

(CA INTERMEDIATE MOCK TEST MAY 2021)

DATE: 15.04.2021

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.

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. An assessee who is covered under section 44AD/44ADA has to make payment of advance tax of such income:
 - (a) in 4 instalments
 - (b) in 3 instalments
 - (c) every month
 - (d) in one instalment

(1 Mark)

2. Where an assessee has not exercised option u/s 115BAC, for claiming deduction of interest u/s 80E loan should be taken for doing:
 - (a) any post graduate course
 - (b) any graduate or post graduate course in engineering, medicine, management and post graduate course in applied science or pure sciences including mathematics and pure sciences
 - (c) for any course of study after passing the recognized senior secondary examination or its equivalent
 - (d) a recognized professional course

(1 Mark)

3. R, an individual, whose turnover of the business for the preceding year exceeded Rs. 1 crore, has engaged a contractor for building his residential house. On 5.11.2020, R has made a payment of Rs. 1,00,000 to the contractor (an individual). R should deduct the tax at source amounting to:
 - (a) Rs. 2,060
 - (b) Rs. 1,000
 - (c) Rs. 10,000
 - (d) Nil

(1 Mark)

4. The loss other than loss from house property is allowed to be carried forward only when as assessee has furnished:
 - (a) return of loss
 - (b) return of loss before the due date mentioned u/s 139(1)
 - (c) or not furnished the return of loss
 - (d) return of loss before the due date mentioned u/s 139(1) or 139(4)

(1 Mark)

5. An assessee was issued a notice u/s 142(1)(i) to file his return of income within 30 days of the receipt of notice. He submitted his return within 30 days. Such return shall be treated as:
 - (a) belated return as per section 139(4) though filed within time
 - (b) return filed within time
 - (c) return filed within due date mentioned u/s 139(1)
 - (d) return filed with in time if he is neither covered under section 139(1) and belated return as per section 139(4) though filed within time if he is covered either under section 139(1)

(1 Mark)

6. The provisions of AMT under Chapter XII-BA shall not apply to
- an individual or a Hindu undivided family if the adjusted total income of such person does not exceed Rs. 20,00,000
 - an association of persons or a body of individuals (whether incorporated or not) if the adjusted total income of such person does not exceed Rs. 20,00,000
 - an artificial juridical person referred to in section 2(31)(vii) if the adjusted total income of such person does not exceed Rs. 20,00,000
 - all the above
- (1 Mark)**
7. If an assessee uses the agricultural produce grown by him for his own consumption then:
- the market value of such agricultural produce shall be treated as his agricultural income
 - the market value of the agricultural produce minus be cost of cultivation shall be treated as his agricultural income
 - nothing shall be treated as his agricultural income
 - none of the above
- (1 Mark)**
8. A has two house properties. Both are self-occupied. The annual value of:
- both house shall be nil
 - one house shall be nil
 - no house shall be nil
 - both houses shall be determined as if these are let
- (1 Mark)**
9. Where an assessee has not exercised option u/s 115BAC, deduction under section 80C shall be allowed for:
- any education fee
 - tuition fee exclusive of any payment towards any development fee or donation or payment of similar nature
 - tuition fee and annual charges
 - tuition and hostel fee
- (1 Mark)**
10. R has sold 2000 14% debentures of Rs. 100 each to his wife for Rs. 90,000. The market value of debentures on the date of transfer was Rs. 1,80,000. In this case, interest income to be included in the total income of R shall be:
- Rs. 28,000
 - Rs. 14,000
 - Rs. 25,200
 - Rs. 12,600
- (1 Mark)**
11. Any immovable property acquired by any person for a price less than the stamp duty value unless exempt in specified cases shall
- be taxable to the extent stamp duty value exceeds the purchase price
 - be taxable to the extent stamp duty value exceeds the purchase price by more than Rs. 50,000 the higher of Rs. 50,000 or 10% of the consideration
 - not be taxable
 - be taxable to extent of stamp duty value exceeds the purchase price by 15% of stamp duty value
- (1 Mark)**

