

TOPIC

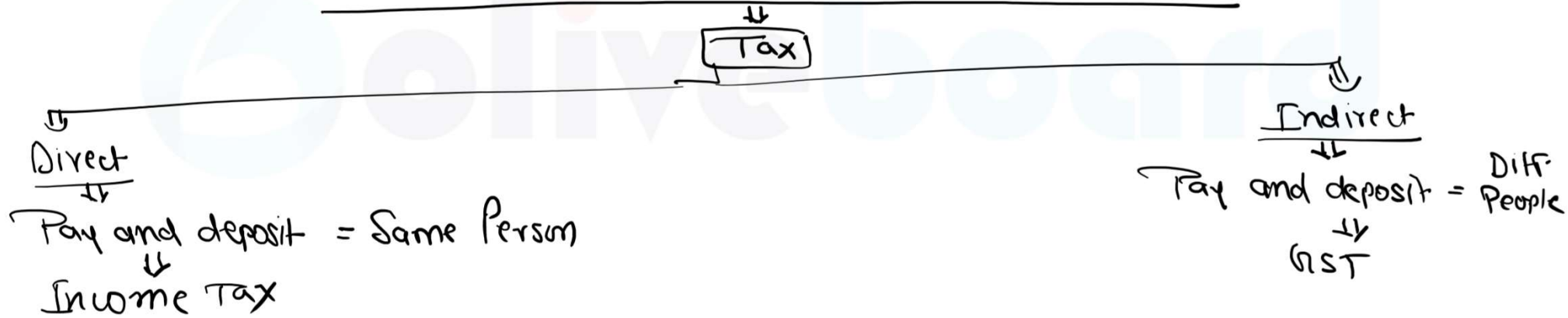
⇒ Consumption based tax ⇒ Destination tax

⇒ Dual model GST = $\begin{cases} \Rightarrow CG \\ \Rightarrow SG \end{cases}$
↳ CANADA

⇒ one nation one tax

⇒ Avoid Cascading effect
↳ Tax on tax

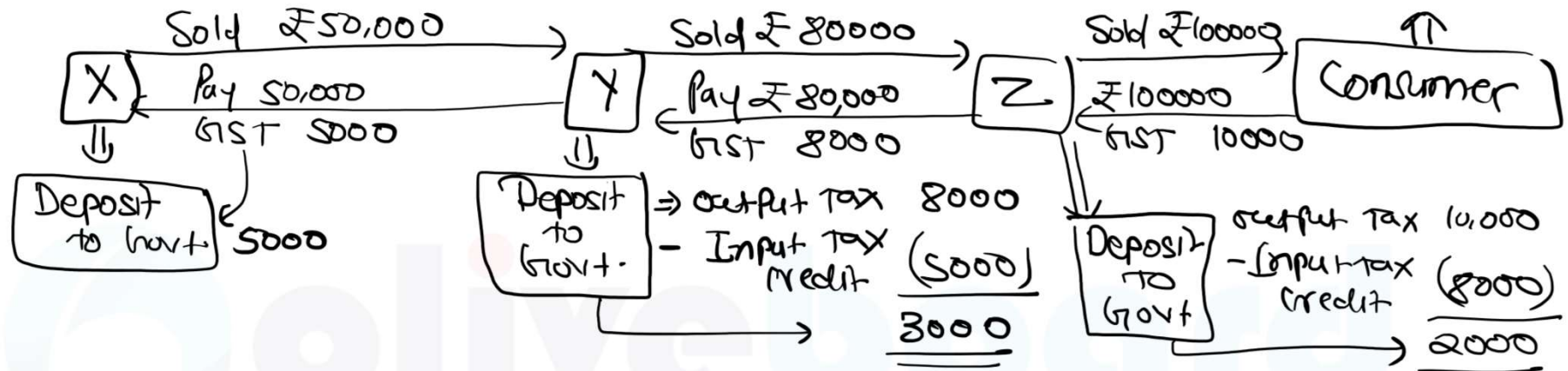
Unit -2 Goods & Services Tax



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Input tax credit = Get credit of tax paid on Input from output tax.

