

**Division A: Multiple Choice Questions**

**(30 Marks)**

**Q.1**

1. Eg Karan Enterprises is engaged in supply of taxable goods in Maharashtra. It also supplies alcoholic liquor for human consumption from Nagaland. Its turnover in the current financial year is ₹ 34 lakh in Maharashtra and ₹ 8 lakh in Nagaland.

- (a) register only in Maharashtra
- (b) register only in Nagaland
- (c) register in both states
- (d) not liable to register In any states

**(1 Mark)**

2. Mr. X has sent goods on approval to Mr. Y wherein the approval period is 4months from date of removal that is 1.4.20 and the date of approval is 25.7.20 and date of payment is 27.7.20

Which are the documents to be issued when goods are sent on approval and when goods are approved?

- (a) bill of supply, delivery challan
- (b) tax invoice, delivery challan
- (c) delivery challan, tax invoice
- (d) delivery challan, receipt voucher

**(1 Mark)**

3. What shall be the consequence if there is difference of opinion in case of Authority for advance rulings and Appellate authority for advance rulings?

- (a) Refer the case to Appellate authority for advance rulings and high court respectively
- (b) Refer the case to Appellate authority for advance rulings and supreme court respectively
- (c) Refer the case to Appellate authority for advance rulings and no advance rulings can be given
- (d) Refer the case to high court and supreme court

**(1 Mark)**

4. Mr X retires as a partner in XYZ associates a partnership firm w.e.f 1.10.19 upto what date his liability to pay tax, interest, penalty in relation to dues of partnership firm shall extend if he informs the commissioner about his retirement on 1.11.20
- (a) 1.11.19 (b) 1.11.20  
(c) 1.10.20 (d) 1.10.19

(1 Mark)

5. Axis bank has issues Priority sector lending certificate to Kotak bank. Is it supply of goods or service and if any then is it taxable?
- (a) it is securities and hence not taxable  
(b) it is supply of goods and taxable  
(c) it is supply of service and taxable  
(d) it is supply of goods and exempt

(1 Mark)

6. "Donated by Shri CA Karan Sheth " written on the door of a temple as a token of testimony from the temple trust which was constructed from such donation but no such direction was given by the donor as such
- (a) it is a supply u/s 7(1)(a) as there is supply of service for a consideration  
(b) it is a not supply u/s 7(1)(a) as there is consideration without any supply of service  
(c) it is deemed supply u/s 7(1)(c)  
(d) it is covered under schedule III

(1 Mark)

**Q.2 E.g. Mr. Mahesh, a lawyer based in London is supplying legal services to Mr. Suresh his brother based in Mumbai in relation to business dispute for free of cost.**

1. Is it a supply?
- (a) it is supply u/s 7(1)(b)  
(b) it is deemed supply u/s 7(1)(c)  
(c) it is supply u/s 7(1)(a)  
(d) it is neither supply u/s 7(1)(b) nor 7(1)(c)

(1 Mark)

2. Printing of books, pamphlets, brochures, annual reports where only content to be printed is supplied by the publisher to such printer amounts to
- (a) composite supply, principal supply is supply of goods
  - (b) composite supply, principal supply is supply of service
  - (c) mixed supply, highest rate of tax shall be taken
  - (d) neither supply of goods nor service

(1 Mark)

3. Shopper's stop Ltd. offers relatives of their employees goods by issuing voucher which can be purchase for ₹800 and can be redeemed for ₹ 1200.
- (a) 1200
  - (b) 800
  - (c) 400
  - (d) none of the above

(1 Mark)

4. M/s ABC ltd a business establishment in USA and has another establishment located in Mumbai (India) for which an interior design work is required to be done for this it undertakes the service of Nirmitee Interiors Pvt. Ltd. a registered person located at Mumbai. For the services rendered by Nirmitee developers it raises an invoice as on date of provision of service i.e 02.03.2017, the amount of consideration for such supply is received in US Currency i.e. \$ 1000 as on 13.05.2017. As on date of invoice the following rates are available:-

Exchange rate of RBI = ₹ 70, CBIC rate = ₹ 70.70,

GAAP rate = 71

SEBI rate = 70.60

Determine the value of taxable supply.

- (a) 70000
- (b) 71000
- (c) 70700
- (d) 70600

(1 Mark)

**Q.3** E.g. 1Croma Ltd. sold refrigerator of “Voltas” to Mr. A in an exchange offer for ₹2 lacs and a Voltas AC to Croma Ltd.

