

**NATIONAL MANAGEMENT COLLEGE –THUDUPATHY**

**MODEL EXAM II**

**DATE : 9.5.2022**

**COURSE : CMA INTERMEDIATE**

**PAPER 11:INDIRECT TAXATION**

**MARKS : 100**

**HOURS: 3 HRS**

**PART A (40X1=40 MARKS)**

**Multiple Choice Questions (MCQ)**

1.Which of these registers/ledgers are maintained online?

- (a) Electronic tax liability register      (b) Electronic credit ledger  
(c) Electronic cash ledger      (d) All of them

2.Balance in electronic credit ledger under CGST can be used against which liability?

- (a) CGST liability only      (b) CGST and IGST liability  
(c) CGST,IGST and SGST liability      (d) None of them

3.What document shall a person under composition scheme issue to its customers?

- (a) Bill of supply      (b) Tax invoice (c) Payment voucher      (d) All of the above

4.Mr.X ha applied for registration on 10.8.2018 and obtained registration on 13.8.2018 but the effective date of registration was on 5.8.2018(ie he applied for registration within 30days under section22(1) of CGST Act 2017. In between that processing period he has supplied goods to Mr.Y.How can Mr.Y avail ITC on purchases for that period?

- (a) By receiving revised tax invoice      (b) By receiving credit notes  
(c) By receiving debit notes      (d) No ITC for such period

5.Assuming that annual return for the year 2017-18 is not yet filed,a credit note can be issued in respect of any supplies made during the year 2017-18 upto:

- (a) 30<sup>th</sup> sep 2018      (b)20<sup>th</sup> oct 2018      (c)30<sup>th</sup> sep 2019      (d)31<sup>st</sup> Mar 2018

6.The validity of E way bill is said to initiate when:

- (a) Part A is completely filed      (b) Part B is completely filed  
(c) Both parts are completely filed      (d)None of the above

7.What should the taxable person do if he pay's tax under wrong GSTIN?

- (a) Pay again under right GSTIN and claim refund      (b) Auto adjustment  
(c) Adjustment on application/request      (d)Raise ISD invoice and transfer

8.From which date interest is liable in case of excess input tax credit claimed?

- (a) From the last date of the month in which credit is claimed
- (b) From the due date of filing GSTR 02 of the month in which credit is claimed
- (c) From the due date of filing GSTR 03 of the month in which credit is claimed
- (d) From the date of utilisation of credit

9. For the payment of IGST input tax credit can be utilised in the following manner only:

- (a) IGST,CGST,SGST/UTGST                      (b) IGST,SGST/UTGST,CGST
- (c) CGST,SGST/UTGST,IGST                      (d) Any of the above manner

10. What will be the consequences when tax payable under final assessment is more than tax paid based on provisional assessment?

- (a) Only differential tax payable has to be paid
- (b) Differential tax payable has to be paid along with interest u/s 50
- (c) Differential tax payable has to be paid along with interest u/s 50 and penalty of Rs.10,000/-
- (d) Differential tax payable has to be paid with penalty of Rs.10,000/-

11. Any registered person supplying goods on which tax not paid or short paid or input tax credit wrongly availed for any reason other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty of

- (a) Rs.10,000    (b) 10% tax due from such person
- (c) a or b whichever is lower                      (d) a or b whichever is higher

12. Any registered person supplying goods on which tax not paid or short paid or input tax credit wrongly availed for reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty of

- (a) Rs.10,000    (b) 100% tax due from such person
- (c) a or b whichever is higher                      (d) a or b whichever is lower

13. Late fee for annual return is:

- (a) Rs.50 for every day subject to a maximum of 0.25% of turnover in the state or union territory
- (b) Rs.100 for every day subject to a maximum of 0.25% of turnover in the state or union territory
- (c) Rs.50 for every day subject to a maximum of 0.50% of turnover in the state or union territory
- (d) Rs.100 for every day subject to a maximum of 0.50% of turnover in the state or union territory

14. Annual audit report is to be certified by practicing

- (a) CA                      (b) CMA                      (c) CA or CMA                      (d) CA and CMA both

15. Every registered person whose aggregate turnover during the financial year exceeds 2 crores shall get his accounts audited and furnish a copy of audited annual accounts and a reconciliation statement duly certified in