12. If the new agricultural land purchased (for which exemption was claimed under section 54B) is transferred within 3 years, then:
- (a) capital gain exempt u/s 54B earlier shall be taxable
 - (b) the entire capital gain on new transfer shall be taxable
 - (c) for the purpose of computation of capital gain, the cost of acquisition shall be reduced by the amount of capital gain exempt u/s 54B earlier
 - (d) none of the above
- (1 Mark)**
13. Exemption under section 54EE shall be available for transfer of:
- (a) any long-term capital asset
 - (b) residential house property
 - (c) any long-term capital asset other than residential house property
 - (d) any immovable property
- (1 Mark)**
14. Where any land or building forming part of stock-in-trade is transferred, then for the purpose of computing income under the head PGBP, the consideration price for this purpose shall be deemed to be:
- (a) price at which such asset is transferred
 - (b) stamp duty value on the date of transfer
 - (c) fair market value on the date of transfer
 - (d) fair market value as on 1.4.2001
- (1 Mark)**
15. Compensation received on voluntary retirement is exempt under 10(10C) to the maximum extent of:
- (a) Rs. 2,40,000
 - (b) Rs. 3,50,000
 - (c) Rs. 5,00,000
 - (d) Rs. 10,00,000
- (1 Mark)**
16. Any pension received by an individual or family pension received by any member of his family where such individual is in the service of Central or State Government and was awarded Parmvir Chakra, Mahavir Chakra or Vir Chakra or any other notified gallantry award shall be:
- (a) exempt
 - (b) taxable
 - (c) exempt upto Rs. 5,00,000
 - (d) none of the above
- (1 Mark)**
17. Royalty paid by a resident in India to a non-resident outside India-
- (a) shall be taxable in India in the hands of non-resident unless it is paid for the acquisition of any right/information/property used for the purpose of business or profession carried on outside India.
 - (b) shall be taxable in India whether such right/information/property for which royalty was paid, was used by the resident for the purpose of carrying on business or profession in India or outside India.
 - (c) shall not be taxable in India
 - (d) none of the above
- (1 Mark)**

MITTAL COMMERCE CLASSES CA INTERMEDIATE – MOCK TEST

18. Health and education cess is leviable on:
(a) Income-tax
(b) Income-tax + surcharge, if applicable
(c) Surcharge
(d) Total income
(1 Mark)
19. Mr. X, a registered supplier of Delhi opted for composition levy. He purchased goods A and paid GST of Rs. 50 lakh on such purchase. ITC allowed shall be
(a) Rs. 50 lakh
(b) Rs. 25 lakh
(c) No tax credit is allowed
(d) None of the above
(1 Mark)
20. Input tax credit on capital goods can be availed in one installment or in multiple installments?
(a) In thirty-six installments
(b) In twelve installments
(c) In one installment
(d) In two installments
(1 Mark)
21. Mr. A, a registered taxable person, was paying tax at composition scheme upto 30th June. However, w.e.f. 1st July, Mr. A becomes liable to pay tax under regular scheme. Mr. A will be eligible for ITC on inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods as on 30th June. ITC on capital goods will be reduced by _____% per quarter from the date of the invoice.
(a) 10%
(b) 25%
(c) 5%
(d) 15%
(1 Mark)
22. The persons making inter-state supplies from Madhya Pradesh is compulsorily required to get registered under GST, _____
(a) if his all India based aggregate turnover exceeds Rs. 20 lakh in a financial year
(b) if his all India based aggregate turnover exceeds Rs. 10 lakh in a financial year
(c) irrespective of the amount of aggregate turnover in a financial year
(d) if his all India based aggregate turnover exceeds Rs. 40 lakh in a financial year
(1 Mark)
23. What is the validity of the registration certificate?
(a) One year
(b) No validity
(c) Valid till it is cancelled
(d) Five years
(1 Mark)

