

**(ALL CA INTERMEDIATE BATCHES)****DATE: 04.01.2021****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.

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**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. 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:

- (i) 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.

**(2 Marks)**

- (ii) 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

**(2 Marks)**

- (iii) 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

**(2 Marks)**

- (iv) 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

**(2 Marks)**

2. 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:

- (i) 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

**(2 Marks)**

- (ii) 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

**(2 Marks)**

- (iii) 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

**(2 Marks)**

3. 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.

**(1 Mark)**

4. 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.

**(1 Mark)**

5. 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

**(1 Mark)**

6. During the P.Y.2019-20, Mr. Ranjit has short-term capital gains of Rs. 95 lakhs taxable under section 111A, long-term capital gains of Rs. 110 lakhs taxable under section 112A and business income of Rs. 90 lakhs. Which of the following statements is correct?

- (a) Surcharge@25% is leviable on income-tax computed on total income of Rs. 2.95 crore, since total income exceeds Rs. 2 crore.
- (b) Surcharge@15% is leviable on income-tax computed on total income of Rs. 2.95 crore.
- (c) Surcharge@15% is leviable in respect of income-tax computed on capital gains of Rs. 2.05 crore; in respect of business income, surcharge is leviable@25% on income- tax, since total income exceeds Rs. 2 crore.
- (d) Surcharge@15% is leviable in respect of income-tax computed on capital gains of Rs. 2.05 crore; surcharge@10% is leviable on income-tax computed on business income, since the same exceeds Rs. 50 lakhs but is less than Rs. 1 crore.

**(1 Mark)**

7. The registered person who has received a credit note shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than

- (a) September following the end of the financial year in which such supply was made
- (b) The date of furnishing of the relevant annual return
- (c) September following the end of the financial year in which such supply was made or the date of furnishing of the relevant annual return; whichever is earlier
- (d) 9 months from the date of issue of credit note

**(1 Mark)**

8. The registered person who has supplied such goods or services or both shall issue to the recipient a debit note where a tax invoice has been issued for any goods or services or both and the taxable value or tax charged in that tax invoice is found to be
- (a) Less than the taxable value or tax payable in respect of such supply
  - (b) More than the taxable value or tax payable in respect of such supply
  - (c) Less or more than the taxable value or tax payable in respect of such supply
  - (d) Less than the taxable value or tax payable in respect of such supply by INR 100
- (1 Mark)**
9. Which of the following category of suppliers is allowed to issue documents in lieu of tax invoice?
- I. Insurer/Banking company/Financial institution/ NBFC
  - II. Goods Transport Agency (GTA) supplying services in relation to transportation of goods by road in a goods carriage
  - III. Supplier of passenger transportation service
  - IV. Central Government and State Government in relation to their taxable supplies
- Select the correct answer from the options given below
- (a) I, II, III
  - (b) I & II
  - (c) I, & III
  - (d) I, II, III & IV
- (1 Mark)**
10. Supply of goods or services which constitutes the predominant element of a composite supply is called
- (a) Common supply
  - (b) Principal supply
  - (c) Mixed supply
  - (d) Continuous supply
- (1 Mark)**
11. Liability to pay tax by the recipient of supply of goods or services is called
- (a) Output tax
  - (b) Reverse charge
  - (c) Input tax
  - (d) None of these
- (1 Mark)**
12. The highest GST rate applicable now is\_\_\_\_\_
- (a) 100%
  - (b) 18%
  - (c) 28%
  - (d) 50%
- (1 Mark)**
13. Goods which get input tax credit without being liable to collect output tax is called
- (a) Exempt goods
  - (b) White goods
  - (c) Sin goods
  - (d) Zero rated goods
- (1 Mark)**

