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Question Paper	
Indirect Tax Laws	Duration: 75
Details: Test- 2	Marks: 40

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 'AB', a statutory body, deals with all the advertisement and publicity of the Government. It has issued a release order to 'Sun Plus' channel (registered in State 'A') for telecasting an advertisement relating to one of the schemes of the Government in the month of September 2021. The advertisement will be telecasted in the States of A, B, C, D and E. The total value of the services contract entered into between 'Sun Plus' and 'AB' is Rs. 10,00,000/- (exclusive of GST).

You are required to determine the place of supply of the services in the instant case as also the value of supply attributable to the States of A, B, C, D and E.

Further, compute the GST liability [CGST & SGST or IGST, as the case may be] of 'Sun Plus' as also advise it as to whether it should issue one invoice for the entire contract value or separate State-wise invoices. The other relevant information is given hereunder:

Table 1

States	View ship figures of 'Sun Plus' channel in the last week of June 2021 as provided by the Broadcast Audience Research Council
A	50,000
B +C	1,00,000
D + E	50,000

Table 2

States	Population as per latest census (in crores)
A	50
B	180

C	20
D	100
E	25

The applicable rate of tax is as under:

CGST	SGST	IGST
9%	9%	18%

(10 Marks)

Q-2 Determine the time of supply in each of following independent cases in accordance with provision of CGST Act, 2017:

S. No.	Date of actual provision of service	Time [Date] of Invoice, Bill or challan as the case may be	Date on which payment received
1	10-11-2021	30-11-2021	15-12-2021
2	10-11-2021	30-11-2021	15-11-2021
3	10-11-2021	30-11-2021	15-11-2021(Part) and 10-12-2021(remaining)
4	10-11-2021	30-11-2021	06-11-2021(Part) and 09-11-2021(remaining)

5	10-11-2021	30-11-2021	06-11-2021(Part) and 16-11-2021(remaining)
6	10-11-2021	12-12-2021	30-04-2022
7	10-11-2021	12-12-2021	05-11-2021(Part) and 25-12-2021(remaining)
8	10-11-2021	22-12-2021	12-12-2021

(7 Marks)

Q-3 Skylark Pvt. Ltd., Noida (Uttar Pradesh) is engaged in various company has kinds of commercial activities. It manufactures taxable goods as also provides certain services branch office in New Delhi. The Head office at Noida and the branch office in New Delhi are registered under GST. The branch office at New Delhi is eligible for full input tax credit.

The company has reported a total turnover of Rs.256 crore (exclusive of GST) for the month of August 2021. The following information is provided by the company in relation to such turnover:

- (i) The turnover includes Rs.45 crore from sale of securities which were purchased for Rs.30 crore in the month of January last year.
- (ii) The company supplied goods worth Rs.50 crore to ABC Ltd. in UK under a letter of undertaking (LUT). The total export proceeds are received in the month of August 2021 itself; Rs. 30 crore in foreign currency and balance Rs. 20 crore in Indian rupees.
- (iii) The company provided consulting services to Sherpa & Sons in Nepal for 30 crore under a LUT. The entire consideration is received in Indian rupees in the month of August 2021 itself, with the permission of RBI.

- (iv) The turnover includes supply of goods worth Rs. 10 crore to Shanghai Jianguo Trading Company Ltd., a company based in China. As per the sale contract, the goods were to be assembled at Shanghai Jianguo Trading Company Ltd.'s office in Gurugram, Haryana. The payments of the goods are received in convertible foreign exchange in the month of August 2021 itself.
- (v) Goods worth Rs.20 crore are supplied under a LUT to DEF Pvt. Ltd. located in a SEZ in the State of Uttar Pradesh
- (vi) Goods worth Rs.40 lakh were being procured from a vendor in Japan. While the goods were in transit, the company secured an order for the said goods for Rs. 50 lakh from a buyer in Thailand. Thus, the goods were directly sent to Thailand without entering India.
- (vii) The company owns three immovable properties in Noida. The first building is let out for running a printing press at Rs. 10 lakh per month. The second building is let out for residential purpose at Rs. 5 lakh per month. The third building is let out to a Cold Storage operator at Rs. 5 lakh per month. The cold storage operator sub-lets the building as a warehouse to store potatoes.
- (viii) The remaining turnover comprised of taxable goods sold within the State and outside the State in the ratio of 3:2.

Total turnover of Rs.256 crore includes the turnover referred to in points (i) to (vii) above.

