

2021

INDIRECT TAX : LAWS & PRACTICES — HONOURS

Paper : DSE-6.1T

Full Marks : 80

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words as far as practicable.*

Group-A

Answer *any four* questions.

1. (a) State with reason whether the following activities constitute supply or not:
  - (i) Mr. Rana has received legal services from his son practicing law in USA in relation to purchase of a business property in USA without any consideration.
  - (ii) Mrs. Azmi gifted to her daughter worth ₹ 1,00,000.
  - (iii) XYZ Ltd. gives gifts worth ₹ 70,000 to one of its employees during a year in appreciation of his performance in the company.(b) What is the meaning of supply as per Sec 7 of CGST Act, 2017? 6+4
2. Why is GST needed in India? What are the main functions of GST Council? 5+5
3. Amrit, a registered dealer of Maharashtra purchased goods from another registered dealer in Delhi at ₹ 10,00,000 plus IGST @ 20%. Out of inter-state purchases, he supplied some goods in Maharashtra at ₹ 6,00,000 plus SGST and CGST @ 10% each and remaining goods to a dealer located in Karnataka at ₹ 6,00,000 plus IGST @ 20%. Compute the net tax liability of Amrit in respect of IGST, CGST & SGST. 10
4. Differentiate between 'Composite Supply' and 'Mixed Supply'. Give an example of each type of supply. How will the tax liability be determined for them? 5+2+3
5. M/s PP of Telangana supplied goods having MRP of ₹ 5,00,000 at ₹ 4,60,000 to M/s QQ of Telangana. Price charged excludes taxes and undermentioned charges.

	(₹)
— Cost of returnable container supplied	20,000
— Freight	5,000
— Insurance on freight	2,500
— Cost of other sales services	3,000
— Trade discount @ 2% on the basic price charged	—

Determine the transaction value of the goods and amount of GST payable by M/s PP. Applicable CGST, SGST and IGST rates are 9%, 9% and 18% respectively. 10

Please Turn Over

6. What is 'Reverse Charge Mechanism'? How is 'Time of Supply' determined when GST is payable on Reverse Charge Mechanism basis? 5+5
7. (a) State the order of utilisation of input tax credit available in electronic credit ledger.  
(b) How the time of supply in respect of advance received be determined?  
(c) From the following information, determine the time of supply of goods that are taxable under forward charge basis:
- |   |            |       |
|---|------------|-------|
| — Date of supply of goods                       | 09.10.2020 |       |
| — Date of issue of invoice                      | 12.10.2020 |       |
| — Date of payment entered in books of accounts  | 25.10.2020 |       |
| — Date on which amount credited to bank account | 01.11.2020 | 5+3+2 |
8. Mr. Nayak visited Nepal for a month and brought following goods while returning on 14.02.2021:
- |                             |        |  |
|-----------------------------|--------|--|
|                             | ₹      |  |
| — Personal effects worth    | 70,000 |  |
| — Jewellery bought (10 gms) | 30,000 |  |
| — One Laptop computer       | 35,000 |  |
| — A personal computer       | 40,000 |  |
- Calculate the amount of customs duty payable assuming that he arrived India by (i) air or (ii) road. 10

### Group-B

Answer *any two* questions.

9. Write short notes on *any four* of the following: 5×4
- (a) Baggage Rules  
(b) Documents required to avail ITC  
(c) Interest payable under CGST Act.  
(d) Duty drawback u/s 74  
(e) Electronic cash ledger and its uses.
10. Determine the assessable value and duty payable for the purpose of Customs Act, 1962 from the following information in respect of import of a machine from UK: 20
- |   |          |  |
|---|----------|--|
| — FOB value                                 | £ 8,000  |  |
| — Air Freight                               | £ 1,200  |  |
| — Design and development charges paid in UK | £ 400    |  |
| — Commission paid to local Agents           | £ 500    |  |
| — Buying commission paid in India           | ₹ 20,000 |  |
| — Landing charges paid                      | ₹ 8,000  |  |

Exchange rate notified by CBIC and rate of Basic Customs Duty (BCD) are as follows:

Date	BCD	Exchange Rate
On the date of Bill of entry 18.09.2020	10%	₹ 96.50/£
On the date of arrival of aircraft 30.09.2020	12%	₹ 97.10/£

IGST payable @ 12% and social welfare surcharge as applicable. Ignore GST compensation cess.

- 11.** (a) Aggregate turnover of ABC Ltd. of West Bengal amounts to ₹ 1.20 crore during the financial year 2019-20.  
State whether ABC Ltd., a supplier of goods, is eligible for composition scheme or not for the financial year 2020-21.  
Would your answer differ if ABC Ltd. is a supplier of goods in the state of Tripura?
- (b) Explain briefly the provisions for registration under GST.
- (c) Mention any two persons who cannot opt for composition scheme. Specify the GST rates under the scheme. 4+10+(3+3)
- 12.** (a) Mr. Suvo of West Bengal purchased goods worth ₹ 2,00,000 from Mr. Badsha of Bihar. [Applicable rates of CGST, SGST and IGST are 6%, 6% and 12% respectively.]  
Mr. Suvo also purchased goods worth ₹ 1,60,000 from Mr. Jit of West Bengal on which reverse charge is applicable. [Applicable rates of CGST, SGST and IGST are 6%, 6% and 12% respectively.]  
Mr. Suvo supplied goods of ₹ 4,00,000 to Mr. Prabir of West Bengal. [Applicable rates of CGST, SGST and IGST are 9%, 9% and 18% respectively.]  
Calculate the GST payable by Mr. Suvo for the relevant month assuming he has IGST credit opening balance of ₹ 7,000.
- (b) Explain briefly the provisions relating to input tax credit on capital goods. 10+10
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