- Open market value of Voltas AC is ₹10,000.
- Cost of manufacture of such refrigerator is ₹150000.
- Croma supplied the same refrigerator of Voltas to Mr. B for ₹2,30,000
- (GST @ 10% exclusive).
- Croma sold an identical refrigerator of Panasonic for ₹275000
- (GST @ 10% inclusive).

Calculate VOS that Croma has made to Mr. A if:

1. OMV of refrigerator is available

- (a) 230000 (b) 210000  
(c) 250000 (d) 165000

(2 Marks)

2. If OMV is not available of refrigerator

- (a) 230000 (b) 210000  
(c) 250000 (d) 165000

(2 Marks)

3. Both the below passengers has stayed abroad for more than one year

|       |                                      |
|-------|--------------------------------------|
| Mrs A | 45 grams of value amounting 2,00,000 |
| Mr B  | 25 grams of value amounting 40000    |

Compute assessable value under Rule 5, Baggage rules

- (a) 100000,5000 (b) 100000,8000  
(c) 200000,8000 (d) 100000,0

(2 Marks)

4. Mr. Trump based in USA comes to Gujarat for an exhibition where the commencement date of exhibition is 1<sup>st</sup> october 2020

He exceeds aggregate turnover of ₹ 20lacs on 5<sup>th</sup> October 2020 And his registration certificate expires on 25<sup>th</sup> October 2020

When is he liable to register?

- (a) 5th October and (b) 30th sept and  
(c) anytime before 26th sept (d) anytime after 26th sept

(2 Mark)

5. What are the due dates when he is required to file GSTR-5 during such period
- (a) 20<sup>th</sup> october (b) 20<sup>th</sup> november  
(c) 2<sup>nd</sup> November (d) 1<sup>st</sup> november
- (2 Mark)**
6. Eg-Mr.Tiger,an individual is sponsoring “Tal Academy”, a dancing institute run by Mr.REMO, an individual.  
Who is liable to pay tax?
- (a) Mr.Tiger (supplier) will pay tax  
(b) Mr.REMO (supplier) will pay tax  
(c) none of the above since service is exempt  
(d) both of the above shall pay tax
- (2 Mark)**
7. Who will pay tax if Tal Academy was run by a partnership firm?
- (a) Mr.REMO (supplier) will pay tax  
(b) Mr.Tiger (supplier) will pay tax  
(c) none of the above since service is exempt  
(d) both of the above shall pay tax
- (2 Mark)**
8. From the following detail determine the maximum amount of fine in lieu of confiscation leviable under section 130 of CGST Act, 2017 on:
- i) The goods liable for confiscation  
ii) On the conveyance used for carriage of goods. Details are as follows:
- |  |           |
|--|-----------|
| Cost of the goods for owner before GST | 15,00,000 |
| Market value of goods                  | 20,00,000 |
| GST on such goods                      | 3,60,000  |
- (a) 16,40,000 and 3,60,000 (b) 20,00,000 and 3,00,000  
(c) 15,00,000 and 3,60,000 (d) 20,00,000 and 3,60,000
- (2 Marks)**

9. 13. Mr. Gauri Shiva, a registered person in Punjab, supplies goods taxable @ 12% [CGST @ 6%, SGST @ 6% & IGST @ 12%] in the States of Punjab and Haryana. He has furnished the following details in relation to independent supplies made by him in the quarter ending June, 20XX:-

| Supply | Recipient                     | Nature of supply | Value (₹) |
|--------|-------------------------------|------------------|-----------|
| 1      | Mr. A, a registered person    | Inter-State      | 2,20,000  |
| 2      | Mr. B, a registered person    | Inter-State      | 2,55,000  |
| 3      | Mr. C, an unregistered person | Intra -State     | 1,80,000  |
| 4      | Mr. D, an unregistered person | Intra-State      | 2,60,000  |
| 5      | Mr. M, an unregistered person | Inter-State      | 3,00,000  |
| 6      | Mr. N, an unregistered person | Inter-State      | 50,000    |
| 7      | Mr. O, an unregistered person | Inter-State      | 2,50,000  |
| 8      | Mr. P, an unregistered person | Inter-State      | 2,80,000  |
| 9      | Mr. Q, a registered person    | Intra-State      | 1,50,000  |
| 10     | Mr. R, a registered person    | Intra-State      | 4,10,000  |

The aggregate annual turnover of Mr. Gauri Shiva in the preceding financial year was ₹ 1.20 crore. With reference to rule 59 of the CGST Rules, 2017, discuss the manner in which the details of above supplies are required to be furnished in GSTR-1.

