

Roll No.....

Total No of Questions – 6

Total No. of Printed Pages - 7

Time Allowed – 1 Hours 10 Mins

Maximum Marks – 40

MOCK TEST LEVEL 1B

SECTION – B

Indirect Taxes

IPCE (New Syllabus)

Paper -4

All questions are compulsory.

1. Solve the test paper in your copy/loose sheets.
2. Please number each page in your copy as pg 1, pg 2, for ease of checking by examiner.
3. Submit answers in software (Online test section in the mobile app). This is absolutely mandatory.
3. Evaluation technique . Question 1 fully evaluated by software as its MCQ. Other questions - 2 marks reserved in each question for presentation and format and notes to be checked by examiner and answers by software.
4. Send test paper as attachment by midnight of 29th August in vseiplopteclass@gmail.com for evaluation by examiner. Paper submitted therefore can be evaluated only by software on answer part.

Working notes should form part of the respective answers. Wherever necessary, suitable assumptions may be made by the candidates and disclosed by way of note.

1(a). Mr. Walia, a native of Tripura, came to Kolkata for study purpose and has completed his Diploma in Food and Beverages (F&B) Services from the Institute of Hotel Management, Kolkata on 1.5.2019. Thereafter, he joined ‘The Dark’ a 3-star hotel under a placement programme. On 1.8.2019 he applied for a retail liquor license to the State Excise Department of Tripura. On 20.11.2019 he got the license to open a retail wine shop in the State of Tripura. He paid license fee of ₹ 1 crores to the State Govt. On the same day he left his job and shifted to his hometown.

During his internship he got total salary of ₹1,20,000. On 1.12.2019 he started his retail wine shop in his home town. From 10.1.2020 he started an ice-cream and soft drink parlour in his home town. His turnover from both the business are as under:

Period	Wine Shop	Ice Cream and Soft drink parlour
1.12.2019 to 31.12.2019	20 lakhs	-

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1.1.2020 to 9.1.2020	7 lakhs	-
10.1.2020 to 10.1.2020	1 lakh	2 lakhs
Total	28 lakhs	2 lakhs

Based on the information given above, choose the most appropriate You are required to answer the following queries raised by Mr. Walia in order to comply the GST Laws: -

1. Which of the following shall be considered for determining aggregate turnover for the purpose of registration?

- (i) Salary received by him from hotel The Dark
 - (ii) Sale of Shares and Securities
 - (iii) Sale of Industrial land
 - (iv) interest on bank deposits
- (a) i
(b) ii
(c) ii and iv
(d) iv

2

2. What would be the aggregate turnover u/s. 2(6) of the CGST Act, 2017?

- (a) 33 lakhs
- (b) 83 lakhs
- (c) 80 lakhs
- (d) 2 lakhs

1

3. What is the threshold limit for registration for him and whether he is liable for registration under GST?

- (a) ₹10 lakhs and Yes
- (b) ₹40 lakhs and No
- (c) ₹20 lakhs and Yes
- (d) ₹10 lakhs and No

2

4. From which date he is liable for registration and the last date of filing application and in which Form?

- (a) From 1.1.2020, by 31.1.2020, in Form GST REG-01
- (b) From 10.1.2020, by 9.2.2020, in Form GST REG-01
- (c) From 1.12.2019, by 31.1.2020, in Form GST REG-01
- (d) From 10.1.2020, by 9.2.2020, in Form GSTR-01

1

5. What document he is required to prepare and issue to his customer for supply of ice cream and soft-drink product and in how many copies and the due date of issue?

- (a) Tax Invoice; in triplicate, before or at the time of removal of goods
- (b) Tax Invoice; in duplicate, before or at the time of removal of goods
- (c) bill of supply or any other commercial invoice

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(d) Tax Invoice; in triplicate, within 30 days from the date of supply

1

6. Whether he is required to furnish any return under GST? If yes, in which form and the period covered in his first monthly return and the due date of furnishing the return, if order of registration certificate is issued on 05.02.2020?

(a) Yes, in GSTR-3B, From 10.01.2020 to 28.02.2020, by 20th March 2020

(b) No

(c) Yes, GSTR-3B, 10.01.2020 to 05.02.2020, by 20th Feb 2020

(d) Yes, GSTR-3B, 05.02.2020 to 28.02.2020, by 20th March 2020

1

7. Can he opt composition Scheme u/s. 10 or alternative composition scheme Notification No.2/2019 Central Tax (Rate) dated 07.03.2019 to discharge his GST liability?