In addition to above –

- (i) The company transferred its stock (taxable goods) from Noida to Delhi branch without any consideration; the value declared in the invoice is Rs.4.5 crore (exclusive of GST). The cost of production of such goods is Rs.10 crore. Such stock is sold to independent buyers at Rs.15 crore (exclusive of GST).
- (ii) the company had sent goods worth Rs.12 crore (exclusive of GST) to M/s. Sharma Traders in Haryana on approval basis on 15th January, 2021, 15th February 2021 & 15th March 2021 (Rs. 4 crore each month). Goods sent during all the three months are approved in the month of September 2021.

Compute the GST liability (CGST & SGST or IGST, as the case may be] of Skylark Pvt. Ltd., Noida for the month of August 2021. Make suitable assumptions wherever required.

Assume the rates of taxes to be as under:

Particulars	CGST	SGST	IGST
Goods	6%	6%	12%
Services	9 %	9 %	18%

(8 Marks)

Q-4 STD Ltd. have filed their GST-3B for the month of July, 2021 within the due date prescribed u/s 39 i.e. 20-08-2021. Post filing of the return, the registered person has noticed during September 2021 that tax dues for the month of July, 2021 have short paid for Rs.40,000. STD Ltd has paid the above shortfall of Rs. 40,000, through GSTR-3B of September 2021 (payment through Cash ledger Rs.30,000/- and Credit ledger Rs.10,000). Examine the Interest payable under the CGST Act, 2017.

What would be your answer if, GSTR 3B for the month of July 2021 has been filed belatedly on 20-10-2021 and the self-assessed tax of Rs.40, 000/- has been paid on 20-10-2021 [payment through electronic cash ledger – Rs.30, 000 and electronic credit ledger Rs.10,000]

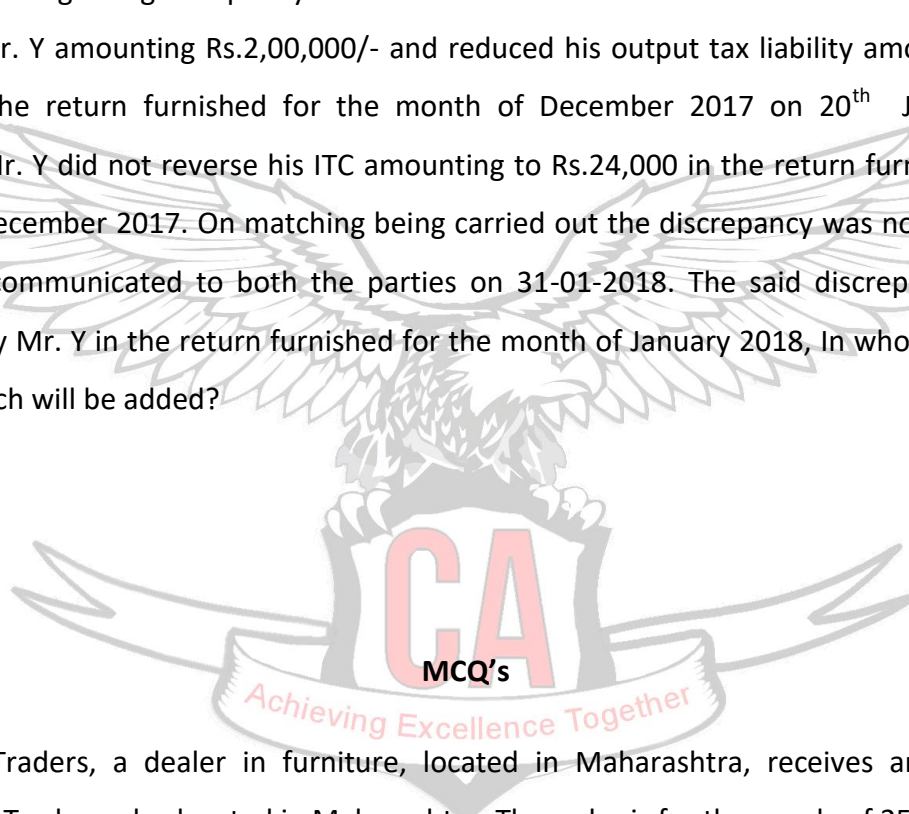
Notes:

- There exists adequate balance in Electronic Cash & Credit ledger as on 31-07-2021 for the above short fall
- No other supply has been made nor tax payable for the month of July, 2021 other than Rs. 40,000/- missed out to be paid on forward charge basis.
- Ignore the effect of leap year, if applicable in this case

