

(GI-11, GI-12+15, GI-13+14, SI-5)**DATE: 19.05.2020****MAXIMUM MARKS: 100****TIMING: 3¼ Hours****TAXATION****GENERAL INSTRUCTIONS TO CANDIDATES**

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive type answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to Questions in Part I are to be marked on the OMR answer sheet only. Answers to questions in Part II are to be written on the descriptive type answer book. Answers to MCQs, if written in the descriptive type answer book, will not be evaluated.
6. OMR answer sheet will be in English only for all candidates, including for Hindi medium candidates.
7. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive type answer book. No bar code sticker is to be affixed on the OMR answer sheet.
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit (a) Part I of the question paper containing MCQs, (b) OMR answer sheet thereon and (c) the answer book in respect of descriptive type answer book to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators will be expelled from the examination and will also be liable for further punitive action.

PART – II

1. Section-A comprises questions 1-4. In Section-A, answer Question No. 1 which is compulsory and any 2 questions from question No. 2-4. All questions in Section-A relate to assessment year 2019-20, unless otherwise stated.
Section-B comprises questions 5-8. In Section-B, answer Question No. 5 which is compulsory and any 2 questions from question No. 6-8.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. All questions in Section B should be answered on the basis of position of GST law as amended by significant notifications / circulars issued upto 30th April, 2019.

SECTION – A**PART – I – MULTIPLE CHOICE QUESTIONS****TOTAL MARKS: 30 MARKS**

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given, All questions are compulsory.

1. Deduction for investment in Kisan Vikas Patra is allowed under section
 - (a) 80C
 - (b) 80CCC
 - (c) 80CCD
 - (d) None of these

2. A registered firm pays salary and interest on capital to its resident partners. Which of the following statements is true?
 - (a) Tax has to be deducted u/s 192 on salary and u/s 194A on interest
 - (b) Tax has to be deducted u/s 192 on salary but no tax needs to be deducted on interest
 - (c) No tax has to be deducted on salary but tax has to be deducted u/s 194A on interest
 - (d) No tax has to be deducted at source on either salary or interest

3. Land or building would be long term capital asset only if it is
 - (a) held for more than 12 months immediately preceding the date of transfer
 - (b) held for more than 24 months immediately preceding the date of transfer
 - (c) held for more than 30 months immediately preceding the date of transfer
 - (d) held for more than 36 months immediately preceding the date of transfer

4. Mr. Raghav has three houses for self-occupation. What would be the tax treatment for A.Y.2020-21 in respect of income from house property?
 - (a) One house, at the option of Mr. Raghav, would be treated as self-occupied. The other two houses would be deemed to be let out.
 - (b) Two houses, at the option of Mr. Raghav, would be treated as self-occupied. The other house would be deemed to be let out.
 - (c) One house, at the option of Assessing Officer, would be treated as self-occupied. The other two houses would be deemed to be let out.
 - (d) Two houses, at the option of Assessing Officer, would be treated as self-occupied. The other house would be deemed to be let out.

5. Arun's gross total income of P.Y. 2019-20 is Rs. 2,45,000. He deposits Rs. 45,000 in PPF. He pays electricity bills aggregating to Rs. 1.20 lakhs in the P.Y. 2019-20. Which of the statements is correct?
 - (a) Arun is not required to file his return of income u/s 139(1) for P.Y. 2019-20, since his total income before giving effect to deduction under section 80C does not exceed the basic exemption limit.
 - (b) Arun is not required to file his return of income u/s 139(1) for P.Y. 2019-20, since his electricity bills do not exceed Rs. 2,00,000 for the P.Y. 2019-20.
 - (c) Arun is not required to file his return of income u/s 139(1) for P.Y. 2019-20, since neither his total income before giving effect to deduction under section 80C exceeds the basic exemption limit nor his electricity bills exceed Rs. 2 lakh for the P.Y.2019-20.
 - (d) Arun is required to file his return of income u/s 139(1) for P.Y. 2019-20, since his electricity bills exceed Rs. 1 lakh for the P.Y. 2019-20.