- (a) Invoice Wise details = Supply No. 1, 2, 5, 8, 9, 6  
Consolidated details = Supply No. 3, 4, 7, 10
- (b) Invoice Wise details = Supply No. 1, 2, 3, 4, 6, 7  
Consolidated details = Supply No. 1, 2, 5, 8
- (c) Invoice Wise details = Supply No. 1, 2, 5, 8, 9  
Consolidated details = Supply No. 3, 4, 6, 7, 10
- (d) Invoice Wise details = Supply No. 1, 2, 5, 8, 9, 10  
Consolidated details = Supply No. 3, 4, 6, 7

(2 Marks)

10. Calculate the amount of eligible input tax credit-

| S. No. | Particulars   | GST paid (₹) |
|--------|---|--------------|
| 1.     | A Mini bus having seating capacity of 15 persons (including driver) used for running on hire  | 15,00,000    |
| 2.     | Car having seating capacity of 8 people used for business purposes                            | 1,00,00,000  |
| 3.     | Car having seating capacity of 4 persons used for imparting training on driving such car      | 50,00,000    |
| 4.     | Special purpose vehicle having seating capacity of 2 persons used for transportation of goods | 60,00,000    |

(a) ₹ 2,25,00,000/-

(b) ₹ 2,10,00,000/-

(c) ₹ 1,25,00,000/-

(d) ₹ 75,00,000/-

(2 Marks)

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

- Q.4 (a) 1)** HUL Ltd. becomes liable to register w.e.f. 1/4/18 as it exceeds ₹ 20lacs and it applies for registration within 30 days. Following are details as on 31/3/18:
- DOI 1/1/18 - inputs contained in stock = 12 lacs (GST @ 20% inclusive)
- DOI 1/2/17 - inputs contained in WIP = 11.80 lacs (GST @ 18% inclusive)
- DOI 1/10/17 - inputs contained in FG = 15 lacs (GST @ 10% exclusive)
- DOI 26/6/17 CG purchase for 100 lacs + GST @ 20%, exclusive.
- Compute the amount of ITC available as on 1/4/18.
- 2)** Will your answer be different if on 1/4/18 if government has withdrawn exemption notification on goods supplied by HUL?

**(4 Marks)**

- (b)** The proper officer cancel the registration of XYZ ltd. on 1/04/2019. The details pertaining to that date are as follows:
- a)** stock of inputs = ₹ 525000(including GST @5% )
- b)** output tax payable on such inputs would have been = 30000
- c)** inputs contained in finished goods= ₹1000000(excluding GST @12%)
- d)** output tax payable on such inputs would have been =100000
- e)** a machine was purchased by the company on 1/10/2018 for ₹ 100 Lacs. (GST@18%, exclusive)

The machinery can be sold as on that date @ 18% GST for ₹ 80lacs

Balance in E credit ledger is ₹ 200000

Calculate the total amount payable by XYZ.Ltd u/s 29(5) on cancellation of registration

**(6 Marks)**



**Q.5 (a)** PQR Ltd., of Mumbai having its business activities spread over different places/locations in India provides the following particulars/details of its GST liabilities for the quarter ended on 30th Sept., 2018:

(The balance in Electronic Cash Ledger available with PQR Ltd. was of ₹ 10,50,000) :

| Particulars |   | Amount<br>(₹) |
|-------------|---|---------------|
| 1.          | Demand raised as per section 73 or section 74 under CGST Act, 2017 belonging to July, 2018. | 6,00,000      |
| 2.          | Demand raised as per the old provisions of Indirect Taxes being applicable on PQR Ltd.      | 1,10,000      |
| 3.          | Tax liability of CGST, SGST/UGST, IGST for supplies made during August, 2018                | 1,25,000      |
| 4.          | Interest & Penalty on delayed payment and filing of returns belonging to August, 2018.      | 20,000        |
| 5.          | Tax liability of CGST, SGST/UGST, IGST for supplies made during September, 2018.            | 1,50,000      |
| 6.          | Interest & Penalty on delayed payment and filing of returns belonging to September, 2018.   | 25,000        |

Suggest the manner in which the company can utilise the balance amount available in the Electronic Cash Ledger for discharging the tax liability.