(a) Yes, since turnover does not exceed ₹ 75 lakhs

(b) No, engaged in supply of non-taxable or services

(c) Yes, since not engaged in manufacture of ice-cream

(d) Yes, since value of service does not exceed ₹ 5 lakhs

1

8. Is he liable to pay GST on reverse charge basis for license fee paid to State Govt.?

(a) Yes, as it amounts to supply and services from Govt. is notified u/s. 9(3)

(b) No, since it is neither supply of goods nor a supply of services

(c) NO, since it is not covered u/s. 9(3)

(d) NO, since supply of alcohol is outside the scope of GST

1

1(b) Mr. X of West Bengal a Registered Dealer under GST purchased goods of ₹1,00,000 from Mr. Y of West Bengal. Determine the person liable to pay tax and when he shall be liable to pay tax under reverse charge u/s. 9(3) from the following information –

(1) Date of bill issued by Mr. Y 10.7.2019

(2) Date of receipt of goods by Mr. X 12.7.2019

(3) Date of payment by Mr. X: Entry in the books 21.7.2019, debit if bank account 19.7.2019

(a) Mr. X, 20th Aug, 2019

(b) Mr. Y, 20th Aug, 2019

(c) Mr. X, 20th Sept, 2019

(d) Mr. Y, 20th Sept, 2019

[2]

Question 2: (a) Shri Krishna Pvt. Ltd., a registered dealer, furnishes the following information relating to goods sold by it to Shri Balaram Pvt. Ltd. in the course of Intra State.

	Particulars	Amount (₹)
(i)	Price of the goods	1,00,000
(ii)	Municipal Tax	2,000
(iii)	Inspection charges	15,000
(iv)	Subsidies received from Shri Ram Trust (As the products is going to be used by blind association)	50,000

[4]

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(v)	Late fees for delayed payment. (Though Shri Balaram Pvt. Ltd. made late payment but these charges are waived by Shri Krishna Pvt. Ltd.)	1,000
(vi)	Shri Balaram Pvt. Ltd. paid to Radhe Pvt. Ltd. (on behalf of Shri Krishna Pvt.Ltd) weighment charges.	2,000

According to GST Law, determine the value of taxable supply made by Shri Krishna Pvt. Ltd. Items given in Point (ii) to (vi) are not considered while arriving at the price of the goods given in point no. (i). 3

(b) S Pvt. Ltd. provided or agreed to be provided the following services for the months of December 2019.

- i) Services rendered to poor people free of cost (value of the services computed on comparative basis ₹40,000)
 - ii) Testing of samples from plant for pest detection ₹1,00,000
 - iii) Advance received in December, 2019 from clients for which no service has been rendered so far ₹50,000
 - iv) Leasing of vacant land to a stud farm ₹50,000
 - v) Renting of agro machinery for agricultural purpose ₹5,00,000
- Compute the GST payable by it in the month of December, 2019. The aforesaid amounts are exclusive of GST. Assuming Rate of GST is 18%. 4

Question 3: Soren Enterprises is in possession of certain capital goods and purchases more of them as per the following particulars:

Particulars	Input tax on capital goods (₹)	Status of its use
Capital Goods A	12,000	Exclusively used for no business purpose.
Capital Goods B	24,000	Exclusively used for zero- rated supplies.
Capital Goods C	60,000	Used both for taxable and exempt supplies.
Capital goods D (has been exclusively used for 2 years for exempted supplies)	1,20,000	Now there is change in use, both for taxable and exempt supplies.
Capital goods E (has been exclusively used for 3 years for taxable supplies).	1,80,000	Now there is change in use, both for taxable and exempt supplies.

Useful life of all the above capital goods is considered as 5 years.

Apportion the input tax credit of capital goods, while being informed that aggregate value of exempt supplies during the tax period being ₹ 6,00,000 and total turnover during the tax period being ₹ 12,00,000. 7

Question 4: Answer the following in relation to the provisions of the GST Law

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(a) Mr. Paul an accountant of Cinopolis (a multiplex) is of the view that since the admission to exhibition of cinematograph films is ₹190 per person. Therefore he is required to issue a consolidated tax invoice at the closing of each business day for the purpose of compliance of GST law. Comment. [2]

(b) Goods transported in road upto 12 KM in a regular cargo at first leg, then transported in a Ship at the last leg to 100 k.m and travelled **through two states** by Mr. GTA. At the time of generation of e-way bill Mr. GTA asked you to know the period of validity of e-way bill and number of e-way bill required to be generated. [2]

(c) Goods received from other states by Mr. X, a registered person under GST in the following manner -

Date of dispatch	No. of Kgs dispatched	Date of receipt	Normal loss in transit Unit	Abnormal loss in transit Unit
10h Dec	3,000	15 th Jan	2	Nil
2 nd Jan	2,000	20 th Feb	5	Nil
3 rd Feb	5,000	5 th March	1	200

The Invoice shows total 10,000 Unit and GST Rate 18%. Price is ₹ 10 per kg. Determine the amount ITC available and the month in which it is allowed. [3]

Question 5:

(a) M/s. Mansh & Vansh Trading Company, a registered supplier, is liable to pay GST under forward charge. Determine the time of supply from the following information furnished by it:

(i) Goods were supplied on 03-10-2019

(ii) Invoice was issued on 05-10-2019

(iii) Payment received on 09-10-2019 [4]

(b) A machine which was purchased on 22.11.2019 for ₹1,00,000 is sold on 1.11.2020 for ₹ 50,000. The business entity has claimed input tax credit of CGST ₹ 6000 and SGST 6000 on said machine. Compute the GST liability for the month of Nov'2020. Consider the rate of GST is 12% [3]

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