



CA INTERMEDIATE  
SUBJECT- INDIRECT TAX

Test Code – CIM 8689

(Date :)

(Marks - 45)

**TOPICS: GST- Introduction, Supply under GST & Charge of GST**

**QUESTION 1                      MUTLIPLIE CHOICE QUESTIONS**

1. Which of the following services received without consideration amount to supply?

- (1) Import of services by a person in India from his son well-settled in USA
- (2) Import of services by a person in India from his brother well-settled in Germany
- (3) Import of services by a person in India from his brother (wholly dependent on such person in India) in France
- (4) Import of services by a person in India from his daughter (wholly dependent on such person in India) in Russia

- (a) 1), 3) and 4)
- (b) 2), 3) and 4)
- (c) 2) and 3)
- (d) 1) and 2)

**(2 MARKS)**

2. IGST is levied on:

- (a) Inter-State supplies
- (b) Intra-State Supplies
- (c) Both (a) and (b)
- (d) None of the above

**(1 MARK)**

3. A \_\_\_\_\_ supply comprising of two or more supplies shall be treated as the supply of that particular supply that attracts highest rate of tax.

- (a) Composite
- (b) Mixed
- (c) Both (a) and (b)
- (d) None of the above

**(1 MARK)**

4. On supply of which of the following items, GST shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council:

- (a) Petroleum crude
- (b) Alcoholic liquor for human consumption
- (c) Both (a) and (b)
- (d) None of the above

**(1 MARK)**

5. On Petroleum Crude, High Speed Diesel, Motor Spirit (commonly known as Petrol), Natural Gas and Aviation Turbine Fuel:
- (a) GST will not be levied at all
  - (b) GST will be levied from a date to be notified on the recommendations of the GST Council
  - (c) GST is levied, but exempt
  - (d) None of the above

(1 MARK)

6. 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

(1 MARK)

7. Which of the following services does not fall under reverse charge provisions as contained under section 9(3) of the CGST Act?
- (a) Services supplied by arbitral tribunal to business entity
  - (b) Sponsorship provided to any partnership firm
  - (c) Sponsorship provided to any body corporate
  - (d) None of the above

(1 MARK)

8. 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)

(2 MARKS)

#### QUESTION 2(A)

**Examine whether the following activities would amount to supply** under section 7 read with Schedule I of the CGST Act:

- (a) Sulekha Manufacturers have a factory in Delhi and a depot in Mumbai. Both these establishments are registered in respective States. Finished goods are sent from factory in Delhi to the Mumbai depot without consideration so that the same can be sold.

(3 MARKS)

(b) 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.

**(3 MARKS)**

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

**(2 MARKS)**

**QUESTION 2(B)**

**(6 MARKS)**

**State person liable to pay GST** in the following independent cases provided recipient is located in the taxable territory:

(a) Services provided by an arbitral tribunal to any business entity.

(b) Sponsorship services provided by a company to an individual.

(c) Renting of immovable property service provided by the Central Government to a registered business entity.

**QUESTION 3(A)**

**(5 MARKS)**

**State whether** the following supplies would be treated as **supply of goods or supply of services** as per Schedule II of CGST Act:

- (i) Renting of immovable property
- (ii) Transfer of right in goods without transfer of title in goods.
- (iii) Works contract services
- (iv) Temporary transfer of permitting use or enjoyment of any intellectual property right
- (v) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date.

**QUESTION 3(B)**

**(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 4(A)**

**(6 MARKS)**

Enumerate the deficiencies of the existing indirect taxes which led to the need for ushering into GST regime.

**QUESTION 4(B)**

**(4 MARKS)**

**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