Question

Mr. Sarthak (age 37 years) a share broker, sold a building to his friend Anay, who is a dealer in automobile spare parts, for Rs. 120 lakh on 10.11.2019, when the stamp duty value was Rs. 150 lakh. The agreement was, however, entered into on 1.9.2019 when the stamp duty value was Rs. 140 lakh. Mr. Sarthak had received a down payment of Rs. 15 lakh by a crossed cheque from Anay on the date of agreement. Mr. Sarthak purchased the building for Rs. 95 lakh on 10.5.2017. Further, Mr. Sarthak also sold an agricultural land (situated in a village which has a population of 5,800) for Rs. 60 lakhs to Mr. Vivek on 01.03.2020, which he acquired on 15.06.2014 for Rs. 45 lakhs. Stamp duty value of agricultural land as on 1.3.2020 is Rs. 75 lakhs CII for F.Y. 2014-15: 240; F.Y. 2017-18: 272; F.Y. 2019-20: 289. In the light of the above facts, you are required to answer the following:

6. Is there any requirement to deduct tax at source on consideration paid or payable on transfer of building and agricultural land?
 - (a) No; no tax is required to be deducted at source on transfer of any capital asset
 - (b) Yes; Mr. Anay is required to deduct tax at source under section 194-IA.
 - (c) Yes; Mr. Vivek is required to deduct tax at source under section 194-IA.
 - (d) Yes; Mr. Sarthak is required to deduct tax at source under section 194-IA.
7. In respect of transfer of building, capital gains chargeable to tax in the hands of Mr. Sarthak would be-
 - (a) long-term capital gains of Rs. 49,06,250
 - (b) long-term capital gains of Rs. 39,06,250
 - (c) short-term capital gains of Rs. 45,00,000
 - (d) short-term capital gains of Rs. 55,00,000
8. Assuming that Mr. Sarthak has other income exceeding basic exemption limit, the tax payable (excluding surcharge and health and education cess) on transfer of building and agricultural land, would be –
 - (a) Rs. 7,81,250
 - (b) Rs. 13,97,500
 - (c) Rs. 9,81,250
 - (d) Rs. 10,97,500
9. In respect of purchase of building from Mr. Sarthak, income chargeable to tax in the hands of Mr. Anay would be –
 - (a) Rs. 20 lakh
 - (b) Rs. 30 lakhs
 - (c) Rs. 15 lakhs
 - (d) Nil
10. Mr. Ritvik has purchased his first house in Gwalior for self-occupation on 5.4.2019 for Rs. 45 lakhs (stamp duty value being the same) with bank loan sanctioned on 30.3.2019 and disbursed on 3.4.2019. He paid interest of Rs. 3.8 lakhs during the P.Y.2019-20. What is the tax treatment of interest paid by him?
 - (a) Interest of Rs. 2 lakhs allowable u/s 24
 - (b) Interest of Rs. 2 lakhs allowable u/s 24 and Rs. 1.8 lakhs allowable u/s 80EEA
 - (c) Interest of Rs. 2 lakhs allowable u/s 24 and Rs. 1.5 lakhs allowable u/s 80EEA
 - (d) Interest of Rs. 1.5 lakhs allowable u/s 24 and Rs. 1.5 lakhs allowable u/s 80EEA

Question

Mr. Hardik (age 45 years) is appointed as senior executive officer in Sky India Limited, Mumbai on 01.02.2019 in the scale of Rs. 35,000-3500-65,000. He is paid dearness allowance @40% of salary forming part of retirement benefits.

He is given rent free unfurnished accommodation on 01.5.2019 which he occupied only from 01.10.2019. The company pays lease rent of Rs. 5,000 p.m.

He has been provided a car of 2000 cc capacity which is used by him for private purposes only. The actual cost of the car is Rs. 8,00,000. The monthly expenditure of car is Rs. 5,000, which is fully met by the employer.

He pays lumpsum premium of Rs. 1,50,000 towards health insurance for self and his wife for 48 months on 01.10.2019 by account payee cheque. He also contributes Rs. 1,50,000 towards PPF.

