

NATIONAL MANAGEMENT COLLEGE –THUDUPATHY

MODEL EXAM I DATE :25.4.2022

COURSE : CMA INTERMEDIATE

MARKS : 100 HOURS: 3 HRS

PART A (40X1=40 MARKS)

Multiple Choice Questions (MCQ)

1. _____ of the Constitution provides that no tax shall be levied or collected except by authority of law?
(a) Article 254 (b) Article 245 (c) Article 265 (d) Article 256
2. As per the definition given in _____ GST covers all the goods except alcoholic liquor for human consumption.
(a) Article 366 (12A) (b) Article 246 (c) Article 336 (d) Article 246 A
3. GST brings _____ all over India
(a) Simplified Tax (b) Comprehensive Tax (c) Uniform Tax structure (d) Cascading effect
4. What is the meaning of the cascading effect?
(a) Charging tax on tax (b) Dual taxation (c) Non- eligible of ITC (d) None of the above
5. Gst levy on intra state supplies in the state of jammu Kashmir is w.e.f
(a) 1st july 2017 (b) 8th july 2017 (c) 1st july 2018 (d) 8th july 2018
6. India adopted a _____ where tax imposed concurrently by the central and states
(a) dual GST (b) single GST (c) quadruplicate GST (d) Triplicate GST
7. Under GST law all statutory functions to be performed by _____
(a) Tax officials (b) GST council (c) CBIC (d) DGFT
8. Goods and service Tax network (GSTN) is registered under
(a) Sec 12AA of Income Tax Act (b) Sec 8 of the companies Act
(c) Sec22 (1) of the CGST Act 2017 (d) Sec10(23BBA) of the Income tax Act1961
9. Who will notify the rate of tax to be levied under Gst act?
(a) Central government Suo Moto (b) State government suo moto
(c) GST council suo moto (d) Central government as per the recommendations of the Council
10. Guiding principle of the GST council would ensure harmonisation of different aspects of GST between

- (a) the centre and the states as well as the states (b) the centre and the states
(c) the centre and its departments (d) the centre and the union territories

11. The term 'agriculturist' includes the following persons who undertake cultivation of land:

- (a) An individual (b) A Hindu Undivided Family (c) A co operative society (d) both a and b

12. Output tax in relation to a taxable person under the CGST Act 2017 includes:

- (a) Tax chargeable on taxable supplies made by him (b) Tax chargeable on taxable supplies made by his agent
(c) Tax payable by him under reverse charge (d) Both a and b

13. X academy made certain gifts to its employees as _____

- (i) MR. Babu Rs 50,000 (ii) MR Neel Rs 47,000 (iii) MR Yuvaraj Rs 57,000

Which of the following gifts shall be liable to GST?

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

14. Rafi associates of Chennai received certain consultancy services from A Inc of USA. Both are not related persons. The services received is without any consideration. Does the same classify as supply?

- (a) Yes. Being import of services in the course of business
(b) No. Since party to the contract are not related
(c) On the prior approval of the government
(d) None of the above

15. What are the factors differentiating composite and mixed supply?

- (a) Nature of bundling (i.e. artificial or natural) (b) Existence of Principal supply
(c) both a and b (d) None of the above

16. Which of the following are naturally bundled?

- (a) Hotel provides short term accommodation and restaurant services
(b) Hotel provides short term accommodation and coaching or teaching indirect taxes
(c) Hotel provides short term accommodation and repairing of customer watches
(d) Hotel provides short term accommodation

17. What is the maximum rate prescribed under CGST Act?

- (a) 12% (b) 28% (c) 20% (d) 18%

18. What is the maximum rate prescribed under SGST or UTGST Act?

- (a) 14% (b) 28% (c) 20% (d) 30%

19. Which of the following persons can opt for composition scheme?

- (a) person making any supply of goods which are not leviable to tax under this Act?
- (b) person making any inter state outward supplies of goods and services (except restaurant services)
- (c) Person affecting supply of goods through E- commerce operator liable to collect tax at source
- (d) Person providing restaurant services

20. What is threshold limit of turnover in the preceeding financial year for opting to pay tax under composition scheme for states other than special category states?

