

4. Which one of the following cannot be a reason for cancellation of registration?
- (a) There is a change in the constitution of business from partnership firm to proprietorship.
 - (b) The business has been discontinued.
 - (c) A composition taxpayer has not furnished returns for three consecutive tax periods.
 - (d) A registered person, other than composition taxpayer, has not furnished returns for three consecutive tax periods.
5. A special Audit under GST is conducted by:
- (a) The CGST Officials
 - (b) The SGST Officials
 - (c) Chartered Accountant or Cost Accountant
 - (d) Any of the above
6. In which of the following cases, compounding of offence is not allowed under section 138 of CGST Act, 2017?
- (a) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f) of section 132(1).
 - (b) a person who has been convicted for an offence under GST law by a Court.
 - (c) a person who has been accused of committing an offence under GST law which is also an offence under any other law for the time being in force.
 - (d) All of the above.
7. Mr. Happy Singh is a resident of Chandigarh. The marriage of his daughter, Khushi Kaur, has been finalized with Mr. Lovely Singh, a NRI settled in Canada. The marriage is scheduled on 14-Feb-2019 in Chandigarh. Mr. Happy Singh wants to send 5,000 marriage invitation cards to all his relatives and friends to attend the marriage. He has to send the invitation by speed post. He is not sure about the taxability of speed post services under GST regime. He seeks your help in determining the applicability of GST on speed post.
- (a) Taxable
 - (b) Non Taxable
 - (c) Exempt
 - (d) None of the above

8. Where any agent supplies goods on behalf of his principal:
- (a) Such agent shall be jointly and severally liable to pay the GST payable on such goods.
 - (b) The principal shall be jointly and severally liable to pay the GST payable on such goods.
 - (c) Both (a) and (b)
 - (d) None of the above.
9. Which of the following statements are correct
- (i) NRTP can avail ITC on imported goods
 - (ii) NRTP can avail composition scheme
 - (iii) NTRP shall become liable to register only after it exceeds applicable threshold limit
 - (iv) NRTP shall apply for registration after 30 days from date of liable to registration
- (a) only I (b) i and iii
(c) only iv (d) iii and iv
10. Anti-Dumping duty is calculated as
- (a) Higher of margin of dumping or injury margin;
 - (b) Lower of margin of dumping or injury margin;
 - (c) Higher of export price or normal value;
 - (d) Lower of export price or normal value

(1*10 = 10 Marks)

Q.2

1. Kutch Refineries supplies LPG to XYZ Ltd. by a pipeline under a contract. The terms of contract are:

- (i) Monthly payment of ` 2 lakh to be made by the recipient on fifth day of the month.
- (ii) A quarterly statement of the goods dispatched and payments made will be issued by seventh day of the month succeeding the relevant quarter.

August 5, September 5, October 5	Payments of ` 2 lakh made in each month
October 7,	Statement of accounts issued by supplier for the quarter July - September
October 17,	Differential payment of ` 56,000 received by supplier for the quarter July - September as per statement of accounts

Which of the following statements is true?

- (a) Invoice will be issued on August 5, September 5, October 5 and October 7.
 - (b) Invoice will be issued on August 5, September 5 and October 5.
 - (c) Invoice will be issued on August 5, September 5, October 5, October 7 and October 17
 - (d) None of the above
2. Mrs Reena is a consultant. She has provided the following details relating to services provided and received by her:
1. Supply of management consultancy services for ` 500,000/- p.a.
 2. Interest received on fixed deposit with Axis bank -200000
 3. Renting of immovable property for residential purposes for ` 10,000/- p.m.
 4. Management consultancy services provided to a hospital for ` 50,000/- onetime
 5. Services provided to a client outside India for ` 50,000/- p.m.
 6. Services received from a lawyer for ` 100,000/-

Calculate her aggregate turnover for a year under GST.

- (a) ` 9,10,000
- (b) ` 12,70,000

(c) ₹ 14,70,000(d)

₹ 8,20,000

3. Which of the following is service is taxable?

- (i) Managing director receives remuneration from company
- (ii) Arbitral tribunal providing service to business entity
- (iii) State government granting alcoholic liquor license to Chandani bar
- (iv) Sale of lottery tickets

(a) (i), (iv)

(b) (iv), (v), (ii)

(c) (ii) (iv)

(d) All of the above

4. ABC Ltd. exported certain goods last year. The buyer has sent back those goods since the same were under warranty and required repairs. Which of the following condition(s) is/are to be satisfied by ABC Ltd. to avail exemption on goods re imported for repairs under Notification No. 158/95- Cus dated 14.11.1995?

