PG – 511

IV Semester M.Com. Degree Examination, June/July 2018
(CBCS)
COMMERCE
AT-4.4 : Goods and Service Taxes

Time : 3 Hours Max. Marks : 70

SECTION – A

1. Answer **any seven** of the following sub-questions in about **3-4** lines **each**. **Each** sub-question carries **two** marks. **(7×2=14)**
   a) What is the tax treatment of composite supply and mixed supply under GST ?
   b) Whether goods supplied on hire purchase basis will be treated as supply of goods or supply of services ? Give reason.
   c) What is Zero-rated supply ? State with examples.
   d) What is the due date of submission of GSTR-1 ? [Section 37(1)].
   e) Mr. A, a registered person was paying tax under Composition Scheme up to 30th July. However, w.e.f. 31st July, Mr. A becomes liable to pay tax under regular scheme. Is he eligible for ITC ?
   f) Expand CPIN and E-FPB.
   g) State the name of output tax under GST, where any of the input tax credit under GST can be availed ?
   h) Define Indian Territorial Waters and Indian Customs waters.
   i) What is input credit in GST ?
   j) What are the consequence of not filling the GST return within the prescribed date ?

SECTION – B

Answer **four** of the following in about **one page**. **Each** question carries 5 marks. **(4×5=20)**

2. Shashi and Kala Pvt. Ltd. has provided the following particulars relating to goods sold by it to Ganesh Pvt. Ltd.

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
CGST and SGST chargeable on the goods	10,440
Packing charges (not included in price above)	1,000

Shashi and Kala Pvt. Ltd received 2000 as a subsidy from a NGO on sale of such goods. The price of 50000 of the goods is after considering such subsidy. Shashi and Kala 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 Shashi and Kala Pvt. Ltd.

P.T.O.

1. Enumerate the deficiencies of indirect taxes which led to the need for ushering into GST regime.
2. Describe the design and implementation Frame work of GSTN.
3. What kind of Inward supplies are required to be furnished in GSTR-2 ?
4. Compute the total duty and integrated tax payable under the Customs Law on an imported equipment based on the following information :

   i) Assessable value of the imported equipment US $ 10,100.

   ii) Date of bill of entry is 25-4-2018. Basic customs duty on this date is 10%

   iii) and exchange rate notified by the Central Board of Excise and Customs is **US $ 1 = 65'.**

   Date of entry inwards is 21-4-2018. Basic customs duty on this date is 20% and exchange rate notified by the Central Board of Excise and Customs is US $ 1 — "60.

   iv) Integrated tax payable under Section 3(7) of the Customs Tariff Act, 1975 : 12%.

   Educational cess 2% and secondary and higher educational cess 6 1%. Make suitable assumptions where required and show the relevant workings and round off your answer to the nearest rupee.

   Note : Ignore GST Compensation Cess.

5. Determine the time of supply in following cases assuming that GST is payable in following cases

Sl. No.	Date of receipt of goods (1)	Date of payment by recipient of goods (2)	Date of issue of invoice by supplier of goods (3)
I	July1	August 10	June 29
II	July1	June 25	June 29
III	July1	Part payment made on June 30 and balance amount paid on July 20	June 29
IV	July 5	Payment is entered in the books of account on June 28 and debited in recipient's bank account on June 30	June 1
V	**July 1**	Payment is entered in the books of account on June 30 and debited in recipient's bank account on June 26	June 29
VI	August 1	August 10	June 29

PG – 541

IV Semester M.Com. Examination, June 2017
(CBCS Scheme)
COMMERCE
AT – 4.4 : Goods and Service Taxes

Time : 3 Hours Max. Marks : 70

Instruction : *Answer* ***all*** *Sections.*

SECTION – A

Answer **any seven** of the following in **3-4** lines **each. Each** question carries **2** marks : **(7×2=14)**

1. a) Define "Excisable Goods" under section 2 (d).
   b) State two objectives of Introduction of GST in India.
   c) What is not Input as per CENVAT Credit Rule ?
   d) Differentiate between manufacturer and Manufacture.
   e) What is Customs water of India ?
   f) When is Taxable event for imported goods under custom act ?
   g) Who is liable to pay excise duty under Central Excise Rule ?
   h) Differentiate between Sales Tax and Value Added Tax.
   i) What is Cascading effect of Taxes ?
   j) Under what circumstances Anti dumping duty is levied ?

