

## 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) GST law applies on :
  - (a) Supply of goods only
  - (b) Supply of services only
  - (c) Supply of both goods and services
  - (d) None of the above.
  
- (ii) Sasta Bazar offers a free bucket with detergent purchased. It is a:
  - (a) Composite supply;
  - (b) Mixed supply;
  - (c) Principal supply;
  - (d) None of the above .
  
- (iii) Business includes :
  - (a) commerce
  - (b) vacation
  - (c) manufacture
  - (d) all of the above
  
- (iv) Indirect tax is ..... based tax.
  - (a) Income
  - (b) Supply
  - (c) Both (a) and(b)
  - (d) None of the above.
  
- (v) Service provided by way of electronics means in relation to tangible goods the place of supply will be –
  - (a) The actual location of the goods
  - (b) The actual location of service provider
  - (c) The actual location of service recipient
  - (d) The actual location where tangible goods will be supplied/delivered
  
- (vi) One of the major advantage of introducing GST is:
  - (a) Pay tax on goods in very low rate
  - (b) GST payer can adjust the amount with Income Tax
  - (c) Removal of cascading effect of taxes i.e. remove tax on taxes
  - (d) Shift the burden of paying tax to others
  
- (vii) The threshold limit of turnover in the preceding financial year for opting to pay tax under composite scheme in states other than specified states is-----?
  - (a) ₹ 20 lakhs
  - (b) ₹10 lakhs
  - (c) ₹75 lakhs
  - (d) ₹150 lakhs

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

**[6×1=6]**

- (i) Under GST, every registered person whose aggregate turnover during a financial year exceeds rupees ten crores has to get his accounts audited by a Chartered Accountant or a Cost Accountant.
- (ii) Service provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India exempted from GST.
- (iii) Place of supply of services, in relation to training and performance appraisal provided to a registered person, will be the location of provider of Service.
- (iv) Identical goods must be same in all respects, except for minor differences in appearance.
- (v) Services of lawyer and financial consultant who advise clients through email is OIDAR service.
- (vi) A bill of supply is issued in case where tax cannot be charged.

**(C) Match the following:**

**[5×1=5]**

	Column 'A'		Column 'B'
1.	Reverse charge mechanism	A.	Eliminates cascading effect of tax
2.	Central Goods and Services Tax	B.	Levied and collected by Central Government
3.	Jammu & Kashmir	C.	Recipient is liable to pay GST
4.	Goods and services tax	D.	GST has been implemented
5.	1 <sup>st</sup> July, 2017	E.	Special Category State under GST

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

2. (a) M/s. ABC Ltd. provides the following relating to information technology software. Compute the value of taxable service and GST liability (Rate of CGST 9% and SGST 9%).
  1. Development and Design of information technology software: ₹15 lakhs;
  2. Sale of pre-packaged software, which is put on media: ₹ 52 lakhs.?

**[7]**
- (b) What is bill of supply and also write down the details to be given in it? **[8]**
  
3. (a) State the advantages of GST law. **[6]**
- (b) M/s X Ltd. sold goods to M/s Y Ltd. for ₹ 2,00,000 plus GST ₹ 36,000. M/s X Ltd. remitted the GST on or before the due date. During the audit of M/s X Ltd. books by the Central Tax Department quantified the GST liability ₹ 72,000 and demanded to pay differential duty of ₹ 36,000 u/s 74 of the CGST Act, 2017. Finally, M/s X Ltd. paid the differential GST of ₹ 36,000. M/s Y Ltd. wants to avail the input tax credit of differential amount of GST, advise. **[5]**
  
- (c) Mr. Harsha being a registered stock broker at BSE, located in Mumbai. He has clients in Chennai, Kolkata, Bengaluru. He purchase and sells shares of clients located in Chennai, Kolkata, Bengaluru. Find the place of supply of service and GST liability. **[4]**