- (a) Form GSTR-9      (b) Form GSTR -9C      (c) FormGSTR 11      (d) Form GSTR 11 A

16. Period for retention of accounts under GST

- (a) 72 Months    (b) 60 Months    (c) 180 days    (d) 365 days

17. Mr. A is a taxable person may apply for provisional assessment

- (a) When the taxable person is not able to determine the value of goods and/or services  
(b) When the taxable person is not able to determine the rate of tax of goods and/or services  
(c) (a) or (b)  
(d) (a) and (b)

18. The provisional assessment sought by a taxable person can be used by

- (a) The friends and relatives of the taxable person who has sought the provisional assessment  
(b) The holding and subsidiary company of the taxable person who has sought the provisional assessment  
(c) The taxable person who has sought the provisional assessment  
(d) None of the above

19. The payment of tax on provisional basis may be allowed if the taxable person

- (a) executes a bond in such form as may be prescribed in this behalf  
(b) with such surety or security as the proper officer may deem fit , binding the taxable person for differential tax if any  
(c) (a) or (b)  
(d) (a) and (b)

20. What is the time period within which the final assessment order should be passed in case of provisional assessment?

- (a) Six months from the date of provisional assessment  
(b) Nine months from the date of provisional assessment  
(c) Three months from the date of provisional assessment  
(d) one month from the date of provisional assessment

21. Who is authorised to undertake the audit of a registered person?

(a) The commissioner of CGST/ Commissioner of SGST

(b) Any officer authorised by commissioner of CGST/Commissioner of SGST by way of general or specific order

(c) only (a)

(d) (a) or (b)

22. Whether any reason to believe or evidence is required for initiation of audit u/s 65?

(a) Reason to believe is a prerequisite for initiation of audit u/s 65

(b) Proper evidence is a prerequisite for initiation of audit u/s 65

(c) (a) & (b)

(d) No sec 65 does not specify any such requirements

23. The audit authorities may conduct u/s 65 at

(a) The place of business of registered person

(b) The place of residence of registered person

(c) the office of the tax authorities

(d) (a) or (c)

24. Prior to conduct of audit u/s 65 the registered person shall be informed by way of notice sufficiently in advance

(a) not less than fifteen working days

(b) not less than thirty working days

(c) not less than ten working days

(d) No prior intimation required

25. The Tourist can claim refund of:

(a) CGST and SGAT/UTGST on supply of goods and services

(b) IGST on supply of goods

(c) Tax paid on the supply of scotch to be taken out of India

(d) None of the above

26. Tourist means a person

(a) Not normally resident in India

(b) Stays for not more than 6 months in India

(c) Stays for legitimate and non immigrant purpose

(d) All the above

27. Zero rated supply includes

(a) Export of goods and services

(b) Supply of goods and services to a SEZ developer or SEZ unit

(c) Supply of goods and services by a SEZ developer or SEZ unit

(d) Both (a) and (b)

28. Is the SEZ developer or SEZ unit receiving zero rated supply eligible to claim refund of IGST paid by the registered taxable person on such supply?

(a) Yes            (b) No            (c) Partially yes

29. On what value TDS needs to be deducted?

(a) Contract value            (b) Contract value excluding tax

(c) Invoice value including tax    (d) Invoice value excluding tax

30. What is the due date of payment of TDS?

(a) Last day of the month to which payment relates

(b) Within 10 days of the subsequent month

(c) Within 20 days of the subsequent month

(d) Within 15 days of the subsequent month

31. What is e-commerce?

(a) Supply of goods and/or services on an electronic platform for commerce other than the e-commerce operator himself

(b) Supply of goods or services on an electronic platform for commerce including the e-commerce operator

(c) Supply of goods or services on an electronic platform for commerce

(d) Supply of goods or services or both including digital products over digital or electronic network

32. A person who ----- digital or electronic facility or platform for electronic commerce shall be considered as an e-commerce operator

(a) owns            (b) operates            (c) Manages            (d) Any of the above

33. Compute customs duty from the following

Value of goods – Rs.2,00,000; Bill of entry presented on 1.02.2018 and rate of BCD10%; Entry inwards on 2.2.2018 and the rate of BCD 8%