- (i) The re-import has to be for repairs only;
- (ii) Goods must be re-exported after repairs;
- (iii) Goods must be re-exported within 6 months or 1 year if time is extended;
- (iv) In case goods are not repaired, new goods have to be sent by ABC Ltd within 6 months.

(a) (i), (ii) and (iv);

(b) (i), (ii) and (iii);

(c) (ii) and (iii);

(d) All of above

5. State which of the following statement is correct:

- (i) Services by any artist by way of performance in folk or classical art forms of music, dance, or theatre as a brand ambassador if the consideration charged for such performance is not more than ₹ 150,000/- is exempt.
- (ii) Services of life insurance business under Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having minimum amount of cover of ₹ 50,000/- is exempt.
- (iii) Service by an acquiring bank, to any person in relation to settlement of an amount upto ₹ 2,500/- in a single transaction transacted through credit card, debit card, charge card or other payment card service is exempt.
- (iv) Services provided by a goods transport agency by way of transport in a goods carriage of, goods, where gross amount charged for the transportation

of goods on a consignment transported in a single carriage is ` 2250/-, is exempt.

Your options are-

- (a) (i) (b) (ii), (iii)
 (c) (ii), (iii), (iv) (d) None of the above

(2*5 = 10 Marks)

Q.3

1.

Date of change in rate of tax -	1/4/20	1/4/20
Date of invoice –	28/3/20	1/3/20
Date of supply of service-	15/4/20	15/3/20
Date on which bank account is credited		
Case 1 –	5/4/20	
Case 2 –		10/4/20
Date on which payment is recorded in the BOA/cs	25/3/20	26/3/20

Find the time of supply

- (a) 25/3 and 26/3 (b) 25/3 and 10/4
 (c) 15/4 and 10/4 (d) 25/3 and 1/36

(2 Marks)

2. Computation of Value of taxable supply and GST Liability Quantum Plast Private Limited, Delhi supplies plastic granulation machine to Capscom Ltd., Delhi. It furnishes the following details in respect of such supply:

Particulars	`
List price of the machine (exclusive of taxes and discounts)	1,00,000
Municipal taxes charged to C ltd (not included in price above)	10,000
Corrugated Boxes used for packing the machine(not included in price above)	1,000
Subsidy received from Delhi Government on sale of such machine (considered in price above)	5,000
Subsidy received from TATA ltd on sale of such machine (considered in price above)	25,000
Subsidy received from central government on sale of such machine not considered in the price above	15,000
Subsidy received from RIL on sale of such machine not considered in the price above	50,000

Q Ltd gives an interest-free credit period of 10 days for payment by the customer. C Ltd paid for the supply 12 days after the supply of service. Q Ltd. waived the interest payable for delay of two days amounting to 2,000

Transportation Expenses incurred by C Ltd. on behalf on Q Ltd.	15000
Discount @ 2% is offered on list price of the machine (recorded in the invoice for the machine	

- (a) 136000 (b) 138000
 (c) 134000 (d) 150000

(3 Marks)

3. Mr. X a dealer of Maruti Car sells Maruti Baleno for `6 lacs to Mr. KS on 8/5/2018. Car is sold for 20 monthly instalments Mr. KS defaulted after paying 10 instalments. Goods were repossessed by dealer on 10/10/2019.

Car after repossession was sold by Mr. X for `490000 on 20/4/20.

Determine Purchase Price for Mr. X

- (a) 350000 and 150000 (b) 330000 and 160000
 (c) 370000 and 165000 (d) 300000 and 250000

(3 Marks)

4. A Ltd. and B Ltd. are considering amalgamation into AB Ltd., the NCLT has passed an order of amalgamating of A ltd and B ltd into AB ltd on 1.10.18 but the amalgamation will take place from retrospective effect i.e. from 1.04.18 and ROC has issued Certificate of Incorporation in relation to the AB Ltd.'s business on 1.12.18.

When will they become liable to register w.e.f?

- (a) 1.12.18 (b) 1.04.18
 (c) 1.10.18 (d) 1.09.18

(1 Marks)

5. Which of the following statements are incorrect?

- i) Where supplier is a registered person and recipient is liable to pay tax u/s 9(3), shall not raise self-invoice on receipt of goods to avail ITC
- ii) Person supplying taxable and exempt goods to registered recipient shall issue invoice cum bill of supply
- iii) Jobworker shall issue delivery challan in relation to service provided by him to the principal for which it charges job work charges

iv) option to a issue consolidated tax invoice is disallowed to supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex.

