

Internal Assessment Test - I

Sub:	Indirect Tax					Code:	20MBAFM403		
Date	11/06/2022	Duration :	90 mins	Max Marks:	50	Sem:	I	Branch :	MBA

Part A: (Answer any 2 full questions)

	Marks	OBE	
		CO	RBT
<p>1 (a) What is Dual GST Model?</p> <p>Ans: Dual GST model or dual GST structure is a simple tax with two different taxation components. Central Goods and Service Tax (CGST) and the State Goods and Service Tax (SGST) are the tax components that can be levied on a single transaction in India within a state on account of its federal nature.</p>	[03]	CO1	L1
<p>(b) Briefly explain the benefits of GST?</p> <p>Ans: GST has been so designed that credit of taxes paid at every stage of value addition from the point of manufacture to the point of consumptions, can be availed at the next stage. GST is essentially a tax on value addition, and there is seamless transfer of input tax credit across the value chain.</p>	[07]	CO1	L2
<p>(c) Difference of Direct tax and Indirect tax.</p> <p>Ans: While direct taxes are imposed on income and profits, indirect taxes are levied on goods and services. A major difference between direct and indirect tax is the fact that while direct tax is directly paid to the government, there is generally an intermediary for collecting indirect taxes from the end-consumer.</p>	[10]	CO1	L3
<p>2(a) State the history of GST in India.</p> <p>Ans: 2000: In India, the idea of adopting GST was first suggested by the Atal Bihari Vajpayee Government in 2000. The state finance ministers formed an Empowered Committee (EC) to create a structure for GST, based on their experience in designing State VAT.</p>	[03]	CO1	L1
<p>(b) Explain different types of Indirect tax in India.</p> <p>Ans: To put it simply, indirect taxes are those taxes that can be shifted from one individual to another. It is not levied directly on the income of the taxpayer, but is levied on the expenses incurred by them. Some examples of indirect taxes include sales tax, entertainment tax, excise duty, etc</p>	[07]	CO1	L2
<p>(c) What are the conditions for levy of GST?</p> <p>Ans: Conditions and Restrictions for Composition Levy</p>	[10]	CO2	L3

The person opting for the scheme must neither be a casual taxable person nor a non-resident taxable person. The goods held by him in stock on the appointed date must not be purchased from a place outside his state

3 (a) What is GSTN? Explain its Formation. [03]

Ans: GSTN or Goods & Service Tax Network is a Section 25 company, i.e. a non-government, non-profit organization. It has been formed with the sole purpose of providing the IT backbone to Government, pertaining to GST or Goods and Service Tax Law.

(b) Explain the need of GST in India. [07]

Ans: GST has replaced multiple taxes like sales tax, service tax, etc., which made India more of an integrated national market and brought more people into the taxation net is the need for gst. By improving efficiency, it can add substantially to finances as well as the growth of the country

(c) Assume that value for supply of goods/services charged by Mr.A to Mr.B both of same state is Rs.10,000 which is subject to 18% GST (i.e. 9% CGST & 9% SGST). Mr.B makes 20% value addition and sold to Mrs.C of same state which is again subject to 18% GST. Find out tax liability of Mr.A & B and Tax revenue of the state and central govt.

Ans:

	CGST	SGST
A to B	6000	6000
B to C	2400	2400
Transfer by K. to A (6000)	(6000)	(6000)
C to D	1440	1440
Transfer by C to M (6480)	6480	6480
Total	7920	7920

Part B (Mandatory 10 marks)

4 Assume that value for supply of goods/services charged by Mr.A to Mr.B both of Karnataka is Rs.1,00,000 which is subject to 12% GST (i.e. 6% CGST & 6% SGST). Mr.B makes 20% value addition and sold to Mrs.C of Maharastra which is subject to 12% IGST. Mr.C makes 10% value addition and sold to Mrs.D of Maharastra which is subject to 12% IGST. Find out tax liability of Mr.A, B and C and Tax revenue of the state and central govts.

Ans

CO1	L1
CO1	L2
CO2	L3
CO2,	L3

A to B	100000			
GST @ 6%	6000			
	6000			
	1,12,000			
B to C	120,000			
GST @ 12%	14400			
	134400			
C to D	132,000			
6% GST	7920			
6% GST	7920			
	147840			
		14400		
		12000		
		2400		
A to B	6000	6000		
B to C	2400			
Transfer by K. to A. (6000)		(6000)		
C to D			1440	
Transfer by C. to M. (6480)			6480	
	7920		7920	

Course Outcomes		PO1	PO2	PO3	PO4	PO5
CO1:	Demonstrate theoretical knowledge and its application in real time accounting	1a,1b, 2a,2b 3a,3b	1c, 3c,			
CO2:	Capable of preparing financial statement of sole trading concerns and companies		2c ,4			
CO3:	Independently undertake financial statement analysis and take decisions					
CO4:	Comprehend emerging trends in accounting using data base Management system					

Cognitive level	KEYWORDS
L1	List, define, tell, describe, identify, show, label, collect, examine, tabulate, quote, name, who, when, where, etc.
L2	summarize, describe, interpret, contrast, predict, associate, distinguish, estimate, differentiate, discuss, extend
L3	Apply, demonstrate, calculate, complete, illustrate, show, solve, examine, modify, relate, change, classify, experiment, discover.
L4	Analyze, separate, order, explain, connect, classify, arrange, divide, compare, select, explain, infer.
L5	Assess, decide, rank, grade, test, measure, recommend, convince, select, judge, explain, discriminate, support, conclude, compare, summarize.

PO1- Theoretical knowledge PO2 – Effective communication skill ;
 PO3- Leadership qualities ;
 PO4 – Sustained research Orientation PO5: Self sustaining Entrepreneurship

CI

CCI

HOD