MITTAL COMMERCE CLASSES CA INTERMEDIATE – MOCK TEST

24. Which of the following statement is correct
(a) GST is payable on supply of goods but not on supply of services
(b) GST is payable on supply of services but not on supply of goods
(c) GST is not payable on supply of goods or services
(d) GST is payable on supply of both goods as well as services
(1 Mark)
25. Which of the following is not included in aggregate turnover?
(a) Exempt supplies of goods or services or both
(b) Export of goods or services or both
(c) Inter-State supply of goods or services or both
(d) Value of inward supplies on which tax is paid under reverse charge
(1 Mark)
26. Within how many days an application for revocation of cancellation of registration can be made?
(a) Within 7 days from the date of service of the cancellation order
(b) Within 15 days from the date of issue of the cancellation order
(c) Within 45 days from the date of issue of the cancellation order
(d) With 30 days from the date of service of the cancellation order
(1 Mark)
27. Mr. A has started supply of goods in Delhi. He is required to obtain registration if his aggregate turnover exceeds _____ during a financial year.
(a) Rs. 10 lakh
(b) Rs. 20 lakh
(c) Rs. 30 lakh
(d) Rs. 40 lakh
(1 Mark)
28. Which of the following statement is true for Mr. X, a casual taxable person?
(a) Mr. X is not required to take registration under GST
(b) Mr. X is required to get registration under GST, if the aggregate turnover in a financial year exceeds Rs. 20 lakh
(c) Mr. X can opt for voluntary registration under GST
(d) Mr. X has to compulsorily get registered under GST irrespective of the threshold limit
(1 Mark)
29. Where a change in constitution of any business results in change of the PAN, old certificate shall be _____.
(a) amended
(b) cancelled
(c) changed
(d) none of the above
(1 Mark)
30. A radio taxi driver has provided his services through Electronic Commerce Operator – Kuber Cabs. The tax on such supplies shall be paid by the _____.
(a) Electronic Commerce Operator – Kuber Cabs
(b) Radio taxi driver
(c) Customer receiving the services from radio taxi driver
(d) None of the above
(1 Mark)

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:

- (a) Mr. Pandey, a resident individual, aged 45 years, is a Chartered Accountant in practice. He maintains his accounts on cash basis. His Profit & Loss Account for the year ended 31st March, 2021 is as follows:

Profit & Loss Account for the year ending March 31, 2021

Expenditure	(Rs.)	Income	(Rs.)
Staff Salary	18,25,000	Fees earned	
Rent of the office premises	6,00,000	Audit	23,00,000
Administrative expenses	5,75,000	Taxation	14,50,000
Stipend to Articled clerks	1,85,000	Consultancy services relating to syndication of loan from financial institution	10,00,000
Meeting, seminars and Conferences	36,500		47,50,000
Depreciation	55,000	Gifts	1,00,000
Printing and Stationery	8,75,000	Dividends from Indian companies	12,00,000
Net Profit	19,13,500	Interest on deposit	15,000
	60,65,000		60,65,000

Other Information :

- (1) Depreciation allowable under Income-tax Act Rs. 1,25,000.
- (2) Administrative expenses include Rs. 55,000 paid to a tax consultant in cash for assisting Mr. Pandey in one of the professional assignments.
- (3) Gifts represent fair market value of a LED TV which was given by one of the clients for successful presentation of case in the Income Tax Appellate Tribunal.
- (4) Last month's rent of Rs. 50,000 was paid without deduction of tax at source.
- (5) Mr. Pandey had taken a loan of Rs. 32,00,000 for the purchase of a house property stamp duty value Rs. 46,00,000 from a recognized financial institution on 1st May, 2020. He repaid Rs. 1,50,000 on 31st March, 2021 out of which Rs. 1,00,000 is towards principal payment and the balance is for interest on loan. The possession of the property will be handed over to him in October 2021.
- (6) Mr. Pandey paid medical insurance premium of his parents (senior citizens and not dependent on him) by cheque amounting to Rs. 27,000. He also paid Rs. 8,500 by cash towards preventive health checkup for himself and his spouse.

Compute the total income of Mr. Pandey and tax payable by him for Assessment Year 2021-22, assuming that Mr. Pandey does not want to opt for presumptive taxation scheme under section 44ADA.

