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School of Business
Bachelor of Business Administration
Semester End Examination - May 2024

Duration : 180 Minutes
Max Marks : 100

Sem VI - D1UA607T - Goods and Service Tax

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Identify the nature of supply for the following with respect to inter-State supply or intra-State supply, and state whether CGST / SGST / IGST will apply (with reasons) i) Supply of goods to A & Co. ,Surat from a unit located in SEZ in the same State, viz. Gujarat ii) Export of garments from Bengaluru to Sweden. K3 (6)
- 2) XYZ Ltd. is manufacturer of cosmetic products supplied a package consisting of hair oil (GST Rate -18%), Sun screen cream (GST Rate -28%), Shampoo (GST rate -28%) and hair comb (GST Rate -12%). The Price per package is Rs. 500 (exclusive of taxes). 10,000 packages were supplied by the company to its dealers. Identify the nature of supply and Calculate its tax liability. K3 (9)
- 3) XYZ Ltd., a manufacturing concern had effected intra-state taxable supply of Rs. 20,00,000 and interstate taxable supply of Rs. 25,00,000 in Financial year 2017-18. The company wants to opt for composition scheme under Section 10 of CGST Act, 2017. As a GST consultant identify whether XYZ Ltd. can opt for composition scheme. K4 (4)
- 4) Mr. A, a retailer who keeps no inventories, presents the following expected information for the year - K4 (8)
 - (1) Purchases of goods : Rs. 50 lakhs (GST @ 5%)
 - (2) Sales (at fixed selling price inclusive of all taxes): Rs. 60 lakhs (GST on sales @ 5%).

Identify whether he should opt for composition scheme if composite tax is 1 % of turnover. Expenses of keeping detailed statutory records required under the GST Laws will be Rs. 1,20,000 p.a., which shall get reduced to Rs. 50,000 if composition scheme is opted for. Other expenses are Rs.3,00,000 p.a.

- 5) Examine whether these activities falls under the supply of goods or supply of services category: K4 (8)
- a) ABC Corporation leases office equipment to XYZ Enterprises for a period of two years. (3 Marks)
 - b) A construction company undertakes the construction of a commercial building for a client. (3 marks)
 - c) XYZ Software Solutions sells customized software to various clients. Analyze whether this transaction is considered the supply of goods or supply of services under GST. (2 marks)
- 6) Jai, a registered supplier, runs a generalstore in Ludhiana, Punjab. Some of the goods soldby him are exempt whereas some are taxable. You are required to advise him on the followingissues: K5 (10)
- (i) Whether Jai is required to issue a tax invoices in all cases, even if he is selling the goods to the endconsumers? (4 marks)
 - (ii) Jaisells some exempted as well as taxable goods valuing ` 5,000 to a schoolstudent. Is he mandatorily required to issue two separate GST documents (3 marks)
 - (iii) Jai wishes to know whether it's necessary to show tax amount separately in the tax invoices issued to the customers. You are required to advise him. (3 marks)
- 7) Examine whether the following discounts ought to be excluded to determine the value of supply: K5 (10)
- (i) Company offering 20% discount for purchases above ₹ 10,000 (4 marks)
 - (ii) Company offering additional discount of 1% on purchase of 10,000 pieces in a year (3 marks)
 - (iii) After selling a product, the company re-values the product at a lower value and issues credit note to the buyer for the differential amount. (3 marks)
- 8) Determine whether the following persons are liable for registration as per the provisions of the CGST Act, 2017: K5 (15)
- (a) Sachin, an exclusive supplier of Non-taxable goods only.
 - (b) Person making inter-State taxable supply aggregating ₹8,00,000 only.
 - (c) Where the tax on the goods dealt with are payable on reverse charge basis.
 - (d) Jagdish, an individual, who undertakes cultivation of land by the labour of family and his own labour for producing paddy, to the tune of ₹60 lakhs.
 - (e) Ranjan, a trader is coming to Mumbai from Bangalore for an exhibition. The exhibition is to continue for seven days in Mumbai. Ranjan expects supply of goods for ₹8,00,000.

- 9) Mehra Sons, a registered supplier, is a wholesale supplier of ready-made garments located in Bandra, Mumbai. On 5th September, 2020, Subhadra, owner of Aura Boulique located in Dadar, Mumbai, approached Mehra Sons for supply of a consignment of customised dresses for ladies and kids. Mehra Sons gets the consignment ready by 2nd December, 2020 and informs Subhadra about the same. The invoice for the consignment was issued the next day, 3rd December, 2020. Due to some reasons, Subhadra could not collect the consignment immediately. So, she collects the consignment from the premises of Mehra Sons on 18th December, 2020 and hands over the cheque for payment on the same date. The said payment is entered in the accounts on 20th December, 2020 and amount is credited in the bank account on 21st December, 2020.

A) You are required to determine the time of supply of the readymade garments supplied by Mehra Sons to Subhadra elaborating the relevant provisions under the GST law. (6 marks)

B) Explain the rules under section 13 for reverse charge mechanism. (6 Marks)

10) 'All-in-One Store' is a chain of departmental store having presence in almost all metro cities across India. Both exempted as well as taxable goods are sold in such Stores. The Stores operate in rented properties. All in-One Stores pay GST under regular scheme. In Mumbai, the Store operates in a rented complex, a part of which is used by the owner of the Store for personal residential purpose. All-in-One Store, Mumbai furnishes following details for the month of October, 20XX:

(i) Aggregate value of various items sold in the Store: Taxable items – ₹ 42,00,000 Items exempted vide a notification – ₹ 12,00,000 Items not leviable to GST – ₹ 3,00,000

(ii) Mumbai Store transfers to another All-in-One Store located in Goa certain taxable items for the purpose of distributing the same as free samples. The value declared in the invoice for such items is ₹ 5,00,000. Such items are sold in the Mumbai Store at ₹ 8,00,000.

(iii) Aggregate value of various items procured for being sold in the Store: Taxable items – ₹ 55,00,000 Items exempted vide a notification – ₹ 15,00,000 Items not leviable to GST – ₹ 5,00,000

(iv) Freight paid to goods transport agency (GTA) for inward transportation of taxable items – ₹ 1,00,000

(v) Freight paid to GTA for inward transportation of exempted items – ₹ 80,000

(vi) Freight paid to GTA for inward transportation of non-taxable items – ₹ 20,000

(vii) Monthly rent payable for the complex – ₹ 5,50,000 (one third of total space available is used for personal residential purpose).

(viii) Activity of packing the items and putting the label of the Store along with the sale price has been outsourced. Amount paid for packing of all the items – ₹ 2,50,000

(ix) Salary paid to the regular staff at the Store – ₹ 2,00,000

(x) GST paid on inputs used for personal purpose – ₹ 5,000

(xi) GST paid on rent a cab services availed for business purpose – ₹ 4,000.

(xii) GST paid on items given as free samples – ₹ 4,000

Given the above available facts, you are required to compute the following:

A. Input tax credit (ITC) credited to the Electronic Credit Ledger (6 Marks)

B. Common Credit (4 marks) C. Eligible ITC out of common credit (4 marks)

C. Net GST liability for the month of October, 20XX (4 marks)

Note:

(1) Wherever applicable, GST under reverse charge is payable @ 5% by All-in-One Stores. Rate of GST in all other cases is 18%.

(2) All the sales and purchases made by the Store are within Maharashtra. All the purchases are made from registered suppliers.

All the other expenses incurred are also within the State.

(3) Wherever applicable, the amounts given are exclusive of taxes.

(4) All the necessary conditions for availing the ITC have been complied with.