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Question Paper	
Indirect Tax Laws	Duration: 65
Details: Test- 1	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: In the following cases based on information given and the query, give your comments on the taxability under GST and the rate of GST applicable, if any:

- (i) Big Bazaar offers a free bucket with detergent purchased. It is composite supply or mixed supply? Assume rate of GST for detergent @ 28% and bucket @ 18%.
- (ii) Mr. X booked a Rajdhani train ticket, which includes meal. It is composite supply or mixed supply?
- (iii) Mr. Inder being a dealer in laptops sold a laptop bag along with the laptop to a customer, for Rs. 55,000. CGST and SGST for laptop @ 18% and for laptop bag @ 28%. What would be the rate of tax leviable? Also find the GST liability.
- (iv) Renting of vacant land to a stud farm for Rs. 150,000/-. Is it a supply of service? Will GST be leviable?
- (v) A contract awarded by Chennai Municipal Corporation (CMC) for repair of a particular road to M/s Krishna Ltd., with terms and conditions that the entire work should be completed within 30 days. However, there is a delay of 10 days to complete the work. CMC charged liquidated damaged of Rs. 1,20,000/- and the same recovered from M/s Krishna Ltd. Applicable rate of CGST 9% and SGST 9%. Previous year turnover of M/s Krishna Ltd. Rs. 2 crores

Find the following:

- (a) Who is liable to pay GST on what amount?
- (b) Total tax liability if any.
- (vi) M/s Priya Ltd. paid penalty under section 49 of the CGST act, 2017, Rs. 2,00,000 to the Department in the month of October, 2018. Is it taxable under the GST law?
- (vii) M/s Simran & Co. a sole proprietor is in the business of selling furniture. Its owner took a set of furniture of furnish his house permanently. Will the transaction be a supply in terms of GST Act?

Note: ITC on such furniture not availed.

(7 Marks)

Q-2: Mr. Rahul Sharma, an unregistered famous author, received 3 crore of consideration from Shiv Bhawan Publications (SBP) located in Indore for supply of services by way of temporary transfer of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original literary works of his new book. He finished his work & made available the book to the publisher, but has yet not raised the invoice.

Mr. Rahul Sharma is of the view that SBP is liable to pay tax under reverse charge on services provided by him. SBP does not concur with his view and is not ready to deposit the tax under any circumstances.

Examine whether the view of Mr. Rahul Sharma is correct. Further, if the view of Mr. Rahul Sharma is correct, what is the recourse available with Mr. Rahul Sharma to comply with the requirements of GST law as SBP has completely refused to deposit the tax.

(5 Marks)

Q-3: Educators Ltd., providing educational services, furnishes you with the following information for the various services provided by it. It has collected an aggregate sum of Rs.25 lakhs during the month ended 30-09-2021 as under -

- (1)** Receipts of 'Gyan sagar' an industrial training institute (ITI) affiliated to the National Council for Vocational Training (NCVT): Rs.1.2 lakhs
- (2)** Receipts of 'Edu care' a vocational education provider affiliated to Sector Skill Council formed under National Skill Development Corporation (NSDC) : Rs.1.8 lakhs
- (3)** Receipts of 'Abhigyan Skill Centre' an industrial training centre(ITC)affiliated to the State Council for Vocational Training, Rajasthan: Rs.2 lakh

- (4) Receipts of 'Mission', an institute, registered with Directorate General of Employment and Training (DGET), Union Ministry of Labour and employment, running a Modular Employment Skill Course (MESK) approved by the National Council of Vocational Training : Rs.1 lakhs
- (5) Receipts of 'scinart' a commercial coaching institute providing commercial coaching in the field of arts and science : Rs.0.8 lakhs (no certificate was issued on completion of the training)
- (6) Receipts of 'commerce concepts' a Commercial coaching institute providing coaching in the field of commerce : Rs.1.2 lakhs (a certificate was awarded to each trainee after completion of the training)
- (7) Receipts of Gurukul school providing education upto higher secondary: Rs.6 lakhs
- (8) Receipts of 'Play Kids' school providing education upto primary level: Rs. 11 lakhs (such receipts include receipts from renting of premises to commercial coaching centre: Rs. 3 lakhs)

Compute the value of taxable supply and GST payable thereon. All the amounts are exclusive of GST. Rate of GST-18%

(6 Marks)

Q-4: R.K. Enterprises, a sole proprietorship firm, opened a shopping complex dealing in supply of goods at multiple locations, i.e. in Himachal Pradesh, Uttarakhand and Tripura in the month of June. has furnished the following details relating to the sale made at such multiple locations for the month of June:-