(10 Marks)

- (b) Mr. R sells a plot of land on 21.11.2020 for Rs. 50,00,000. She inherited the plot from her grandfather on 01.04.2013. Her grandfather had acquired the plot on 01.03.2001 for Rs. 5,00,000. Her grandfather incurred land development charges of Rs. 2,90,000 on 31.03.2001 and Rs. 6,60,000 on 01.05.2013. Mrs. R also incurred

land development charges of Rs. 1,00,000 on 01.09.2015. The expenses incurred on transfer amounted to 1.5% of the sale price. The EMV of the plot as on 01.04.2001 was Rs. 8,00,000. Compute the capital gains.

Cost Inflation Index : FY 2001-02 = 100, FY 2013-14 = 220, FY 2005-16 = 254 and FY 2020-21 = 301.

(4 Marks)

Question 2:

(a) Check the taxability of the following gifts received by Mrs. Rashmi during the previous year and compute the taxable income from gifts :

- (i) On the occasion of her marriage on 14.08.2020, she has received Rs. 90,000 as gift out of which Rs. 70,000 are from relatives and balance from friends.
- (ii) On 12.09.2020, she has received gift of Rs. 18,000 from cousin of her mother.
- (iii) A cell phone of Rs. 21,000 is gifted by her employer on 15.08.2020.
- (iv) She gets gift of Rs. 25,000 from elder brother of her husband's grandfather on 25.09.2020.
- (v) She has received gift from her friend of Rs. 2,000 on 14.04.2020.

(4 Marks)

(b) Mr. A submits the following particulars pertaining to the year ended 31.03.2021 (amount in Rs.)-

(i)	Income from salary (Computed)	5,00,000
(ii)	Loss from self-occupied property	80,000
(iii)	Loss from let-out property	1,50,000
(iv)	Business loss	90,000
(v)	Bank interest (FD) (Gross)	70,000

You are required to compute total income of Mr. A for assessment year 2021-22.

(3 Marks)

(c) Mr. B is the Karta of a HUF, whose members derive income as given below:

	Particulars	(Rs.)
(i)	Income from B's profession	45,000
(ii)	Mrs. B's salary as fashion designer (Computed)	76,000
(iii)	Minor son D (interest on fixed deposits with a bank which were gifted to him by his uncle)	10,000
(iv)	Minor daughter P's earning from sports	95,000
(v)	D's winnings from lottery (gross)	1,95,000

Discuss the tax implications in the hands of Mr. and Mrs. B.

(7 Marks)

Question 3:

(a) Mr. Krishna owns a residential house in Delhi. The house is having two identical units. First unit of the house is self-occupied by Mr. Krishna and another unit is rented for Rs. 12,000 p.m. The rented unit was vacant for three months during the year. The particulars of the house for the previous year 2020-21 are as under :

Standard Rent	Rs. 2,20,000 p.a.
Municipal Valuation	Rs. 2,44,000 p.a.
Fair Rent	Rs. 2,35,000 p.a.
Municipal tax paid by Mr. Krishna	12% of the Municipal Valuation
Light and water charges	Rs. 800 p,m.

Interest on borrowed capital	Rs. 2,000 p.m.
Insurance charges	Rs. 3,500 p.a.
Painting expenses	Rs. 16,000 p.a.

Compute income from house property of Mr. Krishna.

(6 Marks)

- (b)** Mrs. Ann provides the following information for the Financial year ending 31.03.2021. Compute her total income and tax payable thereon for assessment year 2021-22 as per Income-tax Act, 1961.

➤ Income / Receipts :

- (1) Salary from M/s. Prominent Technologies, - Rs. 60,000 per month (Joined from 1st March, 2020).
- (2) She is in receipt of HRA. Rs. 15,000 per month and also educational allowance of Rs. 1,500 per month for all the three of her children.
- (3) She bought a light goods vehicle on 01.08.2020 and has been letting it on hire. She does not maintain books of account for this business. But she declares for income tax purpose, that she is earning net income of Rs. 11,000 per month from this business.
- (4) She received Rs. 8,500 as interest on Post Office Savings Bank Account.
- (5) She received Rs. 25,000 as interest from Company Deposits.
- (6) Amounts withdrawn from National Savings Scheme (Principal Rs. 10,000 & Interest Rs. 25,000).