14. What is e-commerce?  
(a) Supply of goods and/or on an on an electronic platform for commerce other than the e-commerce operator himself  
(b) Supply of goods and/or services on an on an electronic platform for commerce including the e-commerce operator  
(c) Supply of goods and/or services on an electronic platform for commerce  
(d) Supply of goods or services or both including digital products over digital or electronic network.  
**(1 Mark)**
15. GST is levied on supply of all goods and serices except?  
(a) Alcoholic liquor for human consumption  
(b) Tobacco  
(c) Legal sevices  
(d) All of the above  
**(1 Mark)**
16. Means the aggregate value of  
(a) taxable supplies  
(b) exempted supplies  
(c) Inter-state supplies and export of goods or services or both  
(d) All of the above  
**(1 Mark)**
17. Can person who opts for composition scheme' collect any tax from the recipient of goods or services or both?  
(a) Yes  
(b) No  
(c) Yes, provided the recipient is a registered person  
(d) Yes, provided the recipient of goods or services is an unregistered person.  
**(1 Mark)**
18. GST is a consumption of goods and service tax based on  
(a) Development  
(b) Dividend  
(c) Destiny  
(d) Destination  
**(1 Mark)**

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**SECTION – A**

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**PART – II - DESCRIPTIVE QUESTIONS**

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**QUESTIONS NO. 1 IS COMPULSORY**

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**ATTEMPT ANY TWO QUESTIONS THE REMAINING THREE QUESTIONS**

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**TOTAL MARKS: 42 MARKS**

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**Question 1:**

Computation of total income and tax liability : Mr. Hari, aged 55 years, a resident individual and practicing Chartered Accountant, furnishes you the receipts and payments account for the financial year 2019-20.

## Receipts and Payments Account

Receipts	Rs.	Payments	Rs.
Opening Balances (01.04.2019) Cash & Bank	20,000	Staff salary, bonus and stipend to articulated clerks	20,50,000
Fee from professional services	39,60,000	Other general and administrative expenses	12,00,000
Motor car loan from SBI @ 10% interest per annum	2,00,000	Office rent	48,000
		Life Insurance Premium	23,000
		Motor car (Acquired in January 2020 by way of online payment)	4,00,000
		Books bought (annual publication by credit card)	22,000
		Computer acquired on 01.11.2019 for professional use	25,000
		Domestic drawings	2,50,000
		Motor car maintenance	12,000
		Public Provident Fund subscription	1,40,000
		Closing balances (31.03.2020) Cash & Bank	10,000
	41,80,000		41,80,000

**Other Information:**

- (i) Motor car was put to use for both official and personal purposes. 1/4<sup>th</sup> of the motor car is for personal purpose. No interest on car loan was paid during the year.
- (ii) Mr. Hari purchased a flat in Jaipur for Rs. 15,00,000 in July 2012 cost of which was partly financed by a loan from State Bank of India of Rs. 10,00,000 @ 10% interest, his own savings Rs. 1,00,000 and a deposit from Bank of Baroda for Rs. 4,00,000. The flat was given to Bank of Baroda on lease for 10 years @ Rs. 40,000 per month. The following particulars are relevant:
- (a) Municipal taxes paid by Mr. Hari Rs. 4,200 per annum
- (b) House insurance Rs. 1,000
- (iii) He earned Rs. 1,00,000 in share speculation business and lost Rs. 1,50,000 in commodity speculation business.
- (iv) Mr. Hari received a gift of Rs. 40,000 each from four of his family friends.
- (v) He contributed Rs. 1,11,000 to Prime Minister's Drought Relief Fund by way of bank draft.
- (vi) He donated to a registered political party Rs. 3,00,000 by way of cheque.

Compute the total income of Mr. Hari and the tax payable for the Assessment Year 2020-21.

**(14 Marks)**

**Question 2:**

- (a) TDS u/s 194H : Discuss the following issues in the context of the provisions of the Income-tax Act, 1961, with specific reference to clarification given by the Central Board of Direct Taxes-
- (i) Moon TV, a television channel, made payment of Rs. 50 lakhs to a production house for production of programme for telecasting as per the specifications given by the channel. The copyright of the programme is also transferred to Moon TV. Would such payment be liable for tax deduction at source under section 194C? Discuss.

Also examine whether the provisions of tax deduction at source under section 194C would be attracted if the payment was made by Moon TV for acquisition of telecasting rights of the content already produced by the production house.