Ultimate burden of ₹10,000 of GST is on Consumer.



DIRECT TAX AND INDIRECT TAX

Direct tax is defined as the tax imposed directly on a taxpayer and it is required to be paid to the government directly by the taxpayer.

Some of the other examples of a direct tax are corporate tax, wealth tax, property tax, capital gains tax and securities transaction tax (STT)

Indirect taxes, on the other hand, are taxes which can be shifted to another person/entity. It is not the tax levied on the income or profit but on the goods and services rendered. *Inst, Custom duty*

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GOODS AND SERVICES TAX (GST) ⇒ Subsumed

- ⇒ Excise duty
- ⇒ Service tax
- ⇒ Additional Custom duty
- ⇒ VAT
- ⇒ Entry tax

Goods and Services Tax (GST) regime was introduced in the country with effect from 01 July 2017

It is a comprehensive tax subsuming almost all the indirect taxes except a few State taxes. the crude oil, petroleum products, electricity and Alcoholic liquor for human consumption are not in the GST regime, presently. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Canada

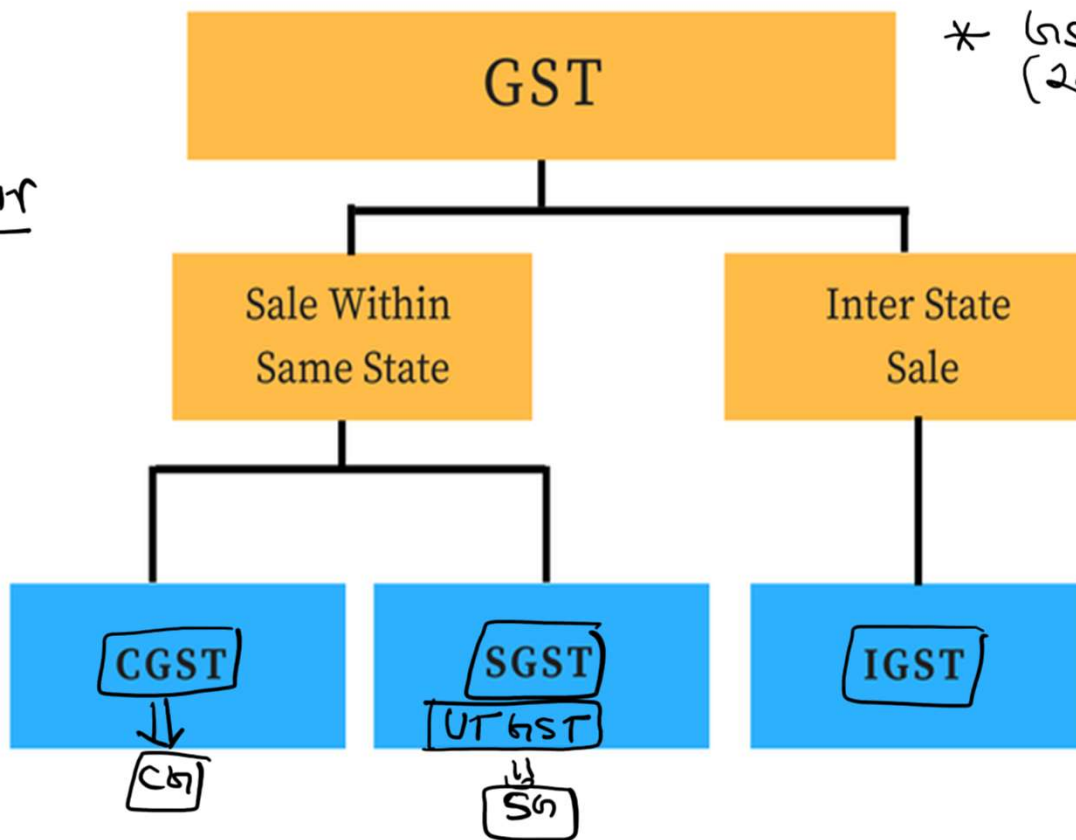
Input tax credit ✓

- The concept of GST is based on permitting set-off for the tax paid on the inputs and this is given effect through the input tax credit against the amount of a dealer's output tax.

