b)
  - (d) None of the above
  
- 4) Which of the following statement(s) is/are correct?
  - (a) Section 15 of CGST Act prescribes different provisions for valuation of goods and services
  - (b) CGST Act and IGST Act have different provisions for valuation of supply
  - (c) Section 15 of CGST Act prescribes same set of provisions for valuation of goods and services
  - (d) (a) and (b)

- 5) The functions of Goods and Services Network (GSTN) include :
- (a) facilitating registration
  - (b) forwarding the returns to Central and state authorities
  - (c) computation and settlement of IGST
  - (d) All of the above
- 6) Composition tax payer is required to file return in Form no\_\_\_\_\_.
- (a) GSTR-2
  - (b) GSTR-3
  - (c) GSTR-4
  - (d) GSTR-5
- 7) What is the time of supply of service if the invoice is not issued within 30 days from the date of provision of service?
- (a) Date of issue of invoice
  - (b) Date on which the supplier receives payment
  - (c) Date of provision of service
  - (d) Earlier of (b) & (c)
- 8) Which of the following taxes levied on intra-State supply?
- (a) CGST
  - (b) SGST/UTGST
  - (c) Both (a) and (b)
  - (d) IGST
- 9) A supplier takes deduction of depreciation on the GST component of the cost of capital goods as per Income- tax Act, 1961. The supplier can-
- (a) avail only 50% of the said tax component as ITC
  - (b) not avail ITC on the said tax component
  - (c) avail 100% ITC of the said tax component
  - (d) avail only 25% of the said tax component as ITC

- 10) The due date of filing Final Return is \_\_\_\_\_?
- (a) 20th of the next month
  - (b) 18th of the month succeeding the quarter
  - (c) Within three months of the date of cancellation or date of order of cancellation, whichever is later
  - (d) 31st December of next financial year
- 11) In case of taxable supply of services, 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
- 12) What is the time of supply an associated enterprise located outside India?
- (a) Date of entry of services in the books of account of recipient of service
  - (b) Date of payment
  - (c) Earlier of (a) & (b)
  - (d) Date of entry of services in the books of the supplier of service
- 13) \_\_\_\_\_ specifies the activities to be treated as supply even if made without consideration.
- (a) Schedule I of CGST Act
  - (b) Schedule II of CGST Act
  - (c) Schedule III of CGST Act
  - (d) All of the above
- 14) Which of the following taxes have been subsumed in GST?
- (a) Central Sales Tax
  - (b) Central Excise Duty
  - (c) VAT
  - (d) All of the above

- 15) When can the transaction value be rejected for computation of value of supply?
- (a) When the buyer and seller are related and price is not the sole consideration
  - (b) When the buyer and seller are not related or price is not the sole consideration
  - (c) It can never be rejected
  - (d) When the goods are sold at very low margins
- 16) Where goods are sent or taken on approval for sale or return are removed before the Supply takes place, the invoice shall be issued :
- (a) before/at the time of supply
  - (b) 6 months from the date of removal
  - (c) Earlier of (a) or (b)
  - (d) None of the above
- 17) Which of the following are not required to file the Annual Return?
- (a) Input Service Distributor
  - (b) Casual Taxable Person
  - (c) Non-resident Taxpayer
  - (d) All of the above
- 18) The value of supply should include:
- (a) Any non-GST taxes, duties, cesses, fees charged separately by supplier
  - (b) Interest, late fee or penalty for delayed payment of any consideration for any supply
  - (c) Subsidies directly linked to the price except subsidies provided by the Central and State Governments
  - (d) All of the above
- 19) What is the time of supply of vouchers when the supply with respect to the voucher is not identifiable?
- (a) Date of issue of voucher
  - (b) Date of redemption of voucher
  - (c) Date of entry in books of accounts
  - (d) Earlier of (a) or (b) or (c)

- 20) GST is payable by the recipient under reverse charge on:
- (a) Sponsorship services
  - (b) Transport of goods by rail
  - (c) Transport of passengers by air
  - (d) All of the above
- 21) In case of continuous supply of services, where due date of payment is ascertainable from the contract, invoice shall be issued:
- (a) before or at the time when the supplier of service receives the payment
  - (b) on or before the due date of payment
  - (c) Either (a) or (b)
  - (d) None of the above
- 22) Discount given after the supply is deducted from the value of taxable supply, if –
- (a) Such discount is given as per the agreement entered into at/or before the supply
  - (b) Such discount is linked to the relevant invoices
  - (c) Proportionate input tax credit is reversed by the recipient of supply
  - (d) all of the above
- 23) Which of the following statement is true for a composition tax payer?
- (a) A composition tax payer can avail only 50% of ITC on capital goods.
  - (b) A Composition tax payer can avail 100% ITC on inputs
  - (c) ITC is not available on inward supplies made by composition tax payer
  - (d) Composition tax will be available as ITC to the recipient only if the tax is mentioned Separated in the invoice raised by the composition tax payer.
- 24) What is the time of supply of service if the invoice is issued within 30 days from the date of provision of service?
- (a) Date of issue of invoice
  - (b) Date on which the supplier receives payment
  - (c) Date of provision of service
  - (d) Earlier of (a) & (b)

