

TOPIC : GST- Introduction, Supply under GST, Charge of GST & Exemption from GST

QUESTION : 1

- (A) Mr. Zafar of Assam, provides the following information for the preceding financial year 2018 – 19. You are required to **find out the aggregate turnover for the purpose of eligibility of composition levy scheme and determine whether he is eligible for composition levy scheme or not,** for the F.Y. 2019 – 20.

Particulars	Amt. (Rs. in lakhs)
Value of taxable outward supplies (out of above Rs. 10 lakhs was in course of inter – state transactions).	50.00
Value of exempt supplies (which include Rs. 30 lakhs was received as a interest on loans & advances).	70.00
Value of inward supplies on which he is liable to pay tax under reverse charge	5.00
Value of exports	5.00
All the amounts are exclusive of GST.	

(6 MARKS)

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

- (i) 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.
- (ii) Mr. Vikalp, a performing artist, has received Rs. 1,58,000 from performance of classical dance and Rs. 90,000 from acting in TV Serial during the month of June 2018.

(4 MARKS)

QUESTION : 2

- (A) Explain in brief the conditions to be fulfilled by a registered person under GST law for availing the option to pay concessional tax @ 3% (effective rate 6%) under GST as per the provisions of notification number 2/2019 CT (R) dt. 7.3.2019 as amended, with effect from 1st April, 2019.

(5 MARKS)

- (B) **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 provided by way of transportation of passenger in Metered Cab.
- (iii) Services by way of public conveniences such as provision of facilities of washrooms.
- (iv) Services provided by a player to a franchisee which is not a recognized sports body.

(4 MARKS)

- (C) Raman is an architect in Chennai. His brother who is settled in London is a well - known lawyer. Raman has taken legal advice from him free of cost with regard to his family dispute. **Examine whether the said activity would amount to supply under section 7 read with Schedule I of the CGST Act.**

Would your answer be different if in the above case, Raman has taken advice in respect of his business unit in Chennai?

(6 MARKS)

QUESTION : 3

- (A) **State whether the following activities would be treated as supply of goods or services under GST Law.**

1. Services by an employee to the employer in the course of or in relation to his employment.
2. Actionable claims, other than lottery, betting and gambling.
3. Construction of complex, building, civil structure.
4. Stock transfers or branch transfers

(4 MARKS)

- (B) **Discuss whether GST is payable in each of the following independent cases.**

Nature of Services	Amount
1. Renting of rooms of a religious place meant for general public, owned/managed by institutions/entities/trusts, registered under section 12AA/10(23C)(v) of the Income tax Act or body/authority covered under section 10(23BBA) of the said Act	Rs. 1,500 per day
2. Rearing of horses	Rs. 5,000 per month
3. Transportation of books on a consignment transported in a single goods carriage	Rs. 3,000
4. Transportation of chairs for a single consignee in the goods carriage	Rs. 900

(4 MARKS)

- (C) Ravi sells agricultural produce by utilizing the services of Kavi who is a commission agent as per the Agricultural Produce Marketing Committee Act (APMC Act) of the State. Kavi identifies the buyers and sells the agricultural produce on behalf of Ravi for which he charges a commission from Ravi.

Comment on the following with respect to principal – agent relationship under GST Law:

- (i) If invoice is issued by Kavi to the buyer.
- (ii) If invoice is issued by Ravi to the buyer.

(2 MARKS)

QUESTION : 4

MULTIPLE CHOICE QUESTION :