In the light of above facts, you are required to answer the following:

11. Value of rent-free accommodation chargeable to tax in the hands of Mr. Hardik, would be –
 - (a) Rs. 44,835
 - (b) Rs. 44,100
 - (c) Rs. 45,570
 - (d) Rs. 30,000

12. Mr. Hardik would be eligible for deduction in respect of health insurance premium paid during the previous year 2019-20, for –
 - (a) Rs. 30,000
 - (b) Rs. 18,750
 - (c) Rs. 25,000
 - (d) Rs. 37,500

13. Perquisite value of car chargeable to tax in the hands of Mr. Hardik would be –
 - (a) Rs. 28,800
 - (b) Rs. 21,600
 - (c) Rs. 60,000
 - (d) Rs. 1,40,000

14. Ashok took possession of property on 31st August 2019 booked by him three years back at Rs. 25 lakhs, The Stamp Duty Value (SDV) of the property as on 31st August 2019 was Rs. 31 lakh and on date of booking it was Rs. 29 lakh. He had paid Rs. 2 lakh by A/c payee cheque as down payment on date of booking. Which of the following will be considered as income, if any, and in which previous year-
 - (a) Rs. 4 lakhs in P.Y. 2019-20
 - (b) Rs. 4 lakhs in P.Y. 2016-17
 - (c) Rs. 6 lakhs in P.Y. 2019-20
 - (d) No income shall be taxable, since down payment was paid by A/c cheque while booking the property

15. Mr. X is engaged in a business with turnover Rs. 150,00,000 (all payments received by account payee cheque, bank draft or through electronic clearing) and expenses incurred shall be Rs. 1,40,00,000, presumptive income shall be-
 - (a) Rs. 10,00,000
 - (b) Rs. 9,00,000
 - (c) Rs. 12,00,000
 - (d) Rs. 11,00,000

16. Any gratuity received by the employees covered under payment of Gratuity Act 1972, shall be exempt
- Lower of Gratuity received or Rs. 20,00,000 or 15 days salary for each completed year of service or part thereof in excess of six month.
 - Lower of Gratuity received or Rs. 10,00,000 or 15 days salary for each completed year of service or part thereof in excess of six month.
 - Lower of Gratuity received or Rs. 5,00,000 or 30 days salary for each completed year of service or part thereof in excess of six month.
 - Lower of Gratuity received or Rs. 20,00,000 or 30 days salary for each completed year of service or part thereof in excess of six month.
17. M/S Mohan & Sons (liable to audit) paid Rs. 35,000 to Mr. Goel on 01.05.2019 towards fee for legal advisory services without deduction of tax at source. Another payment of Rs. 47,000 was due to Mr. Goel on 31.07.2019 and TDS on entire amount (i.e. Rs. 35,000 plus Rs. 47,000) was deducted and then the net amount was paid. However, the total tax deducted was deposited on 15.11.2019. The interest chargeable under section 201 will be:
- Rs. 650
 - Rs. 433
 - Rs. 486
 - Rs. 597
18. Under section 44AE, presumptive taxation is applicable at a particular rate provided the assessee is the owner of a maximum of certain number of goods carriages. The rate per month or part of the month relevant for A.Y.2020- 21 and the maximum number specified under the section are -
- Rs. 7,500 for each goods carriage in the case of an assessee owning not more than 10 goods carriages at any time during the year
 - Rs. 7,500 for each goods carriage in the case of an assessee owning less than 10 goods carriages at any time during the year
 - Rs. 1,000 per ton of gross vehicle weight for per month or part of a month for a goods carriage for an assessee owning not more than 10 goods carriages at the end of the previous year
 - Rs. 1,000 per ton of gross vehicle weight or unladen weight, as the case may be, for per month or part of a month for a heavy goods carriage and Rs. 7,500 per month or part of a month for other goods carriages in the case of an assessee owning not more than 10 goods carriages at any time during the previous year
19. Which of the following service is not exempt under GST?
- Loading and unloading of paddy
 - Loading and unloading of sugarcane
 - Loading and unloading of tea bags
 - Loading and unloading of potato
20. Which of the following statement is correct
- In case of purchase of goods from other states, IGST is payable but ITC not allowed
 - In case of purchase of goods from other states, IGST is payable and also ITC is allowed
 - In case of purchase of goods from other states, CGST is payable and also ITC is allowed
 - In case of purchase of goods from other states, CGST is payable and ITC is not allowed