- (a) RS.20 Lakhs
- (b) Rs.10 Lakhs
- (c) Rs50 Lakhs
- (d) Rs.1.5 crores

21. Which of the following is correct?

- (a) Entire income of any trust is exempted from GST
- (b) Entire income of a registered trust is exempted from GST
- (c) Income from specified/ defined charitable activities of a trust are exempted from GST
- (d) Income from specified/ defined charitable activities of a registered trust (under sec 12AA of Income tax Act)are exempted from GST

22. Under _____ section of CGST act and _____ section of IGST Act government can issue a general exemption notification

- (a) Section 11(1) of the CGST Act & Section 6(1) of the IGST Act
- (b) Section 6(1) of the CGST Act & Section 11(1) of the IGST Act
- (c) Section 11(2) of the CGST Act & Section 6(2) of the IGST Act
- (d) Section 11(3) of the CGST Act & Section 6(3) of the IGST Act

23. In case of sponsorship services provided by Mr.A to M/s AB Ltd liability to pay GST is on

- (a) Mr.A
- (b) M/s AB Ltd
- (c) Both
- (d) None of the above

24. Output tax in relation to a taxable person under the CGST Act 2017 includes

- (a) Tax chargeable on taxable supplies made by him
- (b) Tax chargeable on taxable supplies made by his agent
- (c) Tax payable by him on reverse charge basis
- (d) Both a and b

25. Find the time of supply from the following where date of supply of service is 7th sep 20XX

- (a) Date of invoice 30th Oct 20XX

(b) Date of payment received by way of cheque and the for receipt of payment is recorded in the books of accounts 10th oct 20XX

(c) Amount credited to the bank account of supplier 12th oct 20XX

(d) 7th sep 20XX

26. What is the time of supply of service with respect to receipt of amount in excess of the invoice amount?

(a) Date of issue of invoice by the supplier, if the invoice is issued within the period prescribed u/s 31 or the date of receipt of payment whichever is earlier

(b) Date of provision of service if the invoice is not issued within the prescribed perion u/s 31 or the date of receipt of payment whichever is earlier

(c) Date on which the recipient shows the receipt of services in his books of account in case where the provision of clause (a) or clause (b) do not apply

(d) all a,b& c

27. What is the maximum time limit for issue oof tax invoice in case of insurance service providers and banks?

(a) 30 days

(b) 45 days

(c) At the time when supply ceases

(d) At the time when supply started

28. Which of the notification removed the requirement of payment of tax on advance receipt in case of supply of goods?

(a) Notification no10/2017 Central Tax dated 15th November 2017

(b) Notification no66/2017 Central Tax dated 15th November 2017

(c) Notification no77/2017 Central Tax dated 15th November 2017

(d) Notification no66/2017 Central Tax dated 15th November 2018

29. Which of the following transaction is inter state supply of goods involving movement of goods?

(a) Location of supplier is in Hyderabad and location of recipient is in Mumbai and goods are shipped to Kolkata

(b) Location of supplier is in Hyderabad and place of supply is Mumbai

(c) Location of supplier and place of supply is Hyderabad

(d) None of the above

30. Money transfer service provided to foreign entity by Indian Supplier of service is intermediary service and subject to

(a) CGST & SGST

(b) CGST& UTGST

(c) IGST

(d) UTGST

31. The value of supply should include

- (a) Any non GST taxes, duties, cesses, fees charged by supplier separately
- (b) Interest, Late fees or penalty for delayed payment of any consideration for any supply of goods or services
- (c) Subsidies directly linked to the price except subsidies provided by the Central and state government
- (d) All of the above

32. When can a transaction value be rejected for computation of value of supply?

- (a) When the buyer and seller are related and price is not the sole consideration
- (b) When the buyer and seller are related or price is not the sole consideration
- (c) It can never be rejected
- (d) When the goods are sold at very low margin

33. Rule 30 of CGST rules inter alia provides value of supply of goods or services or both based on cost shall be _____% of cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services

- (a) 100
- (b) 10
- (c) 110
- (d) 120

34. In terms of rule 37(2) of the CGST rules, the value of taxable services provided by such class of services providers as may be notified by the Government, on the recommendations of the council, as referred to in paragraph 2 of schedule I of CGST Act between distinct persons as referred to in Section 25, where ITC is available, shall be deemed to be _____