- (ii) Mudra Adco Ltd., an advertising company, has retained a sum of Rs. 15 lakhs, towards charges for procuring and canvassing advertisements, from payment of Rs. 1 core due to Cloud TV, a television channel, and remitted the balance amount of Rs. 85 lakhs to the television channel. Would the provisions of tax deduction at source under section 194H be attracted on the sum of Rs. 15 lakhs retained by the advertising company?

**(6 Marks)**

- (b)** Taxability under various heads of Income : Decide the following transactions in the context of Income-tax Act, 1961 :

- (i) Mr. B transferred 500 shares of Reliance Industries Ltd. to M/s. B Co. (P) Ltd. on 10.10.2019 for Rs. 3,00,000 when the market price was Rs. 5,00,000. The indexed cost of acquisition of shares for Mr. B was computed at Rs. 4,45,000. The transfer was not subjected to securities transaction tax. Determine the income chargeable to tax in hands of Mr. B and M/s. B Co (P) Ltd. because of the above said transaction.
- (ii) Ms. Chhaya transferred a vacant site to Ms. Dayama for Rs. 4,25,000. The stamp valuation authority fixed the value of vacant site for stamp duty purpose at Rs. 6,00,000. The total income of Chhaya and Dayama before considering the transfer of vacant site are Rs. 50,000 and Rs. 2,05,000 respectively. The indexed cost of acquisition for Ms. Chhaya in respect of vacant site is Rs. 4,00,000 (computed). Determine the total income of both Ms. Chhaya and Ms. Dayama taking into account the abovesaid transaction.
- (iii) Mr. Cheqian is employed in a company with taxable salary income of Rs. 5,00,000. He received a cash gift of Rs. 1,00,000 from Atma Charitable Trust (registered under section 12AA) in December 2019 for meeting his medical expenses. Is the cash gift so received from the trust chargeable to tax in the hands of Mr. Cheqian?

**(8 Marks)**

**Question 3:**

- (a)** Deemed to be let out property – Computation of Income from House Property : Mr. X owns one residential house in Mumai. The house is having two units. First unit of the house is self-occupied by Mr. X and another unit is rented for 8,000 p.m. The rented unit was vacant for 2 months during the year. The particulars of house are :

Standard rent	Rs. 1,62,000 p.a.
Municipal valuation	Rs. 1,90,000 p.a.
Fair rent	Rs. 1,85,000 p.a.
Municipal tax	15% of municipal value
Light and water charges	Rs. 500 p.m.
Interest on borrowed capital	Rs. 1,500 p.m.
Lease money	Rs. 1,200 p.a.
Insurance charges	Rs. 3,000 p.a.
Repairs	Rs. 12,000 p.a.

Compute the income from house property of Mr. X.

**(6 Marks)**



- (b)** Belated return and revised return : Mr. Sachin filed return on 30<sup>th</sup> September, 2020 related to Assessment Year 2020-21. In the month of October 2020, his tax consultant found that the interest on fixed deposit was omitted in the tax return.
- (i) What is the time limit for filing a belated return?
  - (ii) Can Mr. Sachin file a revised return?
- Justify the above with the relevant provisions under section 139.  
Assume that the due date for furnishing return of income was 31<sup>st</sup> July, 2020 and the assessment was not completed till the month of October 2020.

**(3 Marks)**

- (c)** Loss return : Mr. Prakash furnishes you the following details in respect of the Financial Year 2019-20:
- (i) Loss from the business carried on by him as a proprietor : Rs. 11,20,000 (\*)
  - (ii) Deduction u/s 80-IB : Rs. 5,50,000 (\*)
  - (iii) Unabsorbed Depreciation : Rs. 4,80,000 (\*)
  - (iv) Loss from House property : Rs. 2,50,000 (\*)
- (\*) Computed as per the Income-tax Act, 1961.

The due date for filing the return for Mr. Prakash was 31<sup>st</sup> July, 2020 under section 139(1). However he filed the return on 29.09.2020. Discuss with reference to the relevant provisions of Income-tax Act, 1961 if the losses and deductions could be carried forward / claimed by Mr. Prakash.