(a) i ii and iv

(b) ii iii and iv

(c) i ii and iii

(d) only vi

(1 Marks)

J.K.SHAH CLASSES

Division B - Descriptive Questions**Question 4 is Compulsory. Answer Any Four out of Remaining Five Questions.**

Q.4 Power Engineering Pvt. Ltd., a registered supplier, is engaged in providing expert maintenance and repair services for large power plants that are in the nature of immovable property, situated all over India. The company has its Head Office at Bangalore, Karnataka and branch offices in other States. The work is done in the following manner.

- The company has self-contained mobile workshops, which are container trucks fitted out for carrying out the repairs. The trucks are equipped with items like repair equipment's, consumables, tools, parts etc. to handle a wide variety of repair work.
- The truck is sent to the client location for carrying out the repair work. Depending upon the repairs to be done, the equipment, consumables, tools, parts etc. are used from the stock of such items carried in the truck.
- In some cases, a stand-alone machine is also sent to the client's premises in such truck for carrying out the repair work.
- The customer is billed after the completion of the repair work depending upon the nature of the work and the actual quantity of consumables, parts etc. used in the repair work.
- Sometimes the truck is sent to the company's own location in other State(s) from where it is further sent to client locations for repairs.

Work out the GST liability [CGST & SGST or IGST, as the case may be] of Power Engineering Pvt. Ltd., Bangalore on the basis of the facts as described, read with the following data for the month of November 20XX.

S. No.	Particulars	\
A.	Truck sent to own location in Tamil Nadu (i) Value of items contained in the truck - ` 3,00,000 (ii) Value of truck - ` 25,00,000	
B.	Truck sent to a client location in Tamil Nadu for carrying out repairs. Stand- alone machine is also sent in the truck to client location for repairs (i) Value of items contained in the truck - ` 2,85,000	

	(ii) Value of stand-alone machine - ` 4,00,000 (iii) Value of truck - ` 20,00,000 (Billing for repairs to be done afterwards depending upon the actual items used)	
C.	Truck sent to a client location in Karnataka for carrying out repairs (i) Value of items contained in the truck - ` 1,06,000 (ii) Value of truck - ` 20,00,000 (Billing for repairs to be done afterwards depending upon the actual items used)	
D.	Invoices raised for repair work carried out in Tamil Nadu [including the invoice for repair work done in 'B'] -	70,00,000
E.	Invoices raised for repair work carried out in Karnataka [including the invoice for repair work done in 'C']	12,00,000

Also, specify the document(s), if any, which need to be issued by Power Engineering Pvt. Ltd., Bangalore for the above transactions.

All the given amounts are exclusive of GST, wherever applicable. Assume the rates of taxes to be as under:

Items used for repairs		
CGST - 6%	SGST - 6%	IGST - 12%
Container truck, Stand-alone machines		
CGST - 2.5%	SGST - 2.5%	IGST - 5%
Works contract for repairs and maintenance of immovable property		
CGST - 9%	SGST - 9%	IGST - 18%

You are required to make suitable assumptions, wherever necessary.

(14 Marks)

Q.5 (a) Pari Ltd. of Jodhpur (Rajasthan) is a registered manufacturer of cosmetic products. Pari Ltd. has furnished following details for the month of April, 2018:

S. No.	Particulars	`
(A)	Receipts	
	Details of Sales	
	(i) Sales in Rajasthan	8,75,000
	(ii) Sales in States other than Rajasthan	3,75,000
	(iii) Export under bond	6,25,000
(B)	Payments	
(1)	Raw materials	
	(i) Purchased from registered suppliers located in Rajasthan	1,06,250
	(ii) Purchased from unregistered suppliers located in Rajasthan	37,500
	(iii) Purchased from Punjab from registered supplier	1,00,000
	(iv) Integrated tax paid on Import from USA	22,732
	Consumables purchased from registered suppliers	1,56,250
(2)	located in Rajasthan including high speed diesel (Excise and Vat paid) worth `31,250 for running the machinery in the factory	1,00,000
(3)	Monthly rent for the factory building to the owner in Rajasthan	6,25,000
(4)	Salary paid to employees on rolls	2,00,000
(5)	Premium paid on life insurance policies taken for specified employees. Life insurance policies for specified employees have been taken by Pari Ltd. to fulfill a statutory obligation in this regard. The Government has notified such life insurance service under section 17(5)(b)(iii)(A). The life insurance service provider is registered in Rajasthan.	

All the above amounts are exclusive of all kinds of taxes, wherever applicable. However, the applicable taxes have also been paid by Pari Ltd.