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4 types of GST in India, as mentioned below:

KOTA to Jaipur



* Centrally Collected Tax
* GST N = Goods and Service Tax Net
(2016)

KOTA to Indore

=> Integrated
CG SH
CG SH

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Alcohol for human consumption has been exempted from purview of GST

GST WILL NOT APPLY TO



GST council will decide when GST will apply to the above

⇒ "out of GST"

⇒ Inside GST but Exempt

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SEC 279 A

GST Council

- ⇒ Apex body to make law related to GST
- ⇒ Chairperson = FM (Cn)
- ⇒ Meetings →
- ⇒ Quorum = 50% Member
- ⇒ Voting = $\Rightarrow Cn = \frac{1}{3}$
 $\Rightarrow Sn = \frac{2}{3}$
- ⇒ Decision = 75% vote favour

It is the Governing body and Union Finance Minister is its chairman.

~~Input tax credit~~

Who is liable to pay GST? ⇒

- ⇒ Forward = Seller
- ⇒ Reverse = Buyer
- ⇒ E-comm. = E-comm. website

In general, the supplier of goods or services is liable to pay GST. However, in specified cases like imports and other notified supplies, the liability may be cast on the recipient under the reverse charge mechanism.

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Liability to pay Tax

⇒ who will deposit GST to Govt ✓

Forward Charge

Taxable person making
intra - state supply

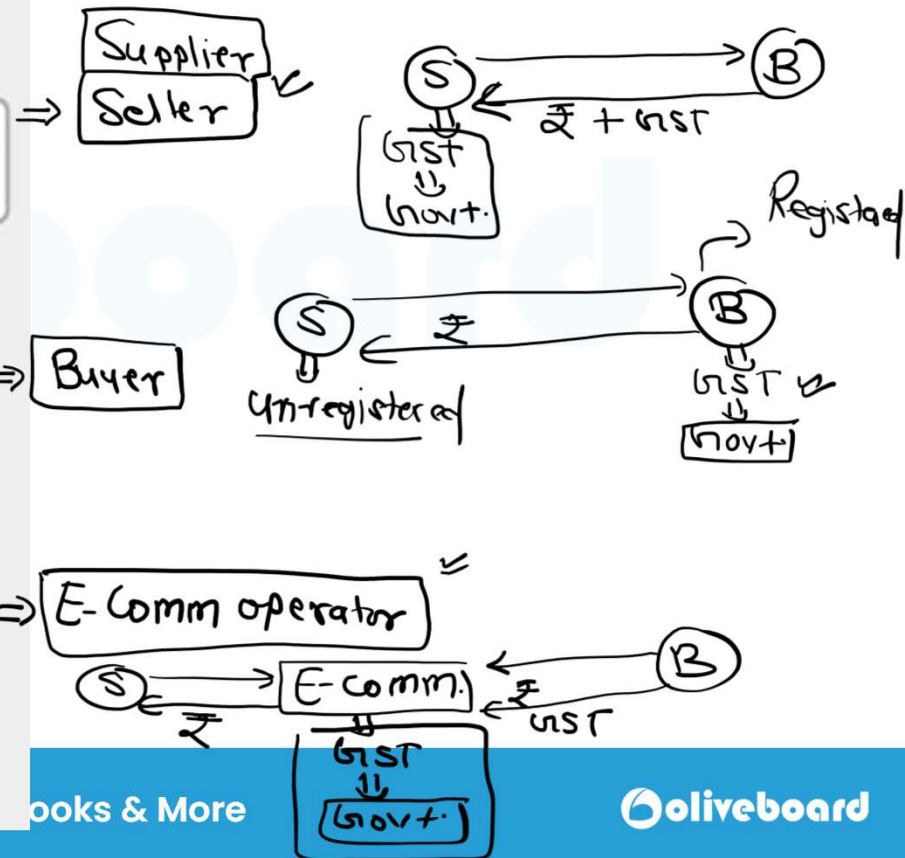
GST Reverse Charge

Recipient of supply

E-Commerce

Electronic commerce
operator

Reverse Charge Mechanism under GST



ooks & More

oliveboard

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Penalty Int. (I-Tax) @ 18% P.m.