21. Calculate the amount of eligible input tax credit-

S.No.	Particulars	GST paid (Rs.)
1.	A Mini bus having seating capacity of 15 persons (including driver) used for running on hire	15,00,000
2.	Car having seating capacity of 8 people used for business purposes	1,00,00,000
3.	Car having seating capacity of 4 persons used for imparting training on driving such car	50,00,000
4.	Special purpose vehicle having seating capacity of 2 persons used for transportation of goods	60,00,000

- (a) Rs. 2,25,00,000/-
 (b) Rs. 2,10,00,000/-
 (c) Rs. 1,25,00,000/-
 (d) Rs. 75,00,000/-
22. Kala Niketan School is an educational institution providing pre-school education and education up to higher secondary school. Which of the following services are exempt if provided to Kala Niketan School?
 (i) Transportation of students, faculty and staff
 (ii) Catering services
 (iii) Cleaning services performed in such educational institution
 (a) (i)
 (b) (i) and (iii)
 (c) (ii) and (iii)
 (d) (i), (ii) and (iii)
23. Which of the following statement is correct
 (i) ITC of CGST can be adjusted from output SGST
 (ii) ITC of SGST can be adjusted from output CGST
 (iii) ITC of IGST can be adjusted from output CGST
 (iv) ITC of CGST can be adjusted from output IGST
 (a) (iii) & (iv)
 (b) (ii) & (iv)
 (c) none of these
 (d) (i) & (ii)

Question

Mr. Mandeep, a registered dealer, is doing building material business in the State of Assam. He availed architect services for his business from his friend in London free of cost. He also availed designing services from his brother in London for Rs. 5 Lakhs for his personal purposes.

He availed services which are liable to tax under reverse charge for which date of invoice was 01.09.2019, payment date as per his books of account and as per his bank account was 15.11.2019 and 18.11.2019 respectively.

His turnover for the current financial year is as follows:

Taxable supply of goods – Rs. 55 Lakhs

Exempt supply of goods – Rs. 16 Lakhs

Inward supply liable to tax under reverse charge – Rs. 8 Lakh

He intends to start providing services also from the next financial year and also to avail composition scheme. He also wishes to make supplies to the Government.

Based on the information given above, choose the most appropriate answer for the following questions:

24. In respect of services imported by Mr. Mandeep, which of the following is a correct statement?
- Architect services for his business from his friend in London free of cost is considered as a supply
 - Designing services from his brother in London for Rs. 5 Lakh for his personal purposes is considered as a supply.
 - Architect services for his business from his friend in London free of cost is not considered as a supply
 - Designing services from his brother in London for Rs.5 Lakh for his personal purposes is not considered as a supply.
- (a) i & ii
(b) i & iv
(c) ii & iii
(d) iii & iv
25. The time of supply of services, received by him and taxable under reverse charge, is
- (a) 01.09.2019
(b) 01.11.2019
(c) 15.11.2019
(d) 18.11.2019
26. Aggregate turnover of Mr. Mandeep for the given financial year will be,
- (a) Rs. 63 Lakhs
(b) Rs. 79 Lakhs
(c) Rs. 71 Lakhs
(d) Rs. 47 Lakhs
27. Mr. Mandeep will be eligible for composition scheme in the next financial year, but he can supply services only upto:
- (a) Rs. 5.00 Lakhs
(b) Rs. 6.3 Lakhs
(c) Rs. 7.90 Lakhs
(d) Rs. 7.10 Lakhs
28. Which of the following activity is outside the scope of supply and not taxable under GST?
- (a) Services by an employee to the employer in the course of or in relation to his employment
(b) Services of funeral
(c) Actionable claims, other than lottery, betting and gambling
(d) All of the above
29. Mr. X is a dealer registered in GST and has purchased goods for Rs. 7,60,000 and paid CGST @ 9% & SGST @ 9% and sold the goods at a profit of 40% on cost and charged output CGST @ 9% and Output SGST @ 9%. Tax Payable shall be
- (a) CGST – Rs. 27,360 & SGST - Rs. 27,360
(b) CGST – Rs. 27,360 & SGST - Nil
(c) CGST – Nil & SGST - Rs. 27,360
(d) CGST – Nil & SGST – Nil