- 4.(a) An importer imported some goods. Entry inwards granted to the vessel on 7th February, and the goods were cleared from Chennai port for warehousing on 8th February, after assessment. The Bill of Entry was presented on 1st February for warehousing. Assessable value was US \$ 10,000. Assume that no additional duty is payable. The goods were warehoused at Chennai and were cleared from Chennai warehouse on 4th March. What is the duty payable while removing the goods from Chennai warehouse on 4th March? Exchange rates and rate of Customs Duties are as follows:

Particulars	Date	Exchange rate declared by the CBE&C	Rate of Basic Customs Duty
Date of submission of bill of entry for warehousing	1 <sup>st</sup> February	₹ 55/USD	10%
Date of entry inwards granted to the vessel	7 <sup>th</sup> February	₹ 59/USD	15%
Date of clearance of goods from warehouse	4 <sup>th</sup> March	₹ 60/USD	12%

[8]

- (b) A Ltd., becomes the successful bidder. The spectrum is assigned to A Ltd., for a total consideration of ₹ 1000 crores in the month of June 2018.

Government permitted to pay as one time charge payable, in full upfront or in instalments as the case may be.

A Ltd., chooses to make in installments over a period of 5 years. Installment due fallen on or after 1st July 2020 is leviable to GST?

Whether your answer is different if periodic payment required to be made by the assignee.

[7]

- 5.(a) Explain the procedure to get registered under GST. [12]  
 (b) What do you meant by exempted supply? [3]

- 6.(a) Compute value of taxable supply of services of Air Speed Airlines located in Chennai for transportation of passengers by air from the following data relating to sums received exclusive of GST –

(1) Passengers embarking at Arunachal Pradesh: ₹ 5 lakhs;

(2) Amount for journey terminated at Assam: ₹ 4 lakhs;

(3) Amount charged from passenger for flights starting from USA to Chennai: ₹ 250 lakhs;

(4) Amount charged from passengers flying from Chennai to Sydney (Business class): ₹ 540 lakhs (including passenger taxes levied by government and shown separately on ticket: ₹ 100 lakhs). All passengers booked ticket from Delhi Office of Air Speed Airlines.

(5) Passengers embarking from Chennai to Coimbatore (Economic class): ₹4 lakhs. Passengers booked tickets from Chennai office of Air Speed Airlines.

Applicable rate of GST 5% and 12%. Find the IGST, CGST & SGST if any.

[10]

(b) The output tax liability of Mr. A, a registered supplier in respect of supplies made to Mr. B for the month of July 2020 is ₹35000 after considering his claim for reduction in his output tax liability on account of issuance of a credit note ₹10000. Whereas the corresponding input tax credit claimed by Mr. B in his valid return (after considering the reduction in ITC admitted and discharged on such credit note ) is ₹ 32000 . What shall be impact of such transactions? [5]

7.(a) With reference to drawback on re-export of duty paid imported goods under section 74 of the Customs Act, 1962, answer in brief the following questions:

(i) What is the time limit for re-exportation of goods as such?

(ii) What is the rate of duty drawback if the goods are exported without use?

(iii) Is duty drawback allowed on re-export of wearing apparel without use? [9]

(b) M/s Nose Ltd. reduced the amount of ₹ 2,25,000 from the output tax liability in contravention of the provisions of section 42(10) of the CGST Act, 2017 in the month of January 2021 (vide invoice date 12.01.2021), which is ineligible credit at invoice level. As a result a show cause notice issued Central Tax Department under section 74 of the CGST Act, 2017 along with interest. M/s Nose Ltd paid the tax and interest on 5th March 2021. Find the interest liability if any?

Note: ignore the penalty. [6]

8. (a) Write short note on Electronic Ledger in GST [7]

(b) Mr. X being a contractor undertaken construction work of an individual residential unit otherwise than as part of a residential complex.

You are required to answer:

1. Whether Mr. X is liable to pay GST where he undertaken pure labour contract?
2. Whether Mr. X is liable to pay GST where he undertaken both labour and material contract?

Mr. X gives contract to a sub-contractor. Can sub-contractor also get exemption if it is pure labour contract? [8]