- (a) Rs. 10,000
- (b) Arm's length price as required under the IT act
- (c) NIL
- (d) As per the contract between the supplier and recipient

35. Within how many days a person should apply for registration?

- (a) Within 60 days he becomes liable for Registration
- (b) Within 30 days he becomes liable for Registration
- (c) Within 180 days he becomes liable for Registration
- (d) Within 90 days he becomes liable for Registration

36. PAN Issued under the Income Tax Act is mandatory for grant of registration

- (a) It is one of the documents listed
- (b) Yes, but non – resident taxable person may be granted registration on the basis of any other document
- (c) Yes but persons required to deduct tax at source u/s 51 may have TAN in lieu of PAN

(d) both b and c

37. Threshold limit in case of State of Tamilnadu for a dealer shall be :

(a) Rs.10 Lacs (b)Rs.40 lacs (c)Rs.20Lacs (d) none of the above

38. Availability of input tax credit shall be considered only

(a) on receipt of goods or service as well as on payment of taxes by supplier to Govt

(b) Only on payment of taxes paid by supplier to Govt

(c) Taken to manufacturing site or availed services

(d) both b & c

39. The time limit to pay the value of supply with taxes to the supplier to avail the input tax credit is

(a) 3 months (b) 6 months (c) 180days (d) till the date of filling of annual return

40. Exempted supply for the purpose of proportionate common credit includes

(a) Sale land and building (b) Sale of securities

(c) Supply on which GST apply under RCM (d) All of the above

PART B

Answer the following questions – each questions carry 5 marks(12X5=60 marks)

1. M/s C Ltd of Chennai being a trader provided the following information relating to the preceding financial year is as follows:

Particulars	Value (Rs in lakhs)
Intra state supply of taxable goods	20
Intra state supply of exempted goods	30
Intra state supply of taxable services	5
Intra state outward supply of services on which recipient is liable to pay GST	4
Export of goods	35
Inter state inward supply of goods	200
CGST & SGST paid	2

M/s C Ltd is eligible for composition scheme in the current financial year?

2. Green Tree society is a registered tax payer under GST provided following services in the month of Oct 20XX:

(i) Banquet hall provided to a Member of the society on hire for the purpose of celebrating his son birthday party for RS 25000

(ii) Payment of electricity bill issued by third person in the name of its members collected Rs.1,10,000 from its members and paid to electricity department Rs.100,000.

(iii) Contribution per month per member is Rs.8500 for 20 members and Rs.2500 for 30 members has been received in the oct 20XX.

Find the tax liability of the Green Tree Society for the Month of Oct 20XX. Applicable rate of GST is 18%.

3. Mr. Navab being a registered tax payer and also a performing artist provides the following information relating to August 20XX

Receipts from :	Rs
Performing classical dance	98,000
Performing in television serial	2,80,000
Services as a brand ambassador	12,00,000
Coaching in recreational activities relating to arts	2,10,000
Activities in sculpture making	3,10,000
Performing western dance	90,000

Determine the value of taxable supply of services and GST payable by Mr. Navab for August 20XX GST @18%.

4. Synergy Waste Management (p)ltd provided following services to Apollo Hospitals Chennai during the month of Oct 2017:

- (i) Collection, Transportation, Treatment & Disposal of Bio medical Waste for Rs 5,25,000.
- (ii) Training on segregation of bio medical waste to hospital staff to further increase efficiency of bio medical waste management services for Rs.1,25,000.
- (iii) Laundry services for Rs.50,000.
- (iv) Common Bio medical waste treatment facility services provided to Aravind Pharma company during Oct 2017 for Rs.2,00,000. Find the GST liability for the month of oct 2017?

5. Cell two Ltd a registered person provides the following information in respect of its regular customer, Mr. Piyush:

Date	Particulars	Amount(rs)
1.10.2018	Supply of service for the month of September 2018	845
1.10.2018	Date of Invoice	845
18.10.2018	Receipt of payment	1000

Find the time of supply for excess payment over and above invoice value.