Particulars	Himachal Pradesh (Rs.)	Uttarakhand (Rs.)	Tripura (Rs.)
Intra- State sale of taxable goods	22,50,000	-	7,00,000
Intra-State sale of exempted goods	-	-	6,00,000

Interest received from banks on the fixed deposits			60,000
Intra-State sale of non-taxable goods	-	21,00,000	40,000

*excluding GST

With the help of the above mentioned information, answer the following questions giving reasons:-

- (1)** Determine whether R.K. Enterprises is liable to be registered under GST law and what is the threshold limit of taking registration in this case.
- (2)** Explain with reasons whether your answer in (1) will change in the following independent cases:
 - (a)** If R.k. Enterprises is dealing in taxable supply of goods only from Himachal Pradesh;
 - (b)** If R.k. Enterprises is dealing in taxable supply of goods and services only from Himachal Pradesh;
 - (c)** If R.k. Enterprises is dealing in taxable supply of goods only from Himachal Pradesh and has also effected inter - State supplies of taxable goods amounting to Rs. 400,000/-.

(7 Marks)

Q-5: M/s Gyaan Publishing House, registered under GST in Delhi. is engaged in printing and selling of books as well as trading of stationery items. He has provided following information of a consignment which is to be supplied to Mumbai: -

- (i) Taxable value of supplies indicated on tax invoice : Rs.35,000/-
- (ii) Value of exempted supplies : Rs.8,000/-
- (iii) Value of goods to be sent to job worker on delivery challan : Rs. 15,000/-

Calculate the consignment value for the purpose of generating e-way bill for inter-State supply of goods. Assume rate of tax on taxable goods to be 18%.

(5 Marks)

MCQ

1. Is the below statement correct: “A person is not required to obtain registration if he is required to pay tax under reverse charge but he has not exceeded his threshold limit”

A. Incorrect, the person is required to take registration & pay tax under reverse charge irrespective the fact that threshold is crossed or not.

B. Incorrect, if the person is required to pay tax under reverse charge he shall obtain registration only if the value of supply under reverse charge exceeds the threshold limit.

C. Above statement is correct

D. Correct, a person is required to obtain registration if he is required to pay tax under reverse charge and, he is making taxable supplies irrespective of the threshold limit.

2. Which of the following services are exempt from tax —

A. Service by way of transfer of development rights (herein refer TDR) or Floor Space Index (FSI) (including additional FSI) on or after 01-04-2020 for construction of residential apartments by a promoter in a project, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.

B. Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease of 30 years, or

more, on or after 01-04-2020, for construction of residential apartments by a promoter in a project, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.

C. Services provided by a goods transport agency, by way of transport of goods in a goods carriage, to,—

- a) a Department or Establishment of the Central Government or State Government or Union territory; or
- b) local authority; or
- c) Governmental agencies, which has taken registration under the CGST Act, 2017 only for the purpose of deducting tax under Section 51 and not for making a taxable supply of goods or services.

D. All of the above

3. State which of the following statement is incorrect:

- (i) An agent, supplying goods on behalf of principal where invoice is issued in the name of principal, is required to get compulsorily registered under GST.
- (ii) Persons who are required to deduct tax under section 51, whether or not separately registered under this Act are compulsory required to get registered under GST without any threshold.
- (iii) Every person supplying online information and database access or retrieval services from a place outside India to a registered person in India is compulsory required to get registered under GST without any threshold.
- (iv) Persons who supply services, other than supplies specified under section 9(5), through such electronic commerce operator who is required to collect tax at source under section 52 are compulsory required to get registered under GST without any threshold.

- A. (i) , (ii)
- B. (B). (iii), (iv)
- C. (C). (i) , (iii), (iv)
- D. (D) None of above

4. Suppose, one dealer Issued a tax Invoice showing more taxable value or charging more tax than the actual such values. What is the remedy?

- A. To Issue a Credit Note for the excess taxable value/tax on or before In the return for the month of September following the end of the financial year or the date of the filing of the Annual Return whichever is earlier
- B. To Issue a Debit Note for the excess taxable value/tax on or before in the return for the month of September following the end of the financial year or the date of the filing of the Annual Return whichever is earlier
- C. To Issue a Credit Note for the excess taxable value/ tax within 30 days of such detection
- D. To Issue a Debit Note for the excess taxable value/ tax within 30 days of such detection

Q5: Every registered person require to keep and maintain books of account or other records in accordance with the provisions of Section 35(1) shall retain them _____ pertaining to such accounts and records.

- (A). until 72 months from the due date of furnishing of annual return for the year.
- (B). until 60 months from the due date of furnishing of annual return for the year.
- (C). Until 72 months from the end of financial year.
- (D). Until 60 months from the end of financial year

(1 × 5 = 5 Marks)