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Question Paper	
Indirect Tax Laws	Duration: 65
Details: Test- 3	Marks: 35

Instructions:

- All the questions are compulsory
- Properly mention test number and page number on your answer sheet, Try to upload sheets in arranged manner.
- In case of multiple choice questions, mention option number only Working notes are compulsory wherever required in support of your solution
- Do not copy any solution from any material. Attempt as much as you know to fairly judge your performance.

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Q-1: Determine the amount of Input tax credit available to Money Ltd. in respect of the following goods and services procured by them in the month of April 2021:

S.No.	Inward supplies	GST (Rs.)
(i)	Motor vehicles for transportation of persons having approved seating capacity of 7 persons (including driver)	70,000
(ii)	Motor bus for transportation of persons having approved seating capacity of 14 persons (including driver)	1,40,000
(iii)	Motor lorries for transportation of goods	2,80,000
(iv)	Food and Beverages procured from Sweet Caterers for being used in dealer's meet	48,000
(v)	Services of repair and maintenance of motor lorries used for transportation of goods	36,000
(vi)	Services of general insurance of motor vehicles for transportation of persons having approved seating capacity of 7 persons (including driver)	18,000
(vii)	Services of servicing of motor vehicles for transportation of persons having approved seating capacity of 14 persons (including driver)	54,000

(7 Marks)

Q-2:- Sachin Global (P) Ltd, supplies various goods in domestic and international markets. It is engaged in both manufacturing and trading of goods. The company is under GST in the State of Karnataka. The company exports goods without payment of tax under letter making in accordance with the provisions of section 16(3)(a) of the IGST Act, 2017,

The company has made the following supplies during a tax period:

S.No.	Particulars	Amount in Rs.
1.	Export of product 'A' to UK for \$ 10,000. Assessable value under customs in Indian rupees. [Export duty is levied on product 'A' at the time of exports]	7,00,000
2.	Domestic supplies of taxable product 'B'* during the period [excluding tax @5%] [Inputs used in manufacturing of such goods are taxable @18%] *not notified as a product, in respect of which refund of unutilized ITC shall not be allowed under section 54(3)(ii) of the CGST Act, 2017	10,00,000
3.	Supply of goods to Export Oriented Unit [excluding tax @18%] [ITC has been claimed by the recipient]	5,00,000
4.	Export of exempt supplies of goods	6,00,000

The ITC available for the above tax period is as follows:

S.No.	Particulars	Amount in Rs.
1.	On inputs (including Rs.50,000 on export of exempt supplies)	3,50,000
2.	On capital goods	1,20,000
3.	On input services (including Rs. 18,000 on outdoor catering)	2,00,000

Determine the maximum amount of refund admissible to Sachin Global (P) Ltd. for the given tax period.

(7 Marks)

Q-3: A taxpayer has suppressed certain facts resulting in short payment of tax. The mistake is pointed out by the Department, but no Show-Cause Notice (SCN) has been issued. As per the taxpayer, suppression is accepted at Rs.12,00,000 and he agrees that the suppression has taken place in the month of January,2021. He clears the dues on 20th April, 2021. However, the Department, on verification, identifies additional suppression of Rs.2,00,000 in the same month of January, 2021. SCN is issued and the taxpayer represents before the proper officer, which results into an adverse order against the taxpayer. The order is passed on 25-05-2021 and the Taxpayer complies with the adverse adjudication order on 27-06-2021.

Determine the tax, interest and penalty payable at each stage.

(5 Marks)

Q-4:- The original adjudicating authority confirmed a demand of GST of Rs. 42,50,000/- in its order dated 1st September, 2020. The assessee filed an appeal before appellate authority challenging the demand as well as penalty. The internal audit party after an audit of the records of the assessee, submitted a note to the Commissioner that actual amount demanded should have been Rs.48,50,000. While the issue was pending before the appellate authority, based on the note, the Commissioner stayed the Order of the original authority and issued a show cause notice on 15th March, 2021, proposing revision of the order the original authority and revise the demand on the basis of the audit note. Examine the correctness of the action taken by the Commissioner in accordance with the provisions of GST law.