When does liability to pay GST arise?

Liability to pay arises at the time of supply of Goods

i) Payment = 8 Aug. 18:1.
ii) Bill date = 12 Aug 5:1.
iii) Goods Supplied = 5 Aug. 28:1.

= 5 Aug 28:1

⇒ Earliest of three

Who has to file GST Returns?

Every person registered under GST will have to file returns in some form or other.

The returns to be filed are as under: ⇒ GSTR 1 if Turn > 1.50 cr
GSTR 3B if Turn ≤ 1.50 cr. } if not filed = Penalty Int. @ 18% Pa

Periodicity Return for registered persons with aggregate turnover of more than 1.50 cr GSTR-1

and GSTR-3B Monthly Return for registered persons with aggregate turnover up to 1.50 cr

Late Fees for not Filing Return on Time and delay in tax payment

At present, interest on delayed payment of tax is payable @ 18% per annum

➤ The system requires that one must manually enter details in the return - GSTR-1.

TURNOVER LIMIT FOR GST REGISTRATION

Supplying Exclusively Goods*

State	Limit
Mizoram, Nagaland, Tripura and Manipur <i>MMNT</i>	Rs. 10 Lakh ✓
<u>Uttarakhand</u> , <u>Meghalaya</u> , <u>Sikkim</u> , <u>Arunachal Pradesh</u> , <u>Telangana</u> and <u>Puducherry</u>	Rs. 20 Lakh ✓
All Other States ✓	Rs. 40 Lakh ✓

Supplying Services Exclusively# or Both Goods & Services*

State	Limit
Mizoram, Nagaland, Tripura and Manipur <i>MMNT</i>	Rs. 10 Lakh ✓
All Other States ✓	Rs. 20 Lakh ✓

Return	Due Date	Persons Required to File
<u>GSTR-1</u>	✓ 10th of Every Month	<u>All Registered Persons</u>
GSTR-2	15th of Every Month	All Registered Persons
GSTR-3	20th of Every Month	All Registered Persons
✓ <u>GSTR-4</u>	18th of April, July, October and January	Persons Registered under <u>Composition Scheme</u>
GSTR-5	20th of Every Month and Within 7 Days after Expiry of Registration	Non-Resident Taxable Persons
GSTR-6	13th of Every Month	Input Service Distributors
<u>GSTR-7</u>	✓ 10th of Every Month	<u>Authorities Deducting Tax at Source</u>
<u>GSTR-8</u>	✓ 10th of Every Month	<u>E-Commerce Operators</u>
most Imp. <u>GSTR-9</u> Annual Return	<u>31st December of Next Financial Year</u>	<u>Registered Persons*</u>
GSTR-10	Within 3 Months of Cancellation of GST Registration	Registered Persons with Surrendered or Cancelled GST Registration

Sep — 10 Oct.
Oct — 10 Nov.

=>

=> Turnover ≤ 1.5 Cr.
1- on Turnover as GST
without any I.T.C.

✓

✓

1.4.23 — 31.3.24
31.12.24 = File Annual Return

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GST PROVISIONS WITH RESPECT TO BANKS ⇒

↓
Revenue Recognition
↓

↓
ATC Linked Services

↓
GST will go to State
of my Kyc address

↓
Non-ATC linked Services

↓
GST will go to State
where Services are
Availed

- ⇒ Multiple Reg. ⇐
- ⇒ Many Compliance ⇐
- ⇒ Many form filling ⇐
- ⇒ Both Govt. involved ⇐
- ⇒ lengthy Process ⇐
- ⇒ only 50% of GST credit on Capital goods
- ⇒ Actionable claim are now Part of GST
- ⇒ operating cost increased
- ⇒ 18% GST on Card, ATM etc.

*GST on banking Transaction fees in financial services such as credit card payments, fund transfer, ATM transactions, processing fees on loans etc. is increased to 18% tax bracket

When does liability to pay GST arise?