- (a) Rs.17,000 (b) Rs.20,000 (c) Rs.16,000 (d) Rs.20,600

34. Rana manufactured and exported goods worth Rs.5,00,000 to Uday of UK paying export duty @5%.The said goods are rejected in 2 months and returned back. Duty on imports is 11%\$ (including SWS) on similar goods. On re-import, Rana is liable to:

- (a) pay Rs.55,000 (b) Pay RS.30,000 (c) get refund Rs.25,000  
(d) Pay Rs.55,000 & get refund Rs.25,000/-

35.Refund claim for refund of export duty is to be filed within

- (a) 6 Months (b) 12 Months (c) 18 months (d) none of these

36. Transaction value means

- (a) the price actually paid for the goods  
(b) The price payable for the goods  
(c) Both(a) and (b)  
(d) None of the above

37. Normal/ Landed value = Rs.2,00,000; Export price = Rs.1,50,000.Assume import duties at Rs.20,000.rate of antidumping duty proposed 40% of export price. Determine maximum anti dumping duty:

- (a) Rs,80,000 (b) Rs.60,000 (c)Rs.35,000 (d) None of the above

38.Rate of interest under Customs (import of Goods at concessional rate of duty) Rules is:

- (a) @10% (b)@20% (c)@15% (d)@18%

39.Where any drawback payable to a claimant u/s 74 or 75 is not paid within ---- interest is payable:

- (a) 160 days (b) 130days (c) 1 month (d) 12 months

40.What is the rate of duty drawback , if the goods are exported without use?

- (a) 100% (b) 95% (c) 98% (d)None of the above

**PART B (12\*5=60 MARKS)**

**ANSWER ALL THE QUESTIONS**

1.X ltd has the following tax liabilities under the provisions of Act

S.No	Particulars	Amount (Rs)
1.	Tax liability of CGST SGST/UTGST,IGST for supplies made during August 2017	1,00,000
2.	Interest and penalty for delayed payment and filing of returns belonging to August 2017	20,000
3.	Tax liability of CGST,SGST/UTGST,IGST for supplies made during Sep 2017	1,20,000.
4.	Interest and penalty for delayed payment and filing of returns belonging to Sep 2017	20,000
5.	Demand raised as per section 73 or Section 74 under CGST Act 2017 belonging to July 2017	8,00,000
6.	Demand raised as per the old provisions of Indirect taxes	1,00,000

Xltd has Rs.5,00,000 in Electronic cash ledger. Suggest X LTd in discharging the tax liability.

2.Mr.NY a supplier of goods pays GST under regular scheme. Mr.NY is not eligible for any threshold exemption. He has made the following outward taxable supplies during April 2019:

Particulars	Rate of Tax			Amount (rs)
	CGST	SGST	IGST	
Intra state supply of goods				
Product A	6%	6%	-	8,00,000
Product B	9%	9%	-	2,00,000
Inter state supply of goods				
Product A	-	-	12%	3,00,000
Product B	-	-	18%	1,50,000

He has also furnished the following information in respect of supplies received by him during April 2019:

Particulars	Rate of Tax			Amount (rs)
	CGST	SGST	IGST	
Intra state supply of goods				
Product A	6%	6%	-	2,00,000
Product B	9%	9%	-	1,00,000
Inter state supply of goods				
Product A	-	-	12%	1,50,000
Product B	-	-	18%	80,000

Mr.NY has following ITC with him at the beginning of April 2019:

Particulars	Rs
CGST	40,000
SGST	28,000
IGST	44,600

Note:

- (i) Both inward and outward supplies are exclusive of taxes , wherever applicable.
- (ii) All the conditions necessary for availing the ITC have been fulfilled.

Compute net GST payable by Mr.NY for the month of April 2019.

3. X Ltd manufactured and cleared taxable goods on 1<sup>st</sup> August 2017 for Rs.20,00,000 plus GST 12%.After payment of GST on or before the due date,it is noticed that these goods are exempted from GST and applied for want of refund on 15<sup>th</sup> November 2017. Department acknowledged the receipt on 15<sup>th</sup> November 2017. Find the interest if any on delay refund.