SECTION – B

Answer **any four** questions. **Each** question carries **5** marks. **(4×5=20)**

2. Explain briefly the inclusion and exclusion of Transaction value under Central Excise Rule.
3. "Tax Credit System to Remove Cascading Effect". Illustrate with an example.
4. Explain the Registration provisions of Dealer under Central Sales Tax.

P.T.O.

5. Mr. XYZ, a dealer located in the state of Maharashtra, dealing in machinery used in rolling mills furnishes following information for the financial year 2015-16.

   i) Total Inter-state sales during the financial year (CST not shown separately) – Rs. 6,37,40,000.

   ii) Trade Commission for which credit notes have been issued separately – Rs. 8,86,132.

   iii) Freight and Transport charges charged separately in invoice – 6,00,000.

   iv) Freight charges included in value but not shown separately – Rs. 3,00,000.

   v) Insurance for transport of machinery upto destination – Rs. 95,000.

   vi) Installation and commissioning charges levied separately in invoice – Rs. 3,00,000.

   vii) The buyers have issued C forms in respect of machinery bought by them from Mr. XYZ. Compute the tax liability under CST Act.

6. Mr. and Mrs. Durga Prasad a Doctor visited Germany and After stay for 6 months returned to India. They bought a personal computer for Rs. 2,00,000, a Laptop computer of Rs. 1,30,100, a New camera bought for Rs. 62,000. Tobacco bought 120 grams for Rs. 18,100, Cigars (25 no.) valued Rs. 12,300 liters of liquor of Scotch Whisky bought for Rs. 19,000 (Buy 2 Liters and 1 free scheme). Professional equipment's Rs. 3,50,000, Sports equipment's Rs. 2,60,000, household equipment Rs. 1,30,000, one pair of binoculars Rs. 57,000, one cell phone Rs. 36,000, One electronic diary Rs. 46,000, one transistor i.e. radio Rs. 26,000. While returning to India beside their personal effects valid at Rs. 4,06,000. What is the customs duty payable ?

7. M/s. RMZ Ltd., sold machinery to Mr. Kapoor at a price of ₹ 7 lakhs on 15th June, 2016 and the same was removed from the factory at Kolkata. The rate of excise duty applicable is 13.5% on the date of removal. Mr. Kapoor refused to take delivery of the machine when it reached his destination. In the meantime, M/s. RMZ Ltd. increased the prices of the similar type of machinery to ₹ 8 lakhs with effect from 16th June, 2016. The machinery as refused by Mr. Kapoor has been sold on 20th June 2016 to Mr. Lal at the revised price of ₹ 8 lakhs. The excise duty is 13.5% applicable with effect from 01-07-2016.

   Explain the following with reasons :

   i) What is the value to be taken as assessable value ?

   ii) What is the rate of excise duty applicable and duty payable on above transaction ?

iii) The Central Excise Officer is demanding duty on the price of ₹ 8 lakhs at the time of sale to Mr. L. Is he right in his approach ?

iv) Does cost of production have any bearing on the assessable value ?

SECTION – C

Answer **any three** questions out of five. **Each** question carries **twelve** marks. **(3×12=36)**

8. What are Salient features of the proposed model of GST ? Discuss the reason for Introduction in India.

9. Discuss the salient features of CETA 1985.

10. Ramalingaraju makes an unauthorised import of 18,000 pieces of ophthalmic rough blanks CIF priced at $ 1 per piece by air from USA (Tariff heading 70.1510). The consignment is liable to be confiscated. Import is adjudicated. AC gives to the party an opinion to pay fine in lieu of confiscation. It is proposed to impose fine equal to 60% of margin of profit. The market price is Rs. 300 per piece of ophthalmic rough blank. The rates of duty are Basic customs – 20%, CVD 14%, Education cess and special CVD as applicable, Exchange rate is – $ 1 Rs. 71. Compute :

    a) Amount of fine

    b) Total payment to be made party to clear the consignment. What is the maximum amount of fine that can be imposed in this case ? Quote section.

    c) What are the duty refunds/ benefits available if the importer is
        a) Manufacturer
        b) Service provider
        c) Trader.