The balance of Input Tax Credit (ITC) with Pari Ltd. as on 1st April, 2018 is

CGST ` 20,000

SGST ` 15,000

IGST ` 15,000

Assume CGST, SGST and IGST rates to be 9%, 9% and 18% respectively, wherever applicable.

Assume that all the other necessary conditions to avail the eligible input tax credit have been complied with by Pari Ltd., wherever applicable.

Compute eligible input tax credit and net GST payable (CGST and SGST or IGST as the case may be) by Pari Ltd. for the month of April, 2018.

(9 Marks)

(b) (Computation of assessable value)

A material was imported by air at CIF price of 5,000 US \$. Freight paid was 1,500 US \$ and insurance cost was 500 US \$. The banker realized the payment from importer at the exchange rate of ` 61 per dollar. Central Board of Excise and Customs notified the exchange rate as ` 60 per US \$. Find the value of the material for the purpose of levying duty.

(5 Marks)

Q.6 (a) Rolly Polly Manufacturers Ltd., registered in Mumbai (Maharashtra), is a manufacturer of footwear. It imports a footwear making machine from USA. Rolly Polly Manufacturers Ltd. enters into a contract with Rudra Logistics, a licensed customs broker with its office at Ahmedabad (Gujarat), to meet all the legal formalities in getting the said machine cleared from the customs station.

Apart from this, Rolly Polly Manufacturers Ltd. authorises Rudra Logistics to incur, on its behalf, the expenses in relation to clearance of the imported machine from the customs station and bringing the same to the warehouse of Rolly Polly Manufacturers Ltd. which shall be reimbursed by Rolly Polly Manufacturers Ltd. to Rudra Logistics on the actual basis in addition to agency charges.

Rudra Logistics raised an invoice in July, 20XX as follows:

Sr. No.	Particulars	Amount (₹)
(i)	Agency charges	5,00,000
(ii)	Unloading of machine at Kandla port, Gujarat	50,000
(iii)	Charges for transport of machine from Kandla port, Gujarat to its Rudra Logistics' godown in Ahmedabad, Gujarat	25,000
(iv)	Charges for transport of machine from Rudra Logistics' Ahmedabad godown to the warehouse of Rolly Polly Export Import House in Mumbai, Maharashtra	28,000
(v)	Prepared and submitted of Bill of Entry and paid customs duty	5,00,000
(vi)	Dock dues paid	50,000
(vii)	Port charges paid	50,000
(viii)	Hotel expenses	45,000
(ix)	Travelling expenses	50,000
(x)	Telephone expenses	2,000

Compute the value of supply made by Rudra Logistics with the help of given information. Would your answer be different if Rudra Logistics has charged ₹ 13,00,000 as a lump sum consideration for getting the imported machine cleared from the customs station and bringing the same to the warehouse of Rolly Polly Manufacturers Ltd.?

(8 Marks)

(b) Z & Co. is a firm of advocates (partners are X and Y, having equal profit sharing ratio). Find out the GST liability

- 1) Legal professional services provided to A, an advocate of Bombay High Court (gross receipts of A is always more than ` 50,00,000 per annum): ` 8,00,000.
- 2) Legal professional services provided to B & Co. (a firm of 10 advocates) ` 32,00,000.
- 3) Legal professional services provided to C (an Employee) (this service is provided to C in a personal legal matter) : ` 6,00,000.
- 4) Legal professional services provided to D Ltd., Delhi based company (turnover of D Ltd. of the preceding financial year is ` 6,00,000) : ` 11,00,000.
- 5) Legal professional services provided to E Ltd., Delhi based company (turnover of E Ltd. of the preceding financial year is ` 50,00,000): ` 5,00,000.

Above figures are exclusive of GST. If any GST is there, it will be paid separately. X & Co. is not a small service provider. Find out - GST payable by the supplier of service (i.e., Z & Co.)

(6 Marks)

- Q.7 (a)** Sakshitha Dancer, owned by Mrs. Lasliya, a famous Bharta Natyam dancer, wishes to organize a 'Lasliya Dance Concert' in Chandigarh (Haryana). Sakshitha Dancer is registered in Jaipur, Rajasthan. It enters with an event management company. Hasen Art (P) Ltd. (registered in Delhi) for organizing the said dance concert at an agreed consideration of ` 10,00,000. Hasan Arts (P) Ltd. books the lawns of Hotel Sky Dine, Chandigarh (registered in Haryana) for holding the dance concert, for a lump sum consideration of ` 6,00,000.
- Sakshitha Dancers fixes the entry fee to the dance event at ` 6,000; 600 tickets for 'Lasliya Dance Concert' are sold.