- 25) Value of supply under section 15(1) is :
- (a) Wholesale price
  - (b) Market value
  - (c) Maximum retail price
  - (d) Transaction value
- 26) In case of taxable supply of services by an insurer, invoice shall be issued within a period of \_\_\_\_\_ from the date of supply of service.
- (a) 30 days
  - (b) 40 days
  - (c) 60 days
  - (d) 90 days
- 27) Which of the following is not a supply as per section 7 of the CGST Act?
- (a) Management consultancy services not in course or furtherance of business
  - (b) Import of service for consideration not in course or furtherance of business
  - (c) Both (a) and (b)
  - (d) None of the above
- 28) What is the time of supply of vouchers when the supply with respect to the voucher is identifiable?
- (a) Date of issue of voucher
  - (b) Date of redemption of voucher
  - (c) Date of entry in books of accounts
  - (d) Earlier of (a) or (b) or (c)
- 29) Which of the following shall not be included in value of supply?
- (a) GST
  - (b) Interest
  - (c) Late fee
  - (d) Commission

- 30) Date on which the supplier receives the payment as per section 12 of CGST Act is
- Date entered in books of accounts
  - Date of credit in bank account
  - Date entered in books of accounts or date of credit in bank account, whichever is earlier
  - Date on which receipt voucher is issued by supplier

**Question 2:**

- (A) Fun Pharma Private Limited, a registered supplier is engaged in the manufacture of Taxable goods. The company provides the following information of GST paid on the purchases made / input services availed by it during the month of September 2017 :

	Particulars	GST Paid (Rs.)
i.	Purchase of cabs used for the transportation of its employees	3,30,000
ii.	Inputs consisting of three lots, out of which first lot was received during the month	1,25,000
iii.	Capital Goods (Out of three items, invoice for one item was missing and GST paid on that item was Rs. 25,000)	2,50,000
iv.	Outdoor catering service availed on Women's day	72,000

Determine the amount of Input Tax Credit available with M/s Fun Pharma Private Limited for the month of September 2017 by giving necessary explanations for treatment of various items. All the conditions necessary for availing the Input Tax Credit have been fulfilled.

**(5 Marks)**

- (B) Determine the effective date of organization in the following instances :
- The aggregate turnover of Madhu Ltd. engaged in taxable supply of services in the state of Punjab, exceeded Rs. 20 Lakhs on 25<sup>th</sup> August 2017. It applies for registration on 19<sup>th</sup> September 2017 and is granted registration certificate on 29<sup>th</sup> September 2017.
  - What will be your answer, if in the above scenario, Madhu Ltd. submits the application for registration on 27<sup>th</sup> September, 2017 and is granted registration on 5<sup>th</sup> October 2017 ?

**(5 Marks)**

**Question : 3**

- (A) Jack and Jill Ltd. has provided the following particulars relating to goods sold by it to Jingle Bells Pvt. Ltd.

Particulars	Rs.
List Price of the goods (exclusive of taxes and discounts)	1,00,000
Tax levied by Municipal Authority on the sale of such goods	10,000
CGST and SGST chargeable on the goods	20,880
Packing charges (not included in price above)	2,000

Jack and Jill Ltd. received Rs. 4000 as a subsidy from a Twinkle Trust a Non-Governmental organization on sale of such goods. The price of Rs. 1, 00,000 of the goods is after considering such subsidy. Jack and Jill offers 4% 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 Jack and Jill Ltd.

**(5 Marks)**

- (B) (i) Whether transfer of right to use goods will be treated as supply of goods or supply of service ? Why ?

**(2 Marks)**

(ii) Whether supply of software would be treated as supply of goods or supply of services under GST law ? **(2 Marks)**

(C) Prem is running a consultancy firm and also a fancy store, registered under the same PAN number. Turnover of the fancy store is Rs. 65,00,000 and receipt of consultancy firm is Rs. 10,00,000 in the preceding financial year.

You are required to provide answers with supporting explanatory note for each answer to the following questions :

- (i) Is Prem eligible for composition scheme under CGST Act ?
- (ii) Whether it is possible for Prem to opt for composition scheme only for fancy store ?
- (iii) If Prem is running a restaurant with turnover of Rs. 65,00,000 instead of consultancy firm as well as a fancy store, would he be eligible for composition scheme?