- Section 12: Liability to pay arises at the time of supply of Goods ✓
- Section 13: At the time of supply of services ✓
- ✓ The time is generally the earliest of one of the three events namely receiving payment, issuance of invoice or completion of supply.
 } ⇒ Charging Section
- A person required to deduct tax (TDS) and persons required to collect tax (TCS) will also have to file monthly returns showing the amount deducted/collected and other specified details. ⇒ Form = GSTR-7 = by 10th of next month

UNIT 31

AN OVERVIEW OF COST & MANAGEMENT ACCOUNTING

COST ACCOUNTING

- Concept of cost

To a consumer, cost means the purchase price. But, for the producer of a product or provider of a service, the cost means the expenditure incurred for producing the product or providing the service.

- Evolution of cost accounting ⇒ $\begin{cases} \Rightarrow \text{Cost Sep. Record} \Rightarrow \text{Cost Method} \\ \Rightarrow \text{Cost Control} \Rightarrow \text{Cost Tech.} \end{cases}$

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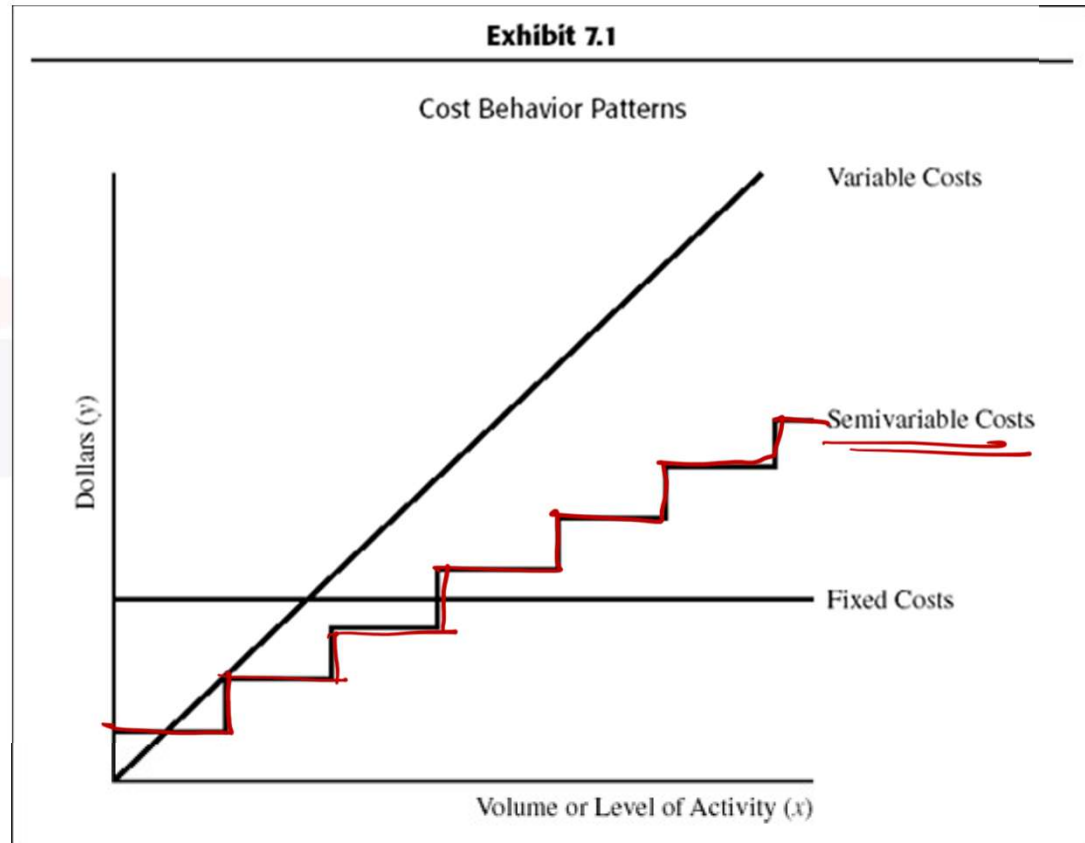
Elements of cost Samosa