11. Kabini water conservation Machinery Co. Ltd. Is engaged in manufacturing water pipes. Compute the Total CENVAT credit admissible to Kabini water conservation Machinery Co. Ltd. The excise duty paid at the time of purchase of following goods are :

Sl. No.	Particular	Amount
1	Raw steel	60,00,000
2	Water pipes making machine	85,00,000

3	Lubricating oil, Greases, Cutting oils, accessories of the final products	6,89,000
4	Light diesel oil, high speed diesel oil and motor spirit (Petrol) used for Production	3,15,000
5	Goods used as paints, as packing material, as fuel or for generation of electricity or steam used for manufacture of final products	3,26,000
6	Generation of electricity for captive use within the factory	4,50,000
7	Pollution control equipment	1,86,000
8	Moulds and dies, jigs, fixtures; Refractories and refractory materials; Tubes, pipes and fittings thereof, used in the factory;	5,70,000
9	Furniture, Fixtures Equipments used in the factory	6,00,000
10	Input like steel, cement, angles, channels, bar, other material used for factory	5,50,000
11	Construction of building or civil structure or part thereof, Laying of foundation or making of structures for support of capital goods.	70,00,000
12	Furniture, Fixtures Equipments used in the factory	15,00,000

12. M/s. Arundathi Associates is a registered dealer engaged in the manufacturing of steel in the State of Maharashtra. During the year 2015-16 the firm has procured raw materials of Rs. 45,60,120 (VAT @ 4%) and purchased plant and machinery of Rs. 30,00,000 (VAT @ 4%), Rs. 8,00,000 plant and machinery used in the manufacturing of steel. Sales of steel materials made during the year is Rs. 60,00,000 (VAT @ 4%) and inter-state sales is Rs. 7,19,000 (@2% CST). Besides above, branch transfer of Rs. 4,12,000 was made to Kolkata. Calculate the following as per White paper on VAT Law in India.

a) Output tax

b) Input tax credit to be availed during the year

c) Balance tax payable

d) Input tax credit, if any, to be carried forward.

PG – 528

IV Semester M.Com. Degree Examination, June 2016
(CBCS)
COMMERCE
A.T. – 4.4 : Goods and Service Taxes

Time : 3 Hours Max. Marks : 70

Instruction: *Answer* ***all*** *Sections.*

SECTION – A

1. Answer **any seven** questions out of ten. **Each** question carries **two** marks. **(7×2=14)**
   a) Define Capital Goods u/s 2(a).
   b) Who is Adjudicating Authority under Excise Act ?
   c) When is taxable event occur for Imported Goods under Customs Act ?
   d) What is Pilfered Goods u/s 13 of Customs purpose ?
   e) What is Snow balling effect of Taxes ?
   f) How MRP based duty is computed ?
   g) Differentiate between AV and TV.
   h) State the reasons for not introduction of GST in India.
   i) When is GTA services payable under Service Tax ?
   j) What is taxability of 'bundled services' under Service Tax ?

SECTION – B

Answer **any four** questions out of six. **Each** question carries **five** marks. **(4×5=20)**

2. "Tax Credit Method under VAT system". Illustrate with an example.
3. Explain the Registration under Service Tax.
4. Explain briefly the inclusions and exclusions of transaction value under Central Excise Rule.
5. Compute the VAT liability of Mr. Prakash for the month of January 2015, using 'invoice method' of computation of VAT, from the following particulars :
   a) Purchase price of the inputs purchased from the local market (inclusive of VAT) ₹ 2,00,000.
   b) VAT rate on purchases 5%.
   c) Storage cost incurred ₹ 20,000.
   d) Transportation cost ₹ 18,000.
   e) Goods sold at a profit margin of 15% on cost of such goods.
   f) VAT rate on sales 14.5%.

P.T.O.

6. Mr. and Mrs. Mukunda visited England and after stay for 7 months brought following goods while returning to India on 15th March 2016. A Personal Computer bought for ₹ 90,000. Their personal effects like clothes, etc., valued at ₹ 1,95,000, 3 liters of Scotch Whisky bought for ₹ 12,000 (Buy 2 liters and 1 free scheme), Cigars (100 no.) valued ₹ 6,300, A laptop computer bought for ₹ 97,000. (Latest version), A new camera bought for ₹ 83,000, Raw Tobacco bought 120 grams for ₹ 13, 500. Professional equipment's ₹ 61,000, Sports equipment's ₹ 62,000, Household equipment ₹ 40,000, one electronic dairy ₹ 14,000, One transistor i.e. radio ₹ 8,000. What is the amount of duty payable ?

7. Mrs. Latha, a registered dealer in Himachal Pradesh, furnishes the following information relating to inter-state sales made by her during the year ended 31-3-2015.