30. Mr. X is a dealer registered in GST and has purchased goods of Rs. 5,00,000 and paid CGST @ 5% and SGST @ 5% and sold the goods at a profit of Rs. 2,00,000 and charged output CGST @ 5% and Output SGST @ 5%. Tax Payable shall be
- CGST – Rs. 35,000 & SGST - Rs. 35,000
 - CGST – Rs. 10,000 & SGST - Rs. 10,000
 - CGST – Nil & SGST - Rs. 20,000
 - CGST – Nil & SGST - Nil

(1 M Each x 30 = 30 Marks)

SECTION – A

PART – II - DESCRIPTIVE QUESTIONS

**QUESTIONS NO. 1 IS COMPULSORY
ATTEMPT ANY TWO QUESTIONS THE REMAINING THREE QUESTIONS**

TOTAL MARKS: 42 MARKS

Question 1:

Mr. X, aged 75 years, has submitted his profit and loss account for the year ending 31.03.2020 as given below:

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Opening Stock	13,50,000	Sales	105,00,000
Purchases	75,00,000	Gift from friend	1,200
Franchises	1,00,000	Bad debts recovered	2,900
Advertisement	9,000	Rental income from House Property	1,40,000
Income Tax of previous year 2018-19	7,000	Income tax refund	700
Income tax (advance)	1,200	Dividends from a foreign company	3,000
Addition to the office building	45,000	Closing stock	1,80,000
Investment in public provident fund	70,000		
Net Profit	17,45,600		
	108,27,800		108,27,800

Additional information:

- Opening and closing stocks are undervalued by 10%.
- Franchises were purchased on 01.07.2019 and were put to use on 03.10.2019.
- Advertisement expenditure relates to a neon sign board which was purchased and put to use on 01.08.2019.
- Office building has written down value of Rs. 56,00,000 as on 01.04.2019 and addition was made to the building by constructing additional room on the roof. Construction was completed on 01.11.2019 and it was put to use on the same date. The expenditure of Rs. 45,000 includes cost of wiring and switches of Rs. 4,500. No depreciation has been debited with regard to the building.
- Sale includes sale of Rs. 1,20,000 to the proprietor and the cost of these goods was Rs. 1,00,000 and market price Rs. 1,25,000.
- Bad debts recovered were allowed earlier.

Mr. X has not opted for presumptive taxation of Income u/s 44AD. Compute his Tax Liability for the Assessment Year 2020-21.

(14 Marks)

Question 2:

- (a) Mr. Sachal, a resident individual aged 54, furnishes his income & other details for the P.Y. 2019-20:
- (i) Income of Rs. 8,10,000 from wholesale cloth business, whose accounts are audited u/s 44AB.
 - (ii) Income from other sources Rs. 2,70,000.
 - (iii) Tax deducted at source Rs. 25,000.
 - (iv) Advance tax paid Rs. 1,03,000 during the P.Y. 2019-20.
- Return of income filed on 11-12-2020. Calculate the interest payable under section 234B of the Income-tax Act, 1961. Assume that the return of income would be processed on the same day of filing of return. What are the consequences for delay in furnishing return of income under the Income-tax Act, 1961? Examine, making the required computations in this case.

(7 Marks)

- (b) Compute total income of Mr. Mathur for the assessment year 2020 -21 from the following information furnished by him for the financial year 2019-20.

Particulars	Rs.
Salary income (computed)	4,70,000
Loss from self-occupied house property	2,00,000
Loss from let out house property	60,000
Loss from speculation business-X	80,000
Profit from speculation business-Y	40,000
Income from trading and manufacturing business @ 8%	3,50,000
Interest on PPF deposit	95,000
Long term capital gain on sale of Vacant site (Computed)	2,10,000
Short term capital loss on sale of Jewellery	1,50,000
Investment in tax saver deposit on 31-03-2020	60,000
Brought forward loss of business of assessment year 2014-15	5,50,000
Donation to a charitable trust recognized under section 12AA and approved under section 80G paid by cheque	1,10,000
Enhanced compensation received from government for compulsory acquisition of land (held for a period of 5 years) in the year 2006	3,00,000

(7 Marks)

Question 3:

- (a) Explain taxability of gift.
- (6 marks)**
- (b) Mr. Sudarshan, due to inadvertent reasons, failed to file his Income-tax return for the assessment year 2020-21 on or before the due date of filing such return of income.
- (i) Can he file the above return after due date of filing return of income? If yes, which is the last date for filing the above return?
 - (ii) What are the consequences of non-filing the return within the due date under section 139(1)?
- (4 marks)**
- (c) Discuss the taxability of house rent allowance given by the employer to his employee?
- (4 marks)**

Question 4:

- (a) Mr. Manohar, a resident individual, age 53 years provides consultancy services in the field of Taxation. His Income and Expenditure account for the year ended 31st March, 2020 is as follows:

Income and Expenditure account for the year ending 31st March, 2020

Expenditure	Amount (Rs.)	Income	Amount (Rs.)
To Salary	4,00,000	By Consulting fees	58,00,000
To Motor car expenses	88,000	By Share of Profit from HUF	55,000
To Depreciation	87,500	By Interest on saving bank deposits	25,000
To Medical expenses	70,000	By Interest on income tax refund	26,000
To Purchase of computer	90,000		
To Bonus	25,000		
To General expenses	1,05,000		
To Office & administrative	1,15,000		
To Excess of income over Expenditure	49,25,500		
	59,06,000		59,06,000

The following other information relates to the financial year 2019-20:

- (1) Salary includes a payment of Rs. 22,000 per month to his sister-in-law who is in-charge of the marketing department. However, in comparison to similar business, the reasonable salary of a marketing supervisor is Rs. 18,000 per month.
 - (2) Written down value of the assets as on 1st April, 2019 are as follows:
Motor Car (25% used for personal use) Rs. 3,50,000
Furniture and Fittings Rs. 80,000
 - (3) Medical expenses includes:
 - Family planning expenditure Rs. 15,000 incurred for the employees which was revenue in nature.
 - Medical expenses for his father Rs. 55,000. (Father's age is 65 years and he is not covered under any medical insurance policy). Rs. 2,500 incurred in cash and remaining by credit card.
 - (4) The computer was purchased on 5th June, 2019 on credit. The total invoice was paid in the following manner:
 - Rs. 18,000 paid in cash as down payment on the date of purchase.
 - Remaining amount was paid through account payee cheque on 10 th August, 2019.
 - (5) Bonus was paid on 30th September, 2020.
 - (6) General expenses include commission payment of Rs. 42,000 to Mr. Mahesh for the promotion of business on 17th September, 2019 without deduction of tax at source.
 - (7) He also received gold coins from a family friend on the occasion of marriage anniversary on 15th November, 2019. The market value of the coins on the said date was Rs. 85,000.
 - (8) The consultancy fees for the previous year 2018-19 was Rs. 52,50,300.
- Compute the total income and the tax liability of Mr. Manohar for the assessment year 2020-21.

(10 Marks)

- (b) Examine with reasons whether the following receipts are taxable or not under the provisions of Income-tax Act, 1961.
- (a) Mr. Akash received a sum of Rs. 3,00,000 as compensation from "Sahayata Foundation" towards the loss of property on account of Flood Disaster at Chennai.
 - (b) Rent of Rs. 60,000 received for letting out agricultural land for a movie shooting.
 - (c) Dividend of Rs. 17 lakhs received by Mr. Yatin during P.Y. 2019-20 from A Ltd., a domestic company.
 - (d) Agricultural income of Rs. 1,30,000 of Mr. Sunil from a land situated in Canada.

(4 Marks)

SECTION – B - DESCRIPTIVE QUESTIONS

QUESTION NO. 5 IS COMPULSORY

ATTEMPT ANY TWO QUESTIONS OUT OF REMAINING THREE QUESTIONS.

TOTAL MARKS: 28 MARKS

Question 5:

ABC Ltd is a manufacturer and is registered in GST in Delhi and has purchased raw material/spare parts etc. for Rs. 6,00,000 plus CGST @ 9% plus SGST @ 9% and incurred Rs. 4,00,000 on processing. Profit @ 40% on cost and entire product was sold to a wholesaler and charged CGST @ 12% and SGST @ 12%.