- a. Materials: Potato
- b. Labour cost: Halwai
- c. Expenses: Packing Exp

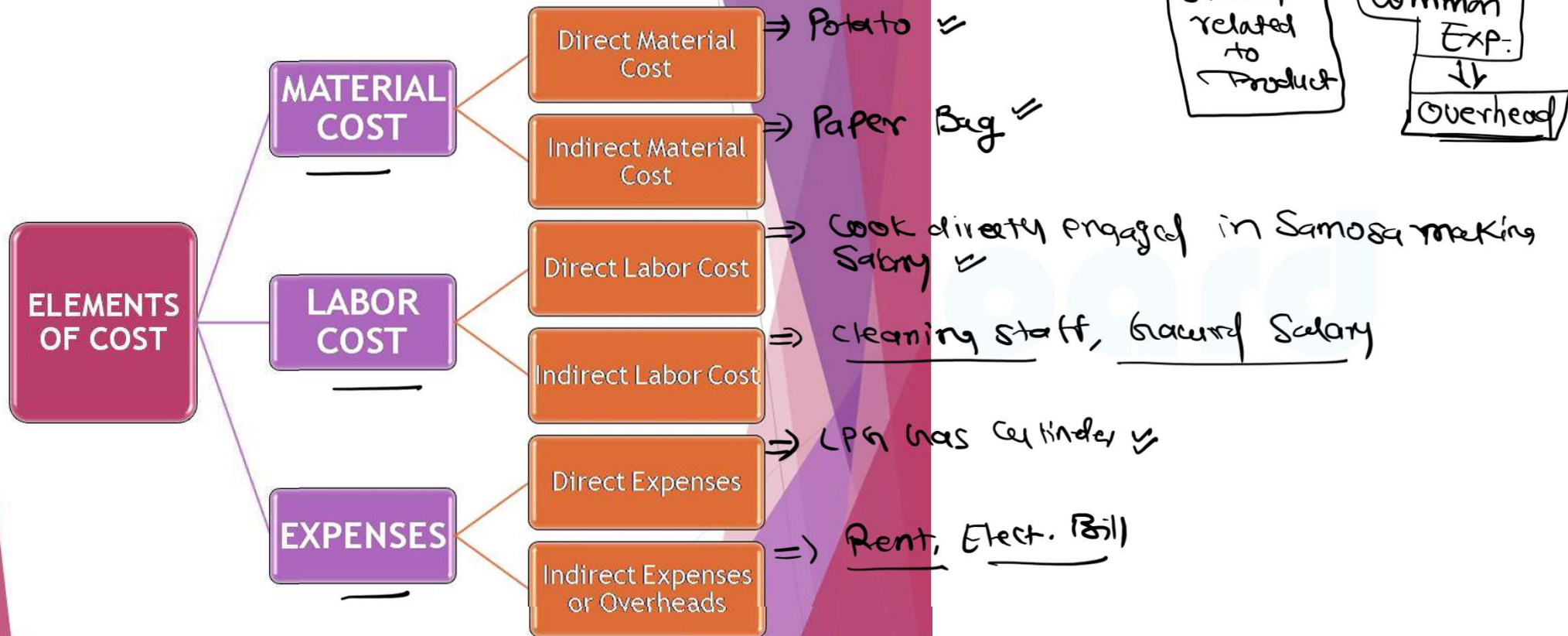
Fixed costs: Rent

Variable costs: Potato

Semi-variable costs: Step Cost
Utensil, Gas stove



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Cost centres and cost units

↳ Sep dept - of org.

↳ Way of measuring cost per unit ✓

Cost Centres

A cost centre can be explained as a location, a person, or an item of equipment for which costs can be ascertained.

Restaurant ✓
Accommodation ✓
Bar ✓

Hotel example

→
→

Cost Units

A cost unit is a quantitative unit of product or service in relation to which costs are ascertained.

Meal served ⇒ Per Plate, Per dish
Occupied bed night ⇒ Per Room, Per Night
Drink served ⇒ Per Peg, Per Bottle

Cost Centre ✓✓

Cost centre is the smallest organisational sub-unit for which separate cost allocation can be made.

Cost Unit ✓✓

CIMA defines a unit of cost as "a unit of product or service in relation to which costs are ascertained"