

Vidya Vikas Mandal's
 Shree Damodar College of Commerce & Economics, Margao
 PGDFT, Semester-II, Semester End Examination, June 2022
 Post-Graduate Diploma in Finance & Taxation
 Sub: DFTC 201- Indirect Tax Goods and Service Tax (GST)

Duration: 3 Hrs

Total marks: 60

Instructions:

- 1) The paper consists of 9 Questions Carrying equal marks.
- 2) Question No 1 Consists of 5 Compulsory Questions of 2 Marks each.
- 3) Answer any 5 Questions From Question No 2,3,4,5,6,7,8 & 9.
- 4) Each Question carries 10 Marks. Figures to the right indicate marks.

Q.1) Answer the following:

(5x2=10)

1. Mr. X (a supplier registered in Uttar Pradesh having principal place of business at Noida) asks Mr. Y of Ahmedabad, Gujarat to deliver 50 washing machines to his buyer Mr. Z at Jaipur, Rajasthan.
2. Can the Department, through the proper officer, suo-moto proceed to register of a person?
3. Mr. Lokesh has conducted a market survey for Mr. Vishal. However, Mr. Lokesh has not charged any fee for such services as Mr. Vishal happens to be his best friend is GST payable on such free service? Explain.
4. Examine whether the following activities would amount to supply under section 7 of the CGST Act.
 Damodar Charitable Trust, a trust who gets the eye treatment of needy people done free of cost, donates clothes and toys to children living in slum area.
5. State whether the following supplies would be treated as supply of goods or supply of services as per Schedule II of the CGST Act:
 - a) Renting of immovable property
 - b) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date.

Q.2) Multiple Choice Questions: (MCQs)

(10x1=10)

1. _____ is excluded from the definition of goods as well as services
 - a) Only Money
 - b) Only Securities
 - c) Securities and Money
 - d) None of the Above
2. GST is payable in the
 - a) State where the goods or services or both are finally consumed.
 - b) State where the goods or services or both are procured.
 - c) State where the goods are manufactured
 - d) All of the above

3. Supply of goods or services or both when the supplier is located in India and the place of supply is outside India shall be treated as
 - a) Intra state supplies
 - b) Interstate supplies
 - c) Exports^{ISDP}
 - d) Imports

4. Who are the persons liable to pay tax under reverse charge mechanism?
 - a) Registered Supplier
 - b) Registered Recipient
 - c) Unregistered Supplier
 - d) Unregistered Recipient

5. A dealer registered under composition scheme, can he avail the ITC on inward supply?
 - a) Yes
 - b) No
 - c) Yes, subject to prior approval of the Central Government
 - d) Yes, subject to prior approval of the concerned State Government

6. Me Roshan made some purchase of shoes from Metro shoes worth Rs. 5000/- and got a free voucher worth Rs. 1500/- which is redeemable at any outlet of metro shoes. Here what will be time of supply of voucher issued?
 - a) Date of issue of voucher
 - b) Date of redemption of voucher
 - c) Earlier of (a) & (b)
 - d) Later of (a) & (b)

7. What is the time of supply of service if the invoice is issued within 30 days from the date of provision of service?
 - a) Date of issue of invoice
 - b) Date on which the supplier receives payment
 - c) Date of provision of service
 - d) Earlier of (a) & (b)

8. When can the 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 margins

9. The input tax credit on purchase invoice dated 2nd May 2017 was omitted to be taken. The accountant realized this mistake on 1st November 2018. Can he now claim the credit?
 - a) Yes, Since Annual return is not filed
 - b) No, Since 20th October'18 is elapsed
 - c) Yes credit can be taken without limit
 - d) None of the above

10. Invoice shall be prepared in (I) _____ in case of taxable supply of goods and in (ii) _____ in case of taxable supply of services.
- (i) Triplicate, (ii) Duplicate
 - (i) Duplicate, (ii) Triplicate
 - (i) Duplicate, (ii) Duplicate
 - None of the above

(2x5=10)

Q.3) Answer the Following:

- Following Intra State Supply made by following persons:
 - Transaction 1 – Taxable Supply of Rs. 10000/- made by Mr. A to Mr. B
 - Transaction 2– Taxable Supply of Rs. 12000 (after 20 % value addition) made by Mr. B to Mr. C

Calculate total tax paid by various person to respective government and the amount of Input tax credit availed under respective transaction. CGST 9%, SGST 9%

- Asha Traders dealing in supply of garments and details mentioned below:
 - Value of Taxable Supply of garments is Rs 45,000
 - Subsidy directly linked to the supply and received from a Trust engaged in promotion of such garment is Rs 12,000
 - Subsidy from Central Government for promoting such units is Rs 9,000,

Determine the Transaction Value of supply as per section 15 of CGST Act.

