

NATIONAL MANAGEMENT COLLEGE –THUDUPATHY

MODEL EXAM III DATE :

COURSE : CMA INTERMEDIATATE SUB: INDIRECT TAXATION

MARKS : 100 HOURS: 3 HRS

PART A (40X1=40 MARKS)

Multiple Choice Questions (MCQ)

1. When President assent was obtained for central GST
(A) 18th April 2017 (B) 22nd April 2017
(C) 5th April 2017 (D) 12th April 2017
2. . Non-taxable territory means
(A) Outside taxable territory (B) Inside taxable territory
(C) Inter-state taxable territory (D) None of the above
3. Goods and Service Tax council referred in which section
(A) 279A of the constitution (B) 276 of the constitution
(C) 277 of the constitution (D) 279 of the constitution
4. Weight age of vote for centre at GST council
(A) 1/4th of total votes cast (B) 1/3rd of total votes cast
(C) 1/2 of total votes cast (D) Only B
5. When GST council constituted
(A) 15.09.2016 (B) 13.09.2016 (C) 12.09.2016 (D) 20.09.2016
6. Associated enterprise mentioned
(A) Income tax act 1961 (B) Companies Act 2013
(C) Central GST Act 2017 (D) State GST Act 2017
7. Deemed exports mentioned in which section
(A) Section 137 (B) Section 147 (C) Section 142 (D) Section 145
8. Whether person opted for composite scheme collect tax under GST
(A) No (B) Yes (C) Only A (D) None of the above
9. Participation of ITC value chain in composite scheme

(A) With participation (B) Without participation

(C) Either (A) or (B) (D) None of the above

10. Input tax on capital goods

(A) In one instalment (B) Partly five equal installments

(C) Only A (D) Equally 10% every year

11. Appellate Tribunal mentioned in which section

(A) Section 109 (B) Section 105 (C) Section 103 (D) Section 119

12. Common portal referred in which section

(A) Section 136 (B) Section 146 (C) Section 143 (D) Section 149

13. Valid return mentioned in which section

(A) Section 29 (B) Section 39 (C) Section 47 (D) Section 49

14. Sasta Bazar offers a free bucket with detergent purchased. It is a —

(A) Composite supply (B) Mixed supply (C) Principal supply (D) None of the above

15. As per the GST Law, every registered taxable person must maintain the accounts books and records for at least:

(A) 36 months from the due date of furnishing of annual return for the year pertaining to such accounts and records

(B) 60 months from the due date of furnishing of annual return for the year pertaining to such accounts and records

(C) 72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records

(D) 18 months from the due date of furnishing of annual return for the year pertaining to such accounts and records

16. Which of the following is not a feature of indirect taxes?

(A) Regressive nature (B) Supply based taxes

(C) Rate of taxes are different from person to person

(D) No previous year and assessment year concept

17. Mr. T, a thief has stolen motorbike and sells the motorbike to Mr. Q. It is illegal to steal

a motorbike. Sale of motorbike will be considered as:

- (A) supply and liable to be taxed (B) supply but not liable to be taxed
(C) not at all supply (D) None of the above

18. . The bill of entry which is used for clearance of goods from warehouse for home consumption, is:

- (A) White bill of entry (B) Yellow bill of entry
(C) Green bill of entry (D) None of the above

19. GT Jewellers Ltd. paid Rs. 50 lakhs for sponsorship of Miss India beauty pageant in Mumbai to Stylish & Co., a partnership firm. GST is liable to be paid by:

- (A) GT Jewellers Ltd. (B) Miss India beauty pageant
(C) Stylish & Co. (D) Exempted supply

20. Which of the following cannot be considered as deemed export?

- (A) Sale of goods to Software Technology Park
(B) Sale of goods to Domestic Tariff Area
(C) Sale of goods to United Nations Agencies
(D) Sale of capital goods to fertilizer plants

State whether the following are 'True' or 'False'

1. Input credit can be claimed for machinery purchased and sent directly to a job worker registered under the tax payer.
2. Under GST the phrase "Aggregate Turnover" includes exempt supplies also.
3. A person can issue normal tax invoice in respect of supplies which were suppressed by him and are detected by the GST officers subsequently.
4. GST is payable once registered even if the turnover is less than the prescribed limit.
5. A registered person under GST law gives a free spoon along with each soap purchased. This is a case of composite supply under GST law.
6. Buying and selling of second hand goods is not subject to GST.
7. The first type of Audit under GST is to be done by Chartered Accountant only.
8. Interest is payable even if duty is paid before the show cause notice.
9. ITC is allowed if the goods are destroyed by fire.

10. In case of export of goods, it is compulsory that the receipts of payment should be in foreign exchange.

Fill in the blanks

1. Every person who is liable to be registered under GST shall apply for registration in form _____.
2. License to occupy land is treated as _____ (supply of services/not supply of services).
3. In GST, details of inward supplies of taxable goods or services for claiming input credit are to be furnished in form no. _____.
4. For delayed payment of GST, interest is payable at ___% per annum
5. As per the GST law, every registered taxable person must maintain account books and records for at least _____ from the due date of furnishing of annual return for the year pertaining to such return.
6. In case of death of a tax payer _____ can request for cancellation of registration.
7. Gifts exceeding _____ in value in a financial year by an employer to employee shall constitute supply of goods or services or both.
8. Toll receipts from highway of Coimbatore to Palghat is Rs. 60,00,000 and commission earned on toll receipts is Rs. 6,00,000. The value of taxable supply will be _____.
9. In case of supply of goods by a composite dealer, the registered person shall issue-----
10. If the ECO (e-commerce operator) is located in taxable territory, then person liable to pay tax is _____.