**(6 Marks)**

(D)

Ranga & Co. is a trader dealing in stationery items. It is registered under GST and has undertaken following sales during the day :

S.No.	Recipient of supply	Amt. (Rs.)
1.	Ram Traders – a Composition Scheme retail dealer	190
2.	Dhanush Enterprises – an unregistered trader	358
3.	Gautham – a Printer [unregistered]	500
4.	Sunil Orphanage – an unregistered entity	188
5.	Sandhya – a Student [unregistered]	158

None of the recipients require a tax invoice. Determine in respect of which of the above supplies, Ranga & Co may issue a Consolidated Tax Invoice instead of Tax Invoice at the end of the day ? **(5 Marks)**

**Question : 4**

(A) What is the provisions relating to interest on non-payment of tax and excess claim of credit? **(4 Marks)**

(B) An employer provide free housing to his employee. Will this transaction be subject to GST? **(2 Marks)**

(C) Mr. Nagarjun, a registered supplier of Chennai, has received the following amounts in respect of the activities undertaken by him during the month ended on 30<sup>th</sup> September 2017 :

S.No.	Particulars	Amount (Rs.)
(i)	Amount charged for service provided to recognized sports body as selector of National Team.	50,000
(ii)	Commission received as an insurance agent from Insurance Company.	65,000
(iii)	Amount charged as business correspondent for the services provided to the urban branch of a nationalized bank with respect to savings bank accounts.	15,000
(iv)	Service to foreign diplomatic mission located in India.	28,000
(v)	Funeral Services.	30,000



He received the services from unregistered Goods transport agency for his business activities relating to serial number (i) to (iii) above and paid freight of Rs. 45,000 (his aggregate turnover of previous year was Rs. 9,90,000).

**Note :** All the transactions stated above are intra state transactions and also are exclusive of GST.

You are required to calculate Gross value of taxable supply on which GST is to be paid by Mr. Nagarjun for the month of September 2017. Working notes should form part of your answer. **(9 marks)**

**(D)**

M/s Mansh & Vansh Trading Company, a registered supplier, is liable to pay GST under forward charge. Determine the time of supply from the following information furnished by it:

(i) Goods were supplied on 03.10.2017

(ii) Invoice was issued on 05.10.2017

(iii) Payment received on 09.10.2017

**(5 Marks)**

**Question : 5**

**(A)**

Determine the Time of Supply from the following particulars :

8 <sup>th</sup> September	Community hall booked for a marriage, sum agreed Rs. 1,20,000, advance Rs. 20,000 recorded in the books of account.
10 <sup>th</sup> September	Advance amount credited in bank account.
2 <sup>nd</sup> November	Marriage held in the Community hall.
18 <sup>th</sup> December	Invoice issued for Rs. 1,20,000 indicating the balance of Rs. 1,00,000 payable.
22 <sup>nd</sup> December	Balance Rs. 1,00,000 recorded in the books of account.
24 <sup>th</sup> December	Payment Rs. 1,00,000 credited to the bank account.

**(5 Marks)**

**(B)** What is the eligibility to opt for the composition scheme?

**(6 Marks)**

**(C)** What is a CIN and what is its relevance ?

**(3 Marks)**

**(D) (i)** Briefly explain the procedure for filing of Returns by Composition Tax Payers.

**(3 Marks)**

**(ii)** What are the details required for matching of Input Tax Credit.

**(3 Marks)**

**Question : 6**

**(A)** ABC Co. Ltd. procured the following Inputs during the Month of January. Determine the amount of Input Credit available with necessary explanation for the treatment of various items.

Items	GST paid (Rs.)
Raw Materials	52,000
Manufacturing Machine	50,000
Capital Goods (Fully capitalized including GST value for claiming depreciation]	40,000
Truck used for Transportation of RM	50,000
Food to Employees	50,000

**(5 Marks)**

**(B)** What is the meaning of Works Contract? **(1 Marks)**

**(C)** Who is mandatorily required to generate e-way bill? **(3 marks)**

**(D)** With the help of the following information in the case of M/s Jayant Enterprises, Jaipur (Rajasthan) for the year 2017 – 2018, determine the aggregate turnover for the purpose the registration under CGST Act, 2017.

No.	Particulars	Amt. (Rs.)
(I)	Sale of diesel on which Sale Tax (VAT) is levied by Rajasthan Government.	1,00,000
(II)	Supply of goods, after completion of Job work, from the place of Jayant Enterprises directly by principal.	3,00,000
(III)	Export Supply to England (U.K.).	5,00,000
(IV)	Supply to its own additional place of business in Rajasthan.	5,00,000
(V)	Outward supply on which GST is to be paid by recipient under reserve charge.	1,00,000

All the above amounts are excluding GST.

You are required to provide reasons for treatment of various items given above. **(6 Marks)**

**(E)**

What are the contents of Revised Tax Invoice/Credit/Debit Notes? **(5 Marks)**