6. Determine the time of supply from the following particulars:

8 th September	Community hall booked for a marriage, sum
---------------------------	---

	agreed Rs.1,20,000, Advance Rs. 20,000 recorded in the books of account
10 th September	Advance amount credit in bank account
2 nd November	Marriage held in community hall
18 th December	Invoice issued for Rs.1,20,000 indicating the balance of rs.1,00,000 payable
22 nd December	Balance Rs.1,00,000 recorded in the books of account
24 th December	Payment of Rs.1,00,000 credit to the bank account

7. Determine the place of supply for the following independent cases under the IGST Act 2017

(i) Grand gala events, an event management company at Kolkata, organises two award functions for Kalia Jewellers of Chennai (Registered in Chennai) at New Delhi and Singapore.

(ii) Perfect Planners (Bengaluru) is hired by Dr. Kelvin (unregistered person based in Kochi) to plan and organise his son's wedding at Mumbai. Will your answer be different if the wedding is to take place at Malaysia.

8. Mr. Mahendra Goyal, an interior decorator provides professional services to Mr. Harish Jain in relation to two of his immovable properties.

Determine the place of supply in the transactions below as per provisions of GST law in the following independent situations:

Case	Location of Mr. Goyal	Location of Mr. Harish Jain	Properties situated at
I	Delhi	Mumbai	New York (USA)
II	Delhi	New York	Paris (France)

9. A manufacturer of machinery supplied a special machine to LM Furnishers. Following details provided in relation to amounts charged:

Charges mentioned in (ii) to (v) are not included in (i) below. Other information furnished is

(a) Cash discount @2% on price of machinery has been allowed to the customers at the time of supply and also recorded in invoice.

(b) GST rate 18%. Calculate value of supply of the special machine.

S.NO	Particulars	Value in rs
(i)	Price of machinery excluding taxes (before cash discount)	6,00,000
(ii)	Transit insurance	11,000
(iii)	Packing charges	9,000
(iv)	Extra charges for designing the machine	20,000
(v)	Freight	12,000

10. Vayu Ltd provides you the following particulars relating to goods supplied by it to Agni Ltd:

Particulars	Amount Rs
List price of the goods (exclusive of taxes and discounts)	76,000
Special packing at the request of the customer to be charged to the customer	5,000
Duty levied by local authority on the sale of such goods	4,000
CGST and SGST charges in invoice	14,400
Subsidy received from NGO (The price of Rs.76,000 given above is after considering subsidy)	5,000

Vayu Ltd offers 3% discount of the list price of the goods which is recorded in the invoice for the goods. Determine the value of taxable supplies made by Vayu Ltd.

11.ABC Co Ltd is engaged in the manufacture of heavy machinery.It procured the following items during the month of july.

S.No	Particulars	GST paid
(i)	Electrical transformers to be used in the manufacturing process	5,20,000
(ii)	Trucks used for transport of raw material	1,00,000
(iii)	Raw material	2,00,000
(iv)	Confectionery items for consumption of employees working in factory	25,000

Determine the amount of ITC available with ABC Co ltd for the month of july by giving necessary explanations for treatment of various items.

Note: (i) All the conditions for availing credit are fulfilled
(ii) ABC Co ltd is not eligible for any threshold exemptions.

12.XYZ ltd is engaged in manufacture of taxable goods.Compute the ITC available with XYZ Ltd for the month of Oct 2018 from the following particulars.

S.No	Inward supplies	GST Rs.	Remarks
(i)	Inputs "A"	100,000	One invoice on which GST payable was RS.10,000 is missing
(ii)	Inputs " B"	50,000	Inputs are to be received in two instalments.First instalment has been received in OCT 2018
(iii)	Capital goods	1,20,000	XYZ Ltd has capitalised the capital goods at full invoice value inclusive of GST as it will avail depreciation on the full invoice value.
(iv)	Input services	2,25,000	One invoice dated 20.01.2018 on which GST payable was 50,000 has been received in Oct 2018.

Note: (i) All the conditions for availing credit are fulfilled

(ii) XYZ ltd is not eligible for any threshold exemptions.

(iii) The Annual return for the financial year 2017-2018 was filed on 15th Sep 2018.

