

**REVISION TEST PAPER 2  
INTERMEDIATE (NEW) COURSE  
PAPER – 4: TAXATION**

**Time Allowed – 3 Hour**

**Maximum Marks – 100**

**SECTION – A: GST**

*Attempt All Questions*

1. Vidhula Impex Ltd. is engaged in supplying sports goods. The company did not opt for registration under GST. The proper officer under GST, based on enquiry, finds that the concern is liable for registration and he registers the firm on temporary basis on 15<sup>th</sup> June, 2020.

After being granted the registration certificate, the company availed the following services for the purpose of its business-

- i. Renting of motor vehicles from Blue Taxi Pvt. Ltd. where GST was charged @ 12%.
- ii. Appointed Mr. Rajesh as Technical Director for advisory role in business and the payment was made based on the contract entered. However, he was not employee of the company.

During the course of its business, the company issued an invoice to a customer and erroneously charged higher value by Rs 34,000. Such invoice was issued on 28<sup>th</sup> February, 2021.

Further, in the month of February 2021, the company also generated an e-way bill for inter-State transport of goods. However, immediately on generation of the e-way bill, the buyer cancelled the order before it is dispatched from the factory for delivery.

In the month of March 2021, since the company was incurring heavy losses, it applied for cancellation of GST registration on 15<sup>th</sup> March, 2021. The order for cancellation was made on 30<sup>th</sup> March, 2021 effecting cancelling the registration with effect from 15<sup>th</sup> March, 2021.

From the information provided above, choose the most appropriate answer for the following questions (1-5):

1. After the grant of temporary registration, Vidhula Impex Ltd. needs to apply for registration within \_\_\_\_\_ from the date of grant of temporary registration, if no extension of period is to be granted for such temporary registration.
  - (a) 30 days
  - (b) 90 days
  - (c) 7 days
  - (d) 15 days
2. In case of which of the following services, the company is liable to pay tax under reverse charge?
  - (a) Renting of Motor Vehicles
  - (b) Directorship services
  - (c) Both (a) and (b)
  - (d) Neither (a) nor (b)
3. Which document is required to be issued by the company in respect of the invoice issued on 28<sup>th</sup> February, 2021?
  - (a) Debit note
  - (b) Credit note
  - (c) Bill of supply
  - (d) Revised Tax invoice

## NATIONAL MANAGEMENT COLLEGE - PERUNDURAI

4. The Company needs to file its Final return by \_\_\_\_\_
- (a) 30<sup>th</sup> April, 2021
  - (b) 30<sup>th</sup> August, 2021
  - (c) 15<sup>th</sup> June, 2021
  - (d) 30<sup>th</sup> June, 2021
5. Which of the following statements is correct in respect of e-way bill generated for goods in the month of February for which order was cancelled?
- (a) Once generated, e-way bill cannot be cancelled.
  - (b) E-way bill can be cancelled within 24 hours of generation
  - (c) E-way bill can be cancelled within 48 hours of generation
  - (d) E-way bill can be cancelled within 72 hours of generation (5\*2 = 10 MARKS)

2. Mr. Shambhu, a trader registered under GST in Delhi is engaged in wholesale business of toys for kids. Mr. Nandi registered under GST in Patiala, a regular return filer supplies toys in bulk to Mr. Shambhu for selling to end consumers.

Mr. Shambhu paying tax in regular scheme in Delhi, has not filed GSTR-3B for last 2 months. Mr. Nandi wants to generate e-way bill for toys amounting to Rs 5,00,000 to be supplied to Mr. Shambhu. Also Mr. Narayan from Jammu approached Mr. Shambhu for purchasing toys amounting to Rs 75,000 for the purpose of return gift on his son's first birthday party. Shambhu wants to generate an e-way bill in respect of an outward supply of goods to Mr. Narayan.

Examine with reference to the provisions under GST law, whether Mr. Nandi and Mr. Shambhu can generate e-way bill? (12 Marks)

3. (a) Mr. Ayushman, a registered person having intra-State aggregate turnover of Rs 1.2 crores in the preceding financial year did not file GSTR-3B for the month of September, 2021 by 10<sup>th</sup> November, 2021. The amount of tax payable for the month of September, 2021 is Rs 8 lakh. All his supplies are intra-State supplies. Is there any late fee payable for the same? If yes, what is the amount of late fee payable?

(b) Will your answer be different in (a), if Mr. Ayushman has intra-State aggregate turnover of Rs 5 crores in the preceding financial year?

(c) Will your answer be different in (a), if total amount of tax payable in the GSTR-3B for the month of September is Nil? (12 Marks)

4) Mr. X of Haryana intends to start business of supply of building material to various construction sites in Haryana. He has taken voluntary registration under GST in the month of April. However, he has not commenced the business till December due to lack of working capital. The proper officer *suo-motu* cancelled the registration of Mr. X. You are required to examine whether the action taken by proper officer is valid in law?

Mr. X has applied for revocation of cancellation of registration after 40 days from the date of service of the order of cancellation of registration. Department contends that application for revocation of cancellation of registration can only be made within

30 days from the date of service of the order of cancellation of registration. However, Mr. X contends that the period of submission of application may be extended on sufficient grounds being shown. You are required to comment upon the validity of contentions raised by Department and Mr. X.

(12 Marks)

5) Gita Services Limited, registered under GST, is engaged in providing various services to Government. The company provides the following information in respect of services provided during the month of April:

**NATIONAL MANAGEMENT COLLEGE - PERUNDURAI**

<b>S. No.</b>	<b>Description of Services provided</b>
(i)	Supply of manpower for cleanliness of roads not involving any supply of goods.
(ii)	Service provided by Fair Price Shops owned by Gita Services Limited by way of sale of sugar under Public Distribution System against consideration in the form of commission.
(iii)	Service of maintenance of street lights in a Municipal area involving replacement of defunct lights and other spares alongwith maintenance. Generally replacement of defunct lights and other spares constitutes 35% of the supply of service.
(iv)	Service of brochure distribution provided under a training programme for which 70% of the total expenditure is borne by the Government.

Comment on the taxability or otherwise of the above transactions under GST law. Also state the correct legal provisions for the same. (12 Marks)

6) Restrictions have been imposed on the use of amount available in the electronic credit ledger vide rule 86B of the CGST Rules, 2017. Is there any exceptions to rule 86B? If yes, state the exceptions.

(12 Marks)

7) Define "supply" elaborately

(10 Marks)

8 a) Define "Business"

b) Define "Person"

(10 Marks)

9) Summarize the provisions of the person liable for registration under GST (Sec 22)

(10 Marks)