(10)

Q.4) Solve the Following:

The following are details of purchases and sales etc., effected in Smart Pvt. Ltd. a registered manufacturer under CGST Act, 2017;

- Purchased fabric material from Local dealer Rs. 47040 (including GST @ 12%)
- Purchased textile material from local dealer Rs. 94500 (including GST @ 5%)
- Purchased machinery for manufacture of taxable goods Rs. 318600 (including GST @ 18%) depreciation @ 15% is charged.
- Other direct and indirect expenses Rs. 44570
- Profit margin on total cost @ 10%
- For the month November, 2017 only 80% production is sold within the state and applicable GST rate being 18%.

Calculate the amount of CGST and SGST payable after utilizing input tax credit for the month of November, 2017 and no opening balance of input tax credit is available.

Q.5) Solve the Following:

1. SamRiddhi Advertisers conceptualized and designed the advertising campaign for a new product launched by New Moon Pvt Ltd. for a consideration of Rs. 5,00,000. SamRiddhi Advertisers owed Rs. 20,000 to one of its vendors in relation to the advertising service provided by it to New Moon Pvt Ltd. Such liability of SamRiddhi Advertisers was discharged by New Moon Pvt Ltd. New Moon Pvt Ltd. delayed the payment of consideration and thus, paid Rs. 15,000 as interest.

Assume the rate of GST to be 18%. Determine the value of taxable supply made by SamRiddhi Advertisers.

2. Siddhi Ltd. exported some goods to Samson Inc. of USA. It received US \$ 9,000 as consideration for the same and sold the foreign currency @ Rs. 61 per US dollar. Compute the value of supply of money changing service under GST law and rules made thereunder in the following cases:-
 - a. RBI reference rate for US dollar at that time is Rs. 62 per US dollar.
 - b. RBI reference rate for US dollars is not available.
 - c. What would be the value of supply if US \$ 9,000 are converted into UK £ 4,500. RBI reference rate at that time for US \$ is ` 63 per US dollar and for UK £ is ` 101 per UK Pound.

Q.6) Solve the Following:

(10)

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

Sr No	Particulars	Amount
1	Price of machinery excluding taxes (before cash discount)	600000
2	Transit insurance	11000
3	Packing charges	9000
4	Extra charges for designing the machine	20000
5	Freight	12000

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

1. Cash discount @ 2% on price of machinery has been allowed to the customer at the time of supply and also recorded in invoice.
2. GST rate – 18%. Calculate value of supply of the special machine.

Q.7) Answer The Following:

(10)

M/s Mayur Ltd, Delhi is an authorized money changer registered under FEMA, 1999 has

entered the following transaction of supply of money changing:

1. 500 transactions of conversion of Dollar into Indian Rupees of Rs 30000 per transaction
2. 600 transactions of conversion of Dollar into Indian Rupees of Rs 1,20,000 per transaction
3. 800 transactions of conversion of Indian Rupees in Dollar of Rs 5,00,000 per transaction
4. 300 transactions of conversion of Dollar into Euro of Rs 100 lakhs per transaction

Compute the value of taxable supply and GST payable where M/s Mayur Ltd opted for option under Rule 32(2) (b) of CGST Rules. GST rate applicable is 18%

(10)

Q.8) Answer The Following:

Define T, T1, T2, T3, T4, C1, C2, C3, D1 & D2 in context to Rule 42 of ITC.

(2x5=10)

Q.9) Answer the Following:

a) Siddhi Ltd. is a registered manufacturer engaged in taxable supply of goods. Siddhi Ltd. purchased the following goods during the month of January. The following particulars are provided by the company:

Particulars	GST (₹)
1. Capital goods purchased on which depreciation has been taken on full value including GST paid thereon	15,000
2. Goods purchased from Ravi Traders (Invoice of Ravi Traders is received in month of January but goods were received in month of March)	20,000
3. Car purchased for making further supply of such car. Such car is destroyed in accident while being used for test drive by potential customers.	30,000
4. Goods used for setting up telecommunication towers	50,000
5. Truck purchased for delivery of finished products	80,000

Determine the amount of ITC available with Siddhi Ltd. for the month of January by giving necessary explanations for treatment of various items as per the provisions of the CGST Act. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

b) Sarva Sugam Charitable Trust, a trust registered under section 12AB of the Income – tax

Act, 1961, provides the following information relating to supply of its services for the month of August:

Particulars	Amount (₹)
Renting of residential dwelling for use as a residence	18,00,000
Renting of rooms for devotees (Charges per day Rs 750)	6,00,000
Renting of kalyanamandapam (Charges per day Rs 15,000)	12,00,000
Renting of community halls and open space (Charges per day Rs 7,500)	10,75,000
Renting of shops for business (Charges per month Rs 9,500)	4,75,000
Renting of shops for business (Charges per month Rs 12,000)	7,50,000

Compute the GST liability of Sarva Sugam Charitable Trust for the month of August assuming that the above amounts are exclusive of GST and rate of GST, wherever applicable, is 18%.

Note: The rooms/ Kalyanamandapam/ halls/ open space/ shops owned by the trust are located within the precincts of a religious place, meant for general public, owned by the trust.

*****The End*****