PART B

Answer the following questions (12*5=60 Marks)

1. What are the activities to be treated as supply even if made without consideration as per Schedule I?
2. Mr. Naidu, an advocate, handles company related matter in Chennai provided the services related to incorporation of a company to Mr. Chandrakant in Bengaluru. Mr. Naidu charges fees as follows –

1. Professional and consultation fees for incorporation of company Rs 80,000/-
2. Filing fees, registration charges etc paid to Register of Companies Rs 40,000/-
3. Reimbursement of travelling expenses Rs 80,000/-
4. Incidental and out of pocket expenses on actual basis Rs 7,000/-

Calculate the tax liability considering GST rate 18%

3. Find the time of supplies in case of following details provided by Mr. Gupta, a registered dealer and manufacturer:

(i) Sold goods to Aircon Ltd for Rs 25,000/- and issued invoice for sale on 06.09.2020

Aircon Ltd collect the goods from warehouse of Mr. Gupta on 14.09.2020.

(ii) Aircon Ltd made the full payment on 26.09.2020

(iii) Received goods from Mr. Suman an unregistered person for Rs 2,20,000/- on

12.05.2020 who issued the invoice on 02.05.2020. Mr. Gupta made payment for

The Sale on 19.05.2020.

4. Opportunity Finance Ltd., a Non-Banking Financial Company furnishes the following details for the month of June 2020

	₹
Interest Income	2,80,00,000
Loan processing fees	16,00,000
Other Incomes	30,00,000
Total Input credit availed during the period	22,00,000
Input credit availed for non business purpose	8,00,000

Opportunity Finance Ltd opted for availing ITC an amount equal to 50% of eligible credit. Calculate the Input Tax Credit available to Opportunity Finance Ltd.

5. M/s Unicorn Ltd agreed to do the job work for M/s Techno Ltd

(i) M/s Techno Ltd supplied the following to M/s Unicorn Ltd for completion of job Work

Raw materials Rs 8,00,000

Packing materials Rs 80,000

(ii) M/s Unicorn Ltd agreed to supply services for the purpose of performing

The activities as required by M/s Techno Ltd for Rs 2,50,000/-

(iii) Job worker profit Rs 1,60,000

(iv) Materials consumed Rs 28,000

Find the transaction value to levy GST in the hands of M/s Unicorn Ltd

6. M/s Kanu Fabrication having its head office at Kolkata and branch offices at Patna & Ranchi furnishes the following details with respective turnover for F.Y 20XX

		₹
a)	Supply of ceramic products at Kolkata (earthen pot and clay lamps)	15,00,000
b)	Inward supplies on which tax is payable on reverse charge basis	6,00,000
c)	Supply of machine parts to Kolkata	3,00,000
d)	Value of taxable supply to Patna branch	4,00,000
e)	Value of branch transfer taxable items to Ranchi without any consideration (payment)	2,50,000

Find the aggregate turnover of M/s Kanu Fabrication

7. What are the particulars required to be maintained by every registered person executing works contract?

8. Gopal babu furnishes the following particulars relating to the services supplied to his different clients for the month of June 2020

1. Total invoice raised for Rs 15,00,000/- out of which tax invoice for Rs 3,00,000/- was raised to SEZ unit for service supplied.

2. Amount of Rs 2,36,000/- which was inclusive of tax was received from Magnum Agency as an advance on 22.06.20 to whom service was supplied in August '20

You are required to compute

- Value of taxable service
- Amount of tax payable
- Due date for tax payment
- The document to be issued

Assume the rate of GST is 18% i.e. CGST – 9%, SGST – 9% and IGST – 18%

9. Anil Associates a taxable person filed return after 260 days beyond due date. On that day he paid tax and filed return.

Calculate penalty and late fee payable

10. Mr. Pravin Mittal has self assessed tax liability under IGST ACT as Rs 60,000/-. He fails to pay the tax within 30 days from the due date of payment of such tax. Determine the Interest and Penalty payable by him with the following particulars available in his records

Date of collection of tax 12.06.2020

Date of payment of tax 22.08.2020

(IGST rate 18%)

11.

Lucky Ltd have imported a machine from USA. From the following particulars furnished by Lucky Ltd determine the assessable value for the purpose of customs duty payable –

1	FOB cost of the machine	15000 USD
2	Freight (air)	4000 USD
3	Engineering and design charges paid to a firm in USA	600 USD
4	Licence fee relating to imported goods payable by the buyer as condition of sale	20% FOB value
5	Materials and components supplied by the buyer free of cost valued	₹ 25000
6	Insurance paid to the insurer of India	₹ 7000
7	buying commission paid by the buyer to his agent in USA	200 USD
	Other Particulars	
(i)	Interbank exchange rate as arrived by the authorised dealer	₹ 56.50/USD
(ii)	CBIC had notified for purpose of section 14 of the Customs Act 1944 exchange rate	₹ 56.25/USD
(iii)	Importer paid demurrage charges for delay in clearing the machine from the Airport	₹ 6000

12. Write short note on Lighterage Charges.