(4 Marks)

Q-5:- M/s Kalaji Manufacturers & Exporters Pvt. Ltd. furnishes following information and requests you to compute the maximum refund eligible in respect of Zero-rated supplies for the relevant period:

Particulars	Rs.
(i) Input tax credit availed on inputs	2,50,000
(ii) Input tax credit availed on input services	50,000
(iii) Input tax credit availed on capital goods	2,00,000
(iv) Taxable value of goods 'X' exported without payment of tax (Value of like goods domestically supplied by the Kalaji Manufacturers included in point no. (vi) below -Rs. 5,00,000	8,00,000
(v) Taxable value of goods 'Y' exported without payment of tax (Value of like goods domestically supplied by the Kalaji Manufacturers included in point no. (vi) below - Rs. 2,00,000	2,50,000
(vi) Taxable value of goods supplied within India	35,00,000
(vii) Payments received towards services supplied for exports (includes Rs. 50,000 of advance towards services to be supplied/ exported after the current relevant period)	5,50,000
(viii) Taxable value of services supplied within India	5,00,000

(7 Marks)

MCQ's

1. Metrowalk (P) Ltd. has four units registered in Mumbai, Gurgaon, Kolkata and Punjab with its Head Office registered as ISD in Delhi. Due to some dispute with one of the common customers of Gurgaon and Punjab Branch, the Delhi Head Office took legal services of a lawyer whose consultation fee was Rs. 2,00,000/-. Since the legal advice was usable by all units, the Delhi ISD office wants to distribute the credit to all its four units. As a consultant of Metrowalk (P) Ltd., advice what is the best course of action?

- A.** Delhi unit should pay tax on legal services obtaining separate registration as a normal tax payer. The credit of said tax should be distributed to Gurgaon and Punjab Branch equally.
- B.** Delhi unit should pay tax on legal services with its ISD registration. The credit of said tax should be distributed to Gurgaon and Punjab Branch equally.
- C.** Delhi unit should pay tax on legal services with its ISD registration. The credit of said tax should be distributed to all units in the ratio of their turnover.
- D.** Delhi unit should pay tax on legal services obtaining separate registration as a normal tax payer. The credit of said tax should be distributed to all units in the ratio of their turnover.

2. Mr. Z, a job worker of cotton bed sheets approaches you to know whether he is required to be compulsorily registered under GST. His job- work is the last stage of work for the product to be a finished product. Can he dispatch goods from his place directly to the customer on direction of his principal? What would be your advice from the following options:

- A.** Mr. Z is supplier of services and is required to obtain compulsory registration under GST. He can supply goods from his place directly to customer since he is registered.
- B.** Mr. Z is a supplier of services and is liable to take registration only when his turnover crosses the prescribed threshold limit of INR 10/20 lakh as applicable. He can supply the goods to customer directly only if he is registered under GST.
- C.** Mr. Z is a supplier of services and is liable to take registration only when his turnover crosses the prescribed threshold limit of INR 10/20 lakh as applicable. He can supply the

goods to customer directly if he is registered under GST or if the principal declares Mr. Z's place as his additional place of business.

- D. Mr. Z is not required to obtain registration under GST. He cannot supply goods from his place directly to customer since he is not registered.

3. Which of the following is a correct method of serving notice?

- (i) By giving it to any adult member of the family residing with the taxable person
- (ii) By making it available on the common portal
- (iii) By sending a courier to a person regularly employed by him in connection with the business
- (iv) By registered post with acknowledgement due to his authorised representative
- (v) Affixing a copy on the notice board of the office of the concerned officer who issued such notice

- A. (ii), (iv)
- B. (i), (iii), (v)
- C. (i), (ii), (iii), (iv)
- D. (i), (ii), (iii), (iv) and (v)

4. Whether prosecution can be initiated against the following persons?

- A. Members of Appellate Tribunal, since they did not follow the case law, which was decided by the President, leading to incorrect decision by such members of Appellate Tribunal
- B. Adjudicating Authority for not following the orders of the Commissioner, when such work was delegated to such Adjudicating Authority
- C. Vindictive action taken by a departmental officer, while discharging his function. The action was however in the favour of the revenue
- D. None of the above.

5. Which action proper officer may take, if no satisfactory explanation is furnished within 30 days being informed by proper officer or where registers person after accepting the discrepancies fails to take corrective measure in his return?

- A. Proceed to conduct audit under section 65 and direct the conduct of a special audit under section 66 of the Act.
- B. Undertake procedure of Inspection, search and seizure under section 67 of the Act.
- C. Initiate proceedings of determination of tax and other dues under section 73 or 74 of the Act.
- D. Any of the above

(1 × 5 = 5 Marks)