1. Which is not considered as supply under GST Law? **(2M)**
- (a) Stock transferred from one establishment in Delhi to another establishment in Gurgaon, Haryana registered under same PAN.
 - (b) CA Ram supplies accounting services to CA Radha in lieu of taxation services received from CA Radha.
 - (c) A Health club supplies lunch to its members at its annual meeting against a nominal charge.
 - (d) Mr. A sells a flat to Mr. B
- (i) Date of completion certificate - 31/01/20XX
 - (ii) Date of agreement with buyer - 01/02/20XX
 - (iii) Consideration received - 05/02/20XX
2. 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: **(2M)**
- (i) Supply of security services provided by a person other than a body corporate to a composition taxpayer
 - (ii) Services supplied by an insurance agent to insurance company located in taxable territory
 - (iii) Supply of services by way of renting of hotel accommodation through e-commerce operator.
 - (iv) 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:
- (a) (i) & (ii)
 - (b) Only (ii)
 - (c) (i), (ii), (iii)
 - (d) (i) & (iv)
3. Which of the following activity shall be treated neither as a supply of goods nor a supply of services? **(1 M)**
- (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)

4. Which of the following is not eligible for opting composition scheme under GST?

(1 M)

(a) M/s ABC, a firm selling garments having annual turnover of Rs. 78 lakh.

(b) A startup company operating restaurant in Delhi having a annual turnover of Rs. 98 lakh.

(c) A courier service company operating solely in Mumbai having annual turnover of Rs. 90 lakh.

(d) A trader selling grocery items having an annual turnover of Rs. 95 lakh.

5. Which of the following is not a supply of services?

(1 M)

(a) Renting of Commercial Office Complex

(b) Payment of Non-Compete Fee by an ex-employee to his previous employer

(c) Repairing of Mobile Phone

(d) Permanent transfer of business assets on which ITC is availed

6. Which of the following services is exempt under health care services provided by clinical establishments?

(1 M)

(a) Chemist shop in the hospital selling medicines to public at large

(b) Food supplied from an outsourced canteen to in-patients as per diet prescribed by the hospital dietician

(c) Advertisement services provided by the hospital to a pharmaceutical company for their asthma pump by displaying it prominently in the hospital building

(d) All of the above

7. Alcoholic liquor for human consumption is subjected to

(1 M)

(a) State excise duty

(b) Central Sales Tax/Value Added Tax

(c) Both (a) and (b)

(d) GST

8. An exempt supply includes-

(1 M)

(a) Supply of goods or services or both which attracts Nil rate of tax

(b) Non-taxable supply

(c) Supply of goods or services or both which are wholly exempt from tax under section 11 of the CGST Act or under section 6 of IGST Act

(d) All of the above

9. What of the following services provided to an educational institution – Debo Public School – are exempt from GST ? **(1 M)**
- (a) Transportation of staff of the school
 - (b) cleaning of the school
 - (c) Services relating to conduct of higher secondary exams
 - (d) All of the above
10. Transportation of passengers by _____are exempt from GST. **(1 M)**
- (a) Railway in first class
 - (b) Railway in an air-conditioned coach
 - (c) Metro
 - (d) All of the above
11. Transportation of _____ by a GTA in a goods carriage is exempt from GST. **(1 M)**
- (a) Agricultural produce
 - (b) Organic manure
 - (c) Milk
 - (d) All of the above
12. Which of the following services is exempt from GST? **(1 M)**
- (a) Bollywood dance performance by a film actor in a film and consideration charged is Rs. 1,45,000.
 - (b) Carnatic music performance by a classical singer to promote a brand of readymade garments and consideration charged is Rs. 1,30,000.
 - (c) Carnatic music performance by a classical singer in a music concert and consideration charged is Rs. 1,55,000.
 - (d) Kathak dance performance by a classical dancer in a cultural programme and consideration charged is Rs. 1,45,000.
13. M.H. Husain, a famous painter, Delhi, sends his latest art work to Indian Classic gallery, Delhi, for exhibition. However, no consideration has flown from Indian Classic gallery to M. H. Husain when the art work is sent to the gallery for exhibition. M. H. Husain is in dilemma whether GST is payable on said transfer of art work. What would be your advice on the same? **(1 M)**
- (a) GST is payable as the same amounts to taxable supply of goods.
 - (b) GST is payable as the same amounts to taxable supply of services.
 - (c) GST is not payable as the same is an exempt supply.
 - (d) GST is not payable as the same does not amount to supply at all.