4.X Pvt Ltd received a notice under Section 65(3) of the CGST Act 2017 on 15<sup>th</sup> November 2017.

Date on which document required	1 <sup>st</sup> December 2017
Date on which documents made available to the department	15 <sup>th</sup> December 2017
Date of actual institution of audit at Xpvt Ltd premises	5 <sup>th</sup> January 2018

Find the following:

- (a) Date of commencement of audit
- (b) Date on which audit should be completed in normal course
- (c) Date by which audit should be completed including extension period

5.Supplier ZA is a person registered under the composition scheme in Jharkhand who makes taxable supply worth Rs.10,000/- to a local authority of Jharkand where value of taxable supply under the contract is for Rs.2,55,000/-. Find the TDS if any?

6.Peter England is a Trader who sells his ready made clothes online on Amazon India.He receives an order for Rs.12,000/- in the month of july 20XX, inclusive of tax and commission 2%. Amazon charges a commission of Rs.200. Applicable GST Rs.1800/-.Find the TCS in the hands of Amazon.

Note: There are sales returns of Peter England products from other customer for Rs.2000 in the month of july 20XX.

7.Answer the following with reference to the provisions of Section 14 of the Customs Act 1962 and the rules made there under:

- (i) What shall be the value , if there is a price rise between the date of contract and the date of actual importation?
- (ii) Whether the payment of post importation charges includible in the value if thesame is related to imported goods and is a condition of sale of the imported goods?
- (iii) Bill of entry was filed on 27.10.2017.Will you apply the exchange rate notified by Central Board of Indirect taxes and Customs on 25.9.2017 or notified on 25.10.2017?



8. An importer filed a Bill of entry after 60 days of filing Import General Manifest. The Deputy Commissioner of customs imposed a penalty of Rs.10,000 by endorsement on the Bill of entry. Since, importer wants to clear the goods he paid the penalty. Can penalty be imposed for late filing of Bill of entry? Examine the issue in light of relevant statutory provisions.

9. Following particulars are available in respect of consignment of goods imported:

- (i) Cost at the factory of the exporter US\$20,000
- (ii) Carriage/ freight/insurance upto the port of shipment in the exporter's country :US\$400
- (iii) Charges for loading on to the ship at the shipping port:US\$100
- (iv) Freight charges of the ship for transport upto the Indian port:US\$1200
- (v) Bill of entry submitted by the importer as on 18.7.20XX

Compute the assessable value for the purpose of levy/payment of customs duty.

Rate of exchange as announced by	as on 18.7.20XX	as on 7.08.20XX
CBIC	1US\$=Rs.46	1US\$=Rs.45.80
RBI	1US\$=Rs.46.10	1US\$= Rs.46.10

10. An importer imported some goods by air for subsequent sale in India at \$12,000 on FOB basis. Insurance is \$135 and freight for \$3,000. Relevant exchange rate as notified by central government and RBI was RS. 65 and Rs.65.50 respectively.

Arrive at the assessable value

11. Care Energy Ltd imported a lift from England at an invoice price of Rs. 20,00,000. The assessee had supplied raw material worth Rs.5,00,000 to the supplier for the manufacture of the said lift. Due to safety reasons, the lift was not taken to the jetty in the port but was unloaded at the outer anchorage. The charges incurred for such unloading amounted to Rs.25,000 and the cost incurred on transport of the lift from outer anchorage to the jetty was Rs.50,000. The importer was also required to pay ship demurrage charges Rs.10,000. The lift was imported at an actual cost of transport Rs.45,000 and insurance charges Rs.20,000. Compute its assessable value.

12. M/s Pipli Imports limited imported certain goods, which were unloaded in the customs area on 01.10.2013. When order for clearance was passed by proper officer on 5.10.2013 it was found that there was some pilferage of such goods. As the imported goods were in the custody of port trust, the department demanded duty from the custodian under Section 45(3) of the customs Act 1962 on such pilferage. The port trust denied such demand contending that it was not an approved custodian falling under Section 45 but possession of goods by it was by virtue of powers conferred under the Major Port Trust Act 1963. Hence it is not liable for customs duty on pilfered goods.

The importer has also asked the custodian to make good the loss of goods. Examine whether demands made by the department and importer justified in law, referring to case law.