**(5 Marks)**

**(b)** Determine the value of supply and the GST liability, to be collected and paid by the owner, with the following particulars:

| Particulars  | Amount<br>(₹) |
|--|---------------|
| Rent on the commercial building  | 18,00,000     |
| Maintenance charges collected by local society from the owner reimbursed by the tenant | 2,50,000      |
| Owner intends to charge GST on refundable advance, as GST is applicable on advance     | 3,00,000      |
| Municipal taxes paid by the owner  | 1,00,000      |

GST rates applicable on renting of business premises is as follows:

CGST-9% SGST-9%

Provide suitable explanations where required

**(5 Marks)**

**Q.6 (a)** Yash Shoppe a registered supplier of Jaipur, is engaged in supply of various goods and services exclusive to Government Departments, Agencies, Local authorities and persons notified under section 51 of the CGST Act, 2017. You are required to briefly explain the provisions relating to tax deduction at source under section 51 of the CGST Act, 2017. You are required to briefly explain the provisions relating to tax deduction at source under section 51 of the CGST Act, 2017 and also determine the amount of tax if any, to be deducted from each of the receivables given below (independent cases) assuming that the payments as per the contract values are made on 31-10-2018. The rates of CGST, SGST and IGST may be assumed at 6%, 6% and 12% respectively.

(1) Supply of Computer stationery to Public Sector Undertaking (PSU) located in Mumbai.

Total contract value is ₹ 2,72,000 (inclusive of GST)

(2) Supply of Air conditioner to GST Department located in Delhi. Total contract value is ₹ 2,55,000 (exclusive of GST)

(3) Supply of Generator renting service to Municipal Corporation of Jaipur. Total contract value is ₹ 3,50,000 (inclusive of GST)

**(6 Marks)**

**(b)** Triveni Alloys imported during June, 20XX by sea, a consignment of metal scrap weighing 3000 metric tones from U.K. They filed a bill of entry for home consumption and the assistant commissioner passed an order for clearance of goods and the applicable duty was also paid. The importer thereafter found on taking delivery from the port trust authorities, that only 2500 metric tones of scrap were available at the docks although they had paid duty for entire 3000 metric tones since there was no short landing cargo.

The short delivery of 500 metric tones was also substantiated by the port authorities, who gave a weighment certificate to the importer to that effect.

Upon a representation to the custom department the importer has been directed in writing to justify as to which provision of the custom act, 1962 governs the importer's claim for restoration of duty paid on the quantity of 500 metric tones scrap not delivered by the Port Trust.

Examine the issues involved and briefly discuss the same with reference to the provisions of the Customs Act.1962 giving reasons. **(4 Marks)**

**Q.7 (a)** Mr. X has imported goods from USA, the vessel reached India on 1/11/18 on which duty payable was ₹ 1,00,000. What shall be the late fees in the following cases –

1. He filed bill of entry on 2/11/18
2. He filed bill of entry on 5/11/18
3. He filed bill of entry on 9/11/18

Will your answer be different if in case of goods, he imported exempted goods. **(5 Marks)**

**(b)** Mr. Shah, a consignor is required to move goods from Ahmedabad (Gujarat) to Nadiad (Gujarat). He appoints Mehta Transporter for movement of goods. Mehta Transporter moves the goods from Ahmedabad (Gujarat) to Kheda (Gujarat). For completing the movement of goods from Kheda (Gujarat) to Nadiad (Gujarat), Mehta Transporter now hands over the goods to Parikh Transporter.

Explain the procedure regarding e-way bill to be followed by consignor and transporter as per provisions of GST law and rules made thereunder.

**(5 Marks)**

**Q.8 (a)** Robinson Bank Ltd. furnishes the following information relating to services provided during the month of December, 20XX. Compute the value of taxable service:

|       | <b>Particulars</b>  | <b>Amount<br/>(₹)</b> |
|-------|---|-----------------------|
| (i)   | Amount of commission received for debt collection service                           | 10,00,000             |
| (ii)  | Discount earned on bills discounted   | 4,50,000              |
| (iii) | Inter se sale or purchase of foreign currency amongst banks                         | 5,70,000              |
| (iv)  | Charges received on credit card and debit card facilities extended                  | 3,80,000              |
| (v)   | Penal interest recovered from the customers (due to delayed payment of EMI of loan) | 2,60,000              |
| (vi)  | Commission received for service rendered to Government for tax collection           | 6,00,000              |

**(6 Marks)**

- (b) Discuss the prosecution & fine, arrest and bail implication, if any, in respect of following cases:

|  | Tax involved |
|--|--------------|
| Supply of goods without invoice  | 6 crore      |
| Supply of goods without invoice  | 3 crore      |
| invoice issued without supply of goods or service leading to wrong credit availment by recipient | 1.5 crore    |
| Produced fake account or false information   | 3 crore      |

(4 Marks)

- Q.9 (a)** Crunch Bakery Products Ltd sells biscuits and cakes through its dealers, to whom it charges the list price minus standard discount and pays GST accordingly. When goods remain unsold with the dealers, it offered additional discounts on the stock as an incentive to push the sales. Can this additional discount be reduced from the price at which the goods were sold?