From the aforesaid details, identify the different supplies which are involved and determine the CGST and SGST or IGST liability, as the case may be, in respect of all the supplies involved in the outlined situation.

Rates of GST may be taken as under:

SGST 9%

CGST 9%

IGST 18%

(9 Marks)

- (b) Computation of customs duty along with anti-dumping duty) Miss Priya imported certain goods weighing 1,000 kgs with CIF value US \$ 45,000. Exchange rate was 1 US \$ = ` 65 on the date of presentation of bill of entry. Basic customs duty is chargeable @ 10% and Social welfare surcharge as applicable. IGST is 18% and compensation cess is NIL. As per Notification issued by the Government of India, anti-dumping duty has been imposed on these goods. The anti-dumping duty will be equal to difference between amount calculated US \$ 60 per kg and 'landed value' of goods. You are required to compute custom duty and anti-dumping duty payable by Miss Priya.

(5 Marks)

- Q.8 (a)** Mangeshwar, registered under the CGST Act, 2017 has made a breach in payment of tax amounting to ` 6,100. Assessing Authority has imposed a penalty as per law applicable to the breach. Invoking the provisions of section 126, Mangeshwar argues that it is a minor breach and therefore, no penalty is imposable. In another instance, Mangeshwar has omitted certain details in documentation that is not easily rectifiable. This has occurred due to the gross negligence of his accountant and he makes a plea that he was unaware of it and therefore no penalty should be levied. Mangeshwar voluntarily writes accepting a major procedural lapse from his side and requests the officer to condone the lapse as the loss caused to the revenue was not significant. Also a lapse on the part of Mangeshwar has no specific penalty provision under the CGST Act, 2017. He is very confident that no penalty should be levied without a specific provision under the Act. Discuss, what action may be taken by the Assessing Authority under law for each of the above breaches.

(6 Marks)

- (b) Mr. A supply taxable and exempted goods of Rs 1 lac and 2 lac respectively to Mr. B

GST collected on Taxable and exempted goods @ 12%	36,000
GST to be collected only on dutiable goods @ 12%	12,000
Amount deposited	36,000

If the Final amount determined is ` 12000. Determine the amount of adjustment or refund if any?

(3 Marks)

- (c) (Computation of Duty Drawback)

'X' has exported under-mentioned goods under drawback claim –

Description of goods & quantity exported	Serial	FOB value `	Drawback rate
Leather footwear Boots 200 pairs @ ` 1,000 per pair	64.01	2,00,000	11% of FOB subject to maximum of ` 85 per pair
Leather chappals 2000 pairs @ 50 per pair	64.11	1,00,000	
Brass Jewellery 200 kgs. @ 200 per kg	71.01	-	3% of FOB subject to maximum of ` 5 per pair
Plastic bangles with embellishment 200 kgs @ ` 100 per kg	71.05	-	
			` 22.50 per kg of Brass content
			` 5.00 per kg of plastic content.

On examination it is found that brass content in brass jewellery is 50% of weight and in plastic bangles the plastic content is 50% but the total weight comes to 190 kgs only.

Compute drawback on each item and total drawback.

(5 Marks)

- Q.9 (a) SCN issued for following years on the charge of fraud upto 30.06.23.

2017-18	2 crore
2018-19	3 crore
2019-20	4 crore

2020-21	5 crore
2021 - 22	6 crore

Demand order passed on 31.12 23. But appeal made to appellate Tribunal and it was decided by Tribunal that GST evaded was not due to Fraud. Assessee contended that notice is invalid. Comment.

(5 Marks)

- (b) Mudit Enterprises, registered in the state of Maharashtra (Mumbai) is engaged in supply of various goods and services exclusively to persons notified under section 51 of the CGST Act, 2017.

Calculate the amount of TDS to be deducted by the recipient if any, from the details given below of three independent contracts for the month of November, 2018:

Particulars	I	II	III
Place of supply	Mumbai	Mumbai	Mumbai
Registered place of recipient	Mumbai	Mumbai	Delhi
Total contract value (inclusive GST)	275000	310000	450000
Payment due in nov, 2018(exclusive GST)	55000	60000	120000
Note: Take the rate of CGST, SGST and IGST as 6%, 6% and 12% respectively.			

(4 Marks)

OR

- (c) (i) A star export house wishes to import goods which are exempt from duty under Foreign Trade Policy (FTP), subject to fulfilment of export obligation. However, Customs Notification giving effect to the FTP is yet to be issued. Can the export house import the goods claiming exemption from duty under FTP in the absence of Customs Notification?
- (ii) Give examples of categories of exports/sectors which are ineligible for duty credit scrip entitlement under MEIS.

(5 Marks)