(5 Marks)

Q-5 Mr. X, a registered supplier, supplied services valuing Rs.10,00,000 plus GST @12% to Mr. Y on 09-10-2017, incorporating these supplies in the details of outward supplies furnished for the month of October 2017 on 10-11-2017. Mr. Y recorded the said supplies as his inward supplies and accordingly, claimed ITC on inward supplies and furnished his return. There was disagreement regarding the quality of service and Mr. X issued a credit note on 15-12-2017 in favour of Mr. Y amounting Rs.2,00,000/- and reduced his output tax liability amounting to Rs. 24,000 in the return furnished for the month of December 2017 on 20th January 2018. However, Mr. Y did not reverse his ITC amounting to Rs.24,000 in the return furnished for the month of December 2017. On matching being carried out the discrepancy was noticed and the same was communicated to both the parties on 31-01-2018. The said discrepancy was not corrected by Mr. Y in the return furnished for the month of January 2018, In whose tax liability this mismatch will be added?

(5 Marks)



1. Kailash Traders, a dealer in furniture, located in Maharashtra, receives an order from Ghanshyam Traders, also located in Maharashtra. The order is for the supply of 250 Chairs, with an instruction to ship the Chairs to Prime Hardwares, located in Tamil Nadu. Prime Hardwares is a customer of Ghanshyam Traders. What will be the place of supply of goods as per Section 10(1)(b) of CGST Act, 2017?

- A.** Location of the supplier i.e., Maharashtra
- B.** Location of the recipient i.e., Tamil Nadu
- C.** Location of the third person (being Ghanshyam traders) i.e., Maharashtra
- D.** Location at which such goods are handed over for their transportation i.e. Maharashtra

2. A person who is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Indirect taxes and Customs, Department of Revenue, Government of India, who, during his service under the Government, had worked in a post not lower than the rank of a Group-B gazetted officer for a period of not less than _____ can apply for GST practitioner.

- A. 5 years
- B. 2 years
- C. 1 year
- D. 3 years

3. Mr. K of Kolkata purchased goods from Mr. A of Assam amounting to Rs.1,18,000 (including 18% IGST) in the month of March, 2021. He also purchased raw material worth Rs. 1,25,000 from local dealer who has opted for composition scheme. He incurred Rs.50,000 as direct and indirect expenses and added profit margin @ 12% of cost.

Mr. K sold 70% of finished goods to Mr. M of Mumbai with IGST @ 12% payable thereon, and 30% of finished goods to Mr. N of Kolkata with CGST and SGST @ 12% payable thereon. Compute the net CGST, SGST and IGST liability and input tax credit if any, for the month of March, 2021.

- A. CGST Rs. 5,544, SGST Rs. 5,544, IGST Rs. 7,872
- B. CGST Rs. 5,906, SGST Rs. 5,906, IGST Rs. 9,565
- C. CGST Rs. 4,536, SGST Rs. 4,536, IGST Rs. 3,168
- D. CGST Rs. 1,080, SGST Rs. 1,080 IGST Rs.0

4. On which of the following situations, 'New rate' shall be applicable?

- A. When the goods have been supplied before the change in rate of tax but issue of invoice and receipt of payment is after the change in rate of tax.
- B. When the goods have been supplied after the change in rate of tax but issue of invoice and receipt of payment is before the change in rate of tax.
- C. When the supply of goods and issue of invoice has been done before the change in rate of tax but receipt of payment is after the change in rate of tax.
- D. When the supply of goods and receipt of payment has been done before the change in rate of tax

5. Venus Traders is an importer and Harsha Export & Import Agency is a customs broker. Venus Trader approaches Harsha Export & Import Agency for customs clearance work with respect to an import consignment. Harsha Export & Import Agency agrees to provide the clearance service for a consideration of Rs.90,000. The clearance of import consignment and delivery of the consignment to Venus Trader would also require taking service of a transporter. So Venus Trader authorizes Harsha Export & Import Agency to incur expenditure on their behalf for procuring the transportation and agrees to reimburse the actual expenditure to Harsha Export & Import Agency. Harsha Export & Import Agency incurred the following expenditure:

(i) Transportation Expense = Rs.25,000

(ii) Customs Duty = Rs.20,000

(iii) Dock charges = Rs. 5,000

Determine the taxable value as in accordance with applicable provisions of GST?

- A. 90,000/-
- B. 1,10,000/-
- C. 1,20,000/-
- D. 1,40,000/-

(1 × 5 = 5 Marks)