➤ Expenses / Payments :

- (1) Interest payable to bank Rs. 1,000 per month on loan for the purchase of truck.
- (2) Total interest paid to bank for loan borrowed for investing in company deposits is Rs. 5,000.
- (3) Rent paid for residence is Rs. 18,000 per month.
- (4) Tuition fees paid for the year 2020-21 for her three children is Rs. 50,000, Rs. 30,000 and Rs. 20,000 respectively, to educational institution situated in India.
- (5) Medical insurance premium for her and for her husband is Rs. 30,000 (paid by cheque) and Rs. 25,000 (paid by cash) respectively.
- (6) She has deposited during the year, in 5 year Post Office Recurring Deposit Scheme Rs. 20,000.

(8 Marks)

Question 4:

- (a)** Examine the TDS implications in the following cases along-with reasons thereof :
- (i) Ms. Varsha received a sum of Rs. 95,000 on 31st December 2020 towards maturity proceeds of LIC taken on 1st October, 2014 for which sum assured was Rs. 80,000 and annual premium was Rs. 10,000.
 - (ii) Mr. Deepak transferred a residential house property to Mr. Karan for Rs. 45 lacs. The stamp duty value of such property is Rs. 55 lacs.
 - (iii) XYZ Private Limited pays the following amounts to Mr. Narayan during previous year 2020-21:
 - Rs. 22,000 towards fee for professional services
 - Rs. 18,000 towards royalty
 - (iv) Payment of Rs. 1,75,000 made to Mr. Vaibhav for purchase of calendar according to specifications of M/s. ABC Limited. However, no material was supplied for such calendar by ABC Limited to Mr. Vaibhav.
 - (v) Talent Private Limited pays Rs. 12,000 to Ms. Sudha, its director, towards

- sitting fee which is not taxable u/s 192.
- (vi) Radha Limited is engaged for Shyam Limited only in the business of operation of call centre. On 18.03.2021, the total amount credited by Shyam Limited in the ledger account of Radha Limited is Rs. 70,000 regarding service charges of call centre. The amount is paid through cheque on 28.03.2021 by Shyam Limited.

(7 Marks)

- (b) Gopichand Industries furnishes you the following information :

	(amount in Rs.)
On 1.4.2020	
Block I : Plant and machinery (consisting of 10 looms) Rate of depreciation 15% WDV	5,00,000
Block II : Buildings (consisting of 3 buildings) Rate of depreciation 10% WDV	12,50,000
Acquired on 5.7.2020 – 5 looms for	4,00,000
Sold on 7.12.2020 – 15 looms for	10,00,000
Acquired on 10.1.2021 – 2 looms for	3,00,000

(3 Marks)

- (c) Mr. Sachin filed return on 30th September, 2021 related to Assessment Year 2021-22. In the month of October 2021, 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 31st July, 2021 and the assessment was not completed till the month of October 2021.

(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:

XT Pvt. Ltd., a supplier of goods, pays GST under regular scheme. It has made the following outward taxable supplies in a tax period:

Particulars	Amount (Rs.)
Intra-State supply of goods	8,00,000
Inter-State supply of goods	3,00,000

It has also furnished the following information in respect of purchases made by it in that tax period:

Particulars	Amount (Rs.)
Intra-State purchases of goods	2,00,000
Inter-State purchases of goods	50,000

The company has following ITCs with it at the beginning of the tax period:

Particulars	Amount (Rs.)
CGST	57,000

MITTAL COMMERCE CLASSES CA INTERMEDIATE – MOCK TEST

SGST	Nil
IGST	70,000

- (i) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.
 (ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.
 (iii) All the conditions necessary for availing the ITC have been fulfilled.
 Compute the minimum GST, payable in cash, by XT Pvt. Ltd. for the tax period. Make suitable assumptions as required.