**(5 Marks)**

**Question 4:**

- (a)** Computation of Capital Gains : Ram purchases a house property for Rs. 15,00,000 on 30<sup>th</sup> June 1994. The following expenses were incurred by him for making addition / alteration to the house property.

	<b>Rs.</b>
Cost of construction of first floor in 1995-1996	5,00,000
Cost of construction of second floor in 2002-03	7,50,000
Alteration/reconstruction of the property in 2006-07	6,25,000
Fair market value of the property on 1 <sup>st</sup> April, 2001	21,00,000

The house property is sold by him on 15<sup>th</sup> June, 2019 for Rs. 1,00,00,000 (expenses incurred on transfer Rs. 1,15,000). Compute the amount of capital gains chargeable to tax for the assessment year 2020-21.

Cost inflation indices : FY 2001-02 : 100; FY 2002-03 : 105; FY 2006-07 : 122 and 2019-20 : 289.

**(6 Marks)**

- (b)** Computation of taxable salary : Babu joined a Company on 01.06.2019 and was paid the following emoluments and allowed perquisites as under –
- Emoluments : Basic pay Rs. 25,000 per month; DA Rs. 10,000 per month, Bonus Rs. 50,000 per month.
- Perquisites :
- (a) Furnished accommodation owned by the employer and provided free of cost. Value of furniture therein Rs. 3,00,000.
  - (b) Motorcar owned by the Company (with engine cubic capacity less than 1.6 litres) along with chauffeur for official and personal use.
  - (c) Sweeper salary paid by Company Rs. 1,500 per month.
  - (d) Watchman salary paid by Company Rs. 1,500 per month.
  - (e) Educational facility for 2 children provided free of cost. School is owned and maintained by company.

- (f) Interest free loan of Rs. 5,00,000 given on 01.10.2019 for purchase of a house, No repayment was made during the year. (SBI Rate 12.25%)
- (g) Interest free loan for purchase of computer Rs. 50,000 given on 01.01.2020. No repayment was made during the year. (SBI Rate 15.25%)
- (h) Corporate membership of a club. The initial fee of Rs. 1,00,000 was paid by the Company. Babu paid the bills for his use of club facilities.
- You are required to compute the income of Babu under the Head "Salaries". Suitable assumptions may be made, wherever necessary.

**(8 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:**

Flynn Industries Ltd. is a wholesale supplier in Kerala, and got registered under GST on 20<sup>th</sup> August, 2019. The supplies made in the month of November' 19 are as follows:

Particulars	Amount (Rs.)	Rate
Taxable inter-state supplies	16,50,000	12%
Taxable intra-state supplies	68,00,000	12%
Exempt intra-state supply	8,00,000	-
Taxable intra-state supply	6,50,000	18%

The purchases (inward supplies) for the month of November are as follows:

Particulars	Amount (Rs.)	Rate
Purchases of goods from Theresa Traders	33,40,000	12%
Purchases from Hema, a composition trader	75,000	1%
Food purchased for the employees	24,000	5%
Inter-state purchases from Shreya Ltd.	27,50,000	12%
Purchases of goods from Vijay Ltd.	85,000	5%
Purchases from Ashwini Pvt. Ltd. in Bangalore	10,00,000	18%

The exempt supplies made consist entirely of the purchases made from Vijay Ltd. and half of the purchases from Ashwini Pvt. Ltd.

You are also provided with the opening balances of the credit ledgers:

Particulars	Amount (Rs.)
CGST	44,500
SGST	44,500
IGST	65,000

Compute the net GST payable by Flynn Industries Ltd. for the month of November' 19.

Additional Information:

- (a) The suppliers are registered under GST unless specifically mentioned otherwise.
- (b) Purchases are intra-state unless indicated as inter-state.
- (c) The amounts indicated herein are exclusive of taxes.
- (d) All the conditions in order to avail ITC have been fulfilled by Flynn Industries Ltd.