Particulars	**Amount**
Sales turnover as per books	1,10,16,000
Above includes	
a) Excise Duty	9,60,000
b) Freight (of this Rs. 30,000 alone is shown separately in sales invoices)	3,30,000
c) Deposit for returnable containers	7,20,000
d) Transfer to branch (covered by Form F)	36,45,000
e) Packing charges	1,05,000

Further, in ascertaining the sales turnover above which includes CST also, the dealer has deducted the following :

1) Turnover relating to goods worth ₹ 30,000 (excluding of tax) covered by invoice dated 02-04-2014, which were returned on 1-10-2014.

2) Goods worth ₹ 37,200 (including tax) covered by invoice dated 13-04-2014 were rejected by the customer and the dealer received back the goods on 14-10-2014.

Mrs. Latha deals only in one type of commodity which chargeable to VAT at 2% in Himachal Pradesh. You are required to compute the total turnover, CST and taxable turnover for the financial year 2014-15.

SECTION – C

Answer **any three** questions out of five. **Each** question carries **twelve** marks. **(3×12=36)**

8. What do you understand by VAT ? Discuss the advantages and disadvantages of VAT.

9. Discuss the following under Service Tax :
   a) Negative list of Services.
   b) Exempted Services.

10. Chandrasekhar makes an unauthorised import of 10000 pieces of Steel Bars CIF priced at $ 1 per piece by air from USA (Tariff heading 70.1510). The consignment is liable to be confiscated. Import is adjudicated. AC gives to the party an opinion to pay fine in lieu of confiscation. It is proposed to impose fine equal to 70% of margin of profit. The market price is Rs. 200 per piece of ophthalmic rough blank. The rates of duty are – Basic customs – 10% CVD 16%, Education Cess – as applicable, Exchange rate is – $ 1 = Rs. 68.

Compute :

i) Amount of fine.

ii) Total payment to be made party to clear the consignment. What is the maximum amount of fine that can be imposed in this case ? Quote section.

iii) What are the duty refunds/benefits available if the importer is

a) Manufacturer

b) Service provider

c) Trader

11. a) Savitha and Co. a registered dealer with head office at Delhi, furnishes to you the following information.

i) Inter-State sale of goods (it includes ₹ 30,00,000) being value of goods transferred to Chennai Branch covered by form F) – ₹ 1,55,20,000.

ii) Dharmada collected ₹ 1,75,000.

iii) Weighment dues charged separately from buyers ₹ 4,35,000.

iv) Cash discount shown in invoice as per trade practice ₹ 1,60,000.

v) Indemnity charges (recovered from buyers to cover transit loss based on their request) – ₹ 1,30,000.

Calculate the turnover and CST payable, on the assumption that all the sales were made to registered dealers.

AND

b) From the following particulars arrive at the VAT liability for the month of January, 2015 and also determine the amount of input tax credit to be carried forward for the next month :

i) Input tax rate 5% and output tax rate 15% in the State.

ii) Inputs purchased in the month from within the State – ₹ 48,00,000.

iii) Output sold to buyers within the State during the month – ₹ 15,00,000.

iv) Output sold during the month to buyers as interstate sales – ₹ 3,00,000. (CST rate 2% against C Form).

v) Inputs purchased from other states as interstate purchases against C Form @ 2% – ₹ 2,00,000 (Provide suitable explanations where required with appropriate assumptions if necessary).

12. Y Ltd. manufactures dutiable and non dutiable (i.e. exempted) goods. Y Ltd., also simultaneously provides taxable as well as exempted output services. Raw materials 10000 units were purchased at ₹ 100 per unit used commonly during the month of April 2015 to produce all final products and output services. CENVAT credit on inputs was taken at ₹ 2,50,000. Input services commonly used for all goods and services in the month of April 2015 of ₹ 6,00,000. Service tax was paid on such services for 75,000 in April 2014.

Turnover for the Financial Year 2015-16 (excluding all taxes and duties)

Particulars	**Value of finished goods** ₹
Dutiable goods	4,00,00,000
Exempted goods	2,00,00,000
Taxable services	3,00,00,000
Exempted services	1,00,00,000
Total	**10,00,00,000**

Turnover for the month of April 2015 (excluding all taxes and duties)

Particulars	**Value of finished goods** ₹
Dutiable goods	4,00,000
Exempted goods	2,00,000
Taxable services	2,00,000
Exempted services	1,00,000
Total	**9,00,000**

Y Ltd. not maintained separate books of accounts for exempted and non-exempted goods and services and not willing to pay 6% on exempted final goods and 6% on exempted output services.

You are required to compute the provisional amount of proportionate credit reversible under Rule 6(3A) CENVAT Credit Rules, 2004 for the month of April 2015. Each unit of exempted final product needs 2 units of raw materials.