(4 Marks)

- (b) Determine the safeguard duty payable by Black Ltd., White Ltd., Red Ltd. and Green Ltd. under section 8B of the Customs Tariff Act, 1975 from the following: Imports of Sodium nitrite from developing and developed countries from 26th February, 20XX to 25th February, 20X1 (both days inclusive) are as follows:

| Importer      | Country of import  | ₹ In crores |
|---------------|--------------------|-------------|
| Black Ltd.    | Developing country | 66          |
| White Ltd.    | Developing country | 86          |
| Red Ltd.      | Developing country | 52          |
| Green Ltd.    | Developing country | 50          |
| Baby pink Ltd | Developing country | 2246        |
| Total         |                    | 2500        |

Note: safe guard duty – 30% on AV

SGD shall apply in which of the above countries?

(6 Marks)

**Q.10** B & D Company, a partnership firm, in Nagpur, Maharashtra is a wholesaler of a taxable product 'P' and another product 'Q' exempt by a notification. The firm supplies these products only in the eastern part of Maharashtra. All the procurements (both goods and services) of the firm are from the suppliers registered under regular scheme in the State of Maharashtra. The firm pays tax under composition scheme.

B & D Company has furnished the following details with respect to its turnover (exclusive of taxes) and stock (exclusive of taxes):

| Particulars | Turnover for the quarter ended 30.06.20XX (₹) | Turnover for the quarter ended 30.09.20XX (₹) |
|-------------|---|---|
| 'P'         | 60,00,000                                     | 50,00,000                                     |
| 'Q'         | 17,65,000                                     | 17,00,000                                     |

| Particulars | Stock as on 30.06.20XX | Stock as on 30.09.20XX | Stock as on 31.10.20XX (₹) |
|-------------|------------------------|------------------------|----------------------------|
| 'P'         | 25,00,000              | 10,00,000              | 10,00,000                  |
|             | 10,00,000              | 2,00,000               | 1,20,000                   |

The entire stock of the products 'P' and 'Q' available with the firm as on 30.09.20XX is purchased during the said half year except a consignment of product 'P' valuing ₹ 3,00,000, which was purchased in the April month of the preceding financial year. In the current financial year, in the month of October, no purchases were made, and the products were sold with a profit margin of 20% on sales [exclusive of taxes].

The extract of the only bill book maintained by the firm showed the following details

| Bill No. | Date       | Value of products (exclusive of taxes) |         |           |
|----------|------------|--|---------|-----------|
|          |            | 'P' (₹)                                | 'Q' (₹) | Total (₹) |
| 2306     | 01.10.20XX | 2,00,000                               | 3,000   | 2,03,000  |
| 2307     | 01.10.20XX | 1,36,000                               | 2,250   | 1,38,250  |
| 2308     | 02.10.20XX | 67,000                                 | 39,250  | 1,06,250  |
| 2309     | 03.10.20XX | 58,750                                 | 33,750  | 92,500    |
| 2310     | 05.10.20XX | 1,00,000                               | -       | 1,00,000  |
| 2311     | 06.10.20XX | 94,000                                 | 6,000   | 1,00,000  |

|       |            |        |        |        |
|-------|------------|--------|--------|--------|
| 2312  | 06.10.20XX | -      | 17,000 | 17,000 |
| 2313  | 08.10.20XX | 50,000 | 6,000  | 56,000 |
| 2314  | 09.10.20XX | 60,000 | 9,000  | 69,000 |
| 2315  | .....      | .....  | .....  | .....  |
| ..... | .....      | .....  | .....  | .....  |

The details of services availed by B & D Company is as follows:

| Sr. No. | Particulars  | (₹)      |
|---------|--|----------|
| (i)     | Freight paid to Goods Transport Agency during the period April 20XX to October 20XX. Assume equal amount of freight is paid each month on the 10th day of each month. Also, assume that the goods for which the freight is paid on 10th day of the month are transported between 11th to 20th day of the month.  | 1,40,000 |
| (ii)    | Special packing charges paid to a Packing Company, having expertise in such specialized packing, during the period January 20XX to October 20XX. The packing charges are paid for the goods which are transported between 11th to 20th day of the month (as mentioned in point (i) above). The goods are packed on 10th day and then transported from 11th day onwards. Assume equal amount of packing charges are paid each month on the 9th day of each month. | 3,00,000 |

All the above amounts are exclusive of taxes, wherever applicable. Compute the net GST liability of B & D Company for the period April, 20XX to October, 20XX under composition scheme showing calculations for each quarter separately.

Note: Make suitable assumptions wherever required. Rate of CGST and SGST on service of transportation of goods by GTA is 2.5% each. Stock is valued at cost price.19

(10 Marks)