

Paper 11 - Indirect Taxation

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Full Marks: 100

Time allowed: 3 Hours

1. Answer the following questions

(A) Multiple choice questions:

[7×2 =14]

- (i) The electronic ledger which is used to record and maintain all the liabilities of a taxable person, is called —
- (a) Electronic credit ledger;
 - (b) Electronic liability ledger;
 - (c) Electronic cash ledger;
 - (d) None of the above
- (ii) The form to be used for filing return by a taxpayer under composition scheme is:
- (a) GSTR-4
 - (b) GSTR-5
 - (c) GSTR-6
 - (d) GSTR-7
- (iii) The registered person shall not be eligible to opt for composition levy under GST, if such person is a manufacturer of —
- (a) Betel leaves;
 - (b) Puffed rice;
 - (c) Pan masala;
 - (d) Salt
- (iv) In case of customs valuation, if air freight is not given, it is to be considered as:
- (a) 20% of FOB value;
 - (b) 1.125% of FOB value;
 - (c) 15% of FOB value;
 - (d) 10% of FOB value .
- (v) The frequency to file GSTR – 1 is:
- (a) Quarterly;
 - (b) Monthly;
 - (c) Annually;
 - (d) Semi-annually.
- (vi) As per sec. 2(84) of the CGST Act, person includes —
- (a) An individual
 - (b) A company
 - (c) A firm
 - (d) All of the above.
- (vii) Exempt supply includes the supply of following type of goods and services:
- (a) Supply attracting nil rate of tax;
 - (b) Supplies wholly exempt from tax;
 - (c) Non-taxable supply;
 - (d) All of the above .

(B) Say Yes/No for the following questions:

[6×1=6]

- (i) The relevant form for application for revocation of cancellation of GST registration is GST REG-22.
- (ii) If the assessment is delayed for imported goods, then those goods can be stored in public warehouse without executing a bond, is called warehousing without warehousing.
- (iii) Wreck means when goods continue to float after thrown in sea.
- (iv) Principal supply means the supply of goods or services, which constitute the predominant element of a composite supply and to which another supply is ancillary/secondary .
- (v) Jetsam means where goods are cast into sea to reduce weight of ship to prevent it from sinking and the thrown goods sink.
- (vi) In GST, agricultural activities are not exempted from GST.

(C) Match the following:

[5×1=5]

	Column 'A'		Column 'B'
1.	Banking services	A.	Filed monthly
2.	Sikkim	B.	Special category of state
3.	GSTR-3	C.	Beyond 200 nautical miles from base line
4.	High seas	D.	Recipient is liable to pay GST
5.	Reverse charge mechanism	E.	Exempted from GST

Answer any five questions from the following. Each question carries 15 marks

- 2.(a)** Determine the safeguard duty payable by X Ltd., under section 8B of the Customs Tariff Act, 1975 from the following:

X Ltd. imported Sodium Nitrite from a developing country from 26th February, 2020 to 25th February, 2021 (both days inclusive) ₹50 crores.

Total imports of Sodium Nitrite (including developing country) is ₹ 2,500 crores.

Note: Safeguard duty is @ 30%.

Whether your answer will be different in case of import of Sodium Nitrite from a developing country for ₹ 80 crores? **[7]**

- (b)** Write down the contents of tax invoice in GST. **[8]**

- 3.(a)** State functions of GST council. **[6]**

- (b)** M/s Andhra ITC Ltd. purchased inputs and capital goods by paying GST to produce electricity or steam for manufacture of taxable goods. The electricity generated for use in manufacture of goods is sometimes also supplied in the residential colony of employees. Whether, M/s Andhra ITC Ltd. is eligible to avail the credit fully? **[5]**

- (c)** M/s Air Call registered under GST and located in Chennai. M/s Air Call have appointed Mr. C as a selling agent for supplying pre-payment voucher to the subscriber. Find the Place of supply of service and GST liability. **[4]**

- 4.(a) An importer imported some goods for subsequent sale in India at \$ 10,000 on assessable value basis. Relevant exchange rate and rate of duty are as follows:

Particulars	Date	Exchange rate declared by the CBE&C	Rate of Basic Customs Duty
Date of submission of bill of entry	25th February 2021	₹58/USD	10%
Date of entry inwards granted to the vessel	5th March 2021	₹58.75/USD	12%

Calculate assessable value and customs duty in Indian rupees. [8]

- (b) What is composite scheme? [7]

- 5.(a) State the categories of persons who shall be required to be registered under GST. [12]

- (b) What do you meant by zero rated supply? [3]

- 6.(a) Compute the GST liability of Mr. A, an air travel agent, for the quarter ended Dec 31, 2020 using the following details:-

Particulars	Amount in ₹
Basic air fare collected for domestic booking of tickets	50,00,000
Basic air fare collected for international booking of tickets	80,00,000
Commission received from the airlines on the sale of domestic and international tickets	4,50,000
Year ending bonus received from airlines	50,000

In the above case, would the GST liability of Mr. A be reduced if he opts for the special provision for payment of GST as per Rule 32(3) of the CGST Rules, 2017? The applicable rate of GST is 18%. [10]

- (b) X & Co., being a trader receives an advance of ₹ 2,500/- on 29.11.20 for goods worth ₹10,000/- to be supplied in the month of January 2020.

Find the following:

1. Time of supply
2. Due date of tax liability
3. CGST and SGST liability

Note: P.Y. turnover ₹ 0.80 crore. X & Co., opted to pay GST under Composition scheme.

[5]

- 7.(a) Calculate the amount of duty drawback allowable under section 74 of the Customs Act, 1962 in following cases:

- 1) Nisha imported wearing apparel and paid ₹50,000 as import duty. As she did not like the apparel, these are re-exported after 20 days.
- 2) Salman imported a motor car for his personal use and paid ₹5,00,000 as import duty. The car is re-exported after 6 months and 20 days.
- 3) Super Tech Ltd. imported 10 computer systems paying customs duty of ₹50 lakhs. Due to some technical problems, the computer systems were returned to foreign supplier after 2 months without using them at all. [9]

(b) M/s Rajendra Dyeing Pvt. Ltd. supplied goods worth ₹10,00,000 to M/s Y Ltd. in the month of September, 2020 plus GST 12%. M/s Rajendra Dyeing Pvt. Ltd. paid the GST on 5th December 2020. The amount of input tax credit is ₹70,000 is available in the books. Find the interest payment if any under section 50 of the CGST Act, 2017. **[6]**

8.(a) What is First Return and Revision of Returns in GST? **[7]**

(b) State the procedure for application of registration of non-resident taxable person making taxable supply in GST. **[8]**