(8 Marks)

Question 6:

- (a) Examine whether the following activities would amount to supply under section 7 read with Schedule I of the CGST Act:
- (a) Sulekha Manufacturers have a factory in Delhi and a depot in Mumbai. Both these establishments are registered in respective States. Finished goods are sent from factory in Delhi to the Mumbai depot without consideration so that the same can be sold.
 - (b) Raman is an architect in Chennai. His brother who is settled in London is a well-known lawyer. Raman has taken legal advice from him free of cost with regard to his family dispute.
 - (c) Would your answer be different if in the above case, Raman has taken advice in respect of his business unit in Chennai?

(6 Marks)

- (b) Sultan & Sons, a partnership firm, in Nagpur, Maharashtra is a wholesaler of a taxable product 'P' and product 'Q' exempt by way of a notification, in the State of Maharashtra. Its aggregate turnover in the preceding financial year is Rs. 130 lakh. The firm wishes to opt for composition scheme under sub-sections (1) & (2) of section 10 of the CGST Act. However, its accountant is of the view that a person engaged in making supply of exempt goods is not eligible for the said scheme. Discuss.

Note: Assume that Sultan & Sons is not engaged in manufacture of goods as notified under section 10(2)(e).

(4 Marks)

Question 7:

- (a) Determine the 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 selectors to a recognized sports body	5,20,000

(3 Marks)

- (b) Black and White Pvt. Ltd. has provided the following particulars relating to goods sold by it to Colourful Pvt. Ltd.

MITTAL COMMERCE CLASSES CA INTERMEDIATE – MOCK TEST

Particulars	(Rs.)
List price of the goods (exclusive of taxes and discounts)	50,000
Tax levied by Municipal Authority on the sale of such goods	5,000
Packing charges (not included in price above)	1,000

Black and White Pvt. Ltd. received Rs. 2000 as a subsidy from a NGO on sale of such goods. The price of Rs. 50,000 of the goods is after considering such subsidy. Black and White Ltd. offers 2% discount on the list price of the goods which is recorded in the invoice for the goods.

Determine the value of taxable supply made by Black and White Pvt. Ltd.

(7 Marks)

Question 8:

- (a) Determine the time of supply in the following cases assuming that GST is payable under reverse charge.

S. No.	Date of payment by the recipient for supply of services	Date of issue of invoice by the supplier of services
(i)	August 10	June 29
(ii)	August 10	June 1
(iii)	Part payment made on June 30 and balance amount paid on September 1	June 29
(iv)	Payment is entered in the books of account on June 28 and debited in recipient's bank account on June 30	June 1
(v)	Payment is entered in the books of account on June 30 and debited in recipient's bank account on June 26	June 29

(5 Marks)

- (b) M/s ABC Ltd., have filed their GSTR3B for the month of July, 2020 within the due date prescribed under Section 39 i.e. 20.08.2020. Post filing of the return, the registered person has noticed during September 2020 that tax dues for the month of July, 2020 have been short paid for Rs. 40,000. M/s ABC Ltd., has paid the above shortfall of Rs. 40,000, through GSTR3B of September 2020, filed on 20.10.2020 [payment through Cash ledger - Rs. 30,000 and Credit ledger Rs. 10,000]. Examine the Interest payable under the CGST Act, 2017.

What would be your answer if, GSTR3B for the month of July 2020 has been filed belatedly on 20.10.2020 and the self-assessed tax of Rs. 40,000/- has been paid on 20.10.2020 [payment through electronic cash ledger - Rs. 30,000 and electronic credit ledger Rs. 10,000]

Notes:

- There exists adequate balance in Electronic Cash & Credit ledger as on 31.07.2020 for the above short fall
- No other supply has been made nor tax payable for the month of July, 2020 other than Rs. 40,000/- missed out to be paid on forward charge basis
- Ignore the effect of leap year, if applicable in this case.

(5 Marks)

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