**(8 Marks)**

**Question 6**

- (a) M/s. Apna Bank Limited a Scheduled Commercial Bank has furnished the following details for the month of August 2019:

<b>Particulars</b>	<b>Amount (Rs.) in Crores (Excluding GST)</b>
Extended Housing loan to its customers	100
Processing fees collected from customers on sanction on loan	20
Commission collected from its customers on bank guarantee	30
Interest income on credit card issued by the bank	40
Interest received on housing loan extended by the bank	25
Minimum balance charges collected from current account and saving account holder	01

Compute the Value of Taxable Supply. Give reasons with suitable assumptions.

**(5 Marks)**

- (b) A Limited from Agra has supplied goods of premium quality to B Limited of Bangalore on 25/10/2019. You are required to compute the taxable value as per Sec. 15 based on the information given below:

<b>Particulars</b>	<b>Amount in (Rs.)</b>
Cost of goods supplied	2,50,000
Entry taxes and toll (Charged separately)	5,000
Packaging and Administration charges (Not charged separately)	3,000
Amount payable by the supplier under a contractual obligation for urgent delivery of goods under special circumstances.	50,000
Subsidies (Rs. 20,000 being linked to the price)	1,00,000
Discount :	
(a) It has been provided in the invoice raised on 13/10/2019	5,000
(b) It has been provided for on 05/11/2019 and is also not established in the terms of agreement.	10,000

**(5 Marks)**

**Question 7:**

- (a) State whether the following Supplies would be treated as Supply of Goods or Services as per CGST Act, 2017 with reasons:

- Ram supplies goods without any consideration to Maruthi, an agent of Ram to sell the Goods.
- Humty, an employer gifts a jewel worth Rs. 25,000 to his employee Dumty during the year. Will your answer change if the jewel is worth Rs. 55,000.
- Batman Ltd., Toy manufacturing company transfers its finished goods from Chennai Branch to Mumbai branch.
- Ram, a Member of Parliament attends a meeting in Delhi.

**(4 Marks)**

- (b) State person liable to pay GST in the following independent cases with reasons.

- Guna, an insurance agent provided services to Goodwill insurance Company Ltd. an insurance company.
- Transportation of Goods by State Government to Hardhik Ltd.

- (c) A.R. Rahman, a music composer permitting to use his music compositions by Music Track Ltd., a music company.
- (d) Sponsorship services provided by AGR Ltd. to Seshan, an athlete.

**(4 Marks)**

**(c)** Decide with reason whether the following independent services are exempt under CGST Act, 2017:

- (i) Gokul Residents Welfare Association received Rs. 9,000 per month as contribution from each member for sourcing of goods and services from third persons for common use of its members.
- (ii) Mr. Vikalp, a performing artist, has received Rs. 1,58,000 from performance of Classical Dance and Rs. 90,000 from acting in TV Serial during the month of June 2019.

**(2 Marks)**

**Question 8:**

**(a)** Mr. Allan, a non-resident person, wishes to provide taxable supply of goods. He has no fixed place of business or residence in India. He seeks your advice on the following aspects, relating to CGST Act, 2017:

- (i) When shall he apply for registration?
- (ii) Is PAN mandatory for his registration?
- (iii) What is the period of validity of RC granted to him?
- (iv) Will be able to extend the validity of his registration? If yeas, what will be the period of extension?

**(6 Marks)**

**(b)** Abi limited of Delhi purchased a machinery from Akash limited of Delhi and paid tax of Rs. 1,80,000. Out of which CGST is Rs. 90,000 and SGST is Rs. 90,000. He also made following supplies during the month

Particulars	Tax collected
- Supplied goods to a person located in Andhra Pradesh	60,000
- Supplied goods to Vinay limited in Delhi	
CGST	40,000
SGST	40,000

Determine the manner of utilization of credit?

**(2 Marks)**

**(c)** Determine with reason whether the following statements are true or false:

- (i) A registered person shall issue a separate invoice for supplying both taxable as well as exempted goods to an unregistered person;
- (ii) A Non-banking financial company can issue a consolidated tax invoice at the end of every month for the supply made during that month.

**(2 Marks)**

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