Compute input tax credit/ output tax and net tax of the manufacturer.

The wholesaler has further sold it to retailer at a profit of 30% on cost and charged CGST @ 12% and SGST @ 12%. Compute input tax credit/ output tax and net tax of the wholesaler.

The retailer has further sold it to a consumer Mr. X at a profit of 30% on cost and charged CGST @ 12% and SGST @ 12%. Compute input tax credit/ output tax and net tax of the retailer.

(8 marks)

Question 6:

- (a) Mr. Gauri Shiva, a registered person in Punjab, supplies goods taxable @ 12% [CGST @ 6%, SGST @ 6% & IGST @ 12%] in the States of Punjab and Haryana. He has furnished the following details in relation to independent supplies made by him in the quarter ending June, 2019:-

Supply	Recipient	Nature of supply	Value (Rs.)
1	Mr. A, a registered person	Inter-State	2,20,000
2	Mr. B, a registered person	Inter-State	2,55,000
3	Mr. C, an unregistered person	Intra-State	1,80,000
4	Mr. D, an unregistered person	Intra-State	2,60,000
5	Mr. M, an unregistered person	Inter-State	3,00,000
6	Mr. N, an unregistered person	Inter-State	50,000
7	Mr. O, an unregistered person	Inter-State	2,50,000
8	Mr. P, an unregistered person	Inter-State	2,80,000
9	Mr. Q, a registered person	Intra-State	1,50,000
10	Mr. R, a registered person	Intra-State	4,10,000

The aggregate annual turnover of Mr. Gauri Shiva in the preceding financial year was Rs. 1.20 crore. With reference to rule 59 of the CGST Rules, 2017, discuss the manner in which the details of above supplies are required to be furnished in GSTR-1.

(5 marks)

- (b) Determine taxable value of supply under GST law with respect to each of the following independent services provided by the registered persons:

Particulars	Gross amount charged (Rs.)
Fees charged for yoga camp conducted by a charitable trust registered under section 12AA of the Income-tax Act, 1961	50,000
Amount charged by business correspondent from banking company for the services provided to the rural branch of a bank with respect to Savings Bank Accounts	1,00,000
Amount charged by cord blood bank for preservation of stem cells	5,00,000
Amount charged for service provided by commentator to a recognized sports body	5,20,000

(5 Marks)

Question 7:

- (a) Explain in brief the conditions to be fulfilled by a registered person under GST law for availing the option to pay concessional tax @ 3% (effective rate 6%) under GST as per the provisions of notification number 2/2019 CT(R) Date 7-3-2019 as amended, with effect from 1st April, 2019.

(6 marks)

- (b) (a) Holiday Guest House, situated at Shimla, provides boarding & lodging services to tourists at economical cost. The charges of a single deluxe room per day are Rs. 999. Mr. X has booked one deluxe room for two days during Christmas holidays. You are required to determine whether GST is payable by Holiday Guest House on the above booking. If yes, determine the amount of GST so payable.
Will your answer change, if the charges of a single deluxe room per day charged by Holiday Guest House are Rs. 1,000?
- (b) M/s Damodar Ltd. provides services by way of storage of seasonal fruits and vegetables in Bhatinda, Punjab. The monthly rental for a godown is Rs. 15,000. Examine whether GST is payable by M/s Damodar Ltd.

(4 marks)

Question 8:

- (a) Examine in relation to composition levy scheme under the CGST Act, 2017 and the rules made thereunder in the following individual cases:

- (1) Ketu is a manufacturer of Ice-cream and pan masala in State of Maharashtra. His turnover for the year does not exceed Rs. 1.5 Crore. He wants to register for composition levy scheme. Is he eligible for it?
- (2) Jadhu of Gujarat opts for composition scheme during a financial year 2018-19. But on 10-02-2019 his turnover crosses Rs. 1.5 Crore, can he continue under composition levy scheme.
- (3) X Ltd. has 2 branches K & L in Delhi, having same PAN. Branch K opts for normal scheme. X Ltd. want to continue composition levy in case of its branch L. Can X Ltd. continue Composition levy only for Branch L?

(4 marks)

- (b) Explain Eligibility and conditions for taking Tax Credit under GST.

(6 marks)

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