CMR INSTITUTE OF TECHNOLOGY

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Internal Assesment Test - I

Sub:	Indirect Taxation	1						Code:	22MBAFM403
Date:	07.07.2023	Duration:	90 mins	Max Marks:	50	Sem:	IV	Branch:	MBA
				SET 3					

			О	BE
		Marks	СО	RBT
	Part A - Answer Any Two Full Questions (2* 20 = 40 marks)			
	What are Non GST goods? Fresh fruits, Fresh milk, Curd, Bread, etc. Exports and Supplies made to SEZ or SEZ Developers, of both goods and services. Grains, salt, Jaggery, etc. Alcohol used for human consumption, Natural gas, Petrol and its products, electricity, etc.	[03]	CO1	L1
(b)	Lal, a registered supplier, is engaged in providing services in the neighboring States from his registered office located in Karnataka. He has furnished the following details in respect of the inward and outward supplies made during a tax period: Particulars (₹) Inter-State supply of services 3,80,000 Receipt of goods and s ervices within the State 3,00,000 Assume rates of tax: CGST and SGST 9% each and IGST 18% Notes: (i) Both inward and outward supplies are exclusive of taxes, wherever applicable. (ii) All the conditions necessary for availing the input tax credit have been fulfilled. Evaluate net GST payable by Lal during the given tax period. Make suitable assumptions if required.	[07]	CO1	L4
	Solution:			
	Computation of net GST payable by Lal			
	Particulars Amount (₹)			
	IGST @ 18% payable on inter-State supply of services [Being an interState supply, IGST is payable on the same in terms of section 5 of the IGST Act, 2017] 68,400 [3,80,000 × 18%] Less: ITC of CGST @ 9% paid on intra-State receipt of goods and services 27,000			
	Cross utilization of CGST towards IGST] 27,000 (300000*9%)			
	Less: ITC of SGST @ 9% paid on intra-State receipt of goods and services [Cross utilization of SGST towards IGST] 27,000 (300000*9%) Net GST payable 14,400			
c)	Explain in detail taxes subsumed under GST.	[10]	CO1	L1
	Taxes currently levied and collected by the Centre are Central Excise duty, Duties of Excise (Medicinal and Toilet Preparations), Additional Duties of Excise			

(Goods of Special Importance), Additional Duties of Excise (Textiles and Textile Products), Additional Duties of Customs (commonly known as CVD), Special Additional Duty of Customs (SAD), Service Tax, Central Surcharges and Cesses so far as they relate to supply of goods and service. State taxes that would be subsumed under the GST are State VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by the local bodies), Taxes on advertisements eg. Purchase Tax, Taxes on lotteries, betting and gambling, State Surcharges and Cesses so far as they relate to supply of goods and services. Customs duties are not included in GST regime			
2 (a) What is 'GST Council'? The GST Council is a constitutional body responsible for making recommendations on issues related to the implementation of the Goods and Services Tax (GST) in		CO2	L1
India. (b) Who are the persons liable to be registered under GST? Every supplier shall be liable to be registered under the GST Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds Rs. 20,00,000 (Rs. 20 Lakh).		CO1	L2
(c) M/s Star Ltd. being a manufacturer of laptops has four factories in Karnataka. Place Turnover (₹ in lakhs) (Including Taxes @ 18%) Bengaluru 1 Division 62.91 Bengaluru 2 Division 17.00 Bengaluru 3 Division 13.00 Bengaluru 4 Division 55.00 Mysuru Division 28.60 Total 176.51	[10]	CO3	L3
Is M/s Star Ltd is eligible for composition levy in the current year? Show your working.			
Solution: $176.51 * 18/118 = 26.92$ 176.51 - 26.92 = 149.59. Hence he is eligible for composition levy as his turnover is less than Rs.1.50 Cr.			
3 (a) Explain the purpose of returns under GST. GST return is a document that will contain all the details of sales, purchases, tax collected on sales (output tax), and tax paid on purchases (input tax). Once GST are filed, there is a need to pay the resulting tax liability (money that owe the government).		CO1	L2
(b) Explain the importance of 101 st Amendment Act in India. The 101st constitution amendment act 2016 aims to make India one unified common market and introduce a new uniform indirect taxation system. It provides a transparent tax structure for the consumers on the value of goods and services he is availing for use.		CO2	L3
(c) M/s. Swamy and Sridhar Company is a partnership firm of interior	[10]	CO3	L3

decorators and also running a readymade garment showroom. Turnover of the showroom was ₹ 80 lakhs and receipts of the interior decorator's service was ₹ 22 Lakhs in the preceding financial year.

With reference to the provisions of the CGST Act, 2017, examine whether

With reference to the provisions of the CGST Act, 2017, examine whether the firm can opt for the composition scheme?

Solution: Not eligible for composition scheme – as engaged in supply of services other than restaurant/catering services exceeding 10% of state turnover of preceding FY (even though it is fulfilling condition of aggregate turnover)

Will your answer change, if the turnover of the showroom was ₹ 70 lakh and receipts of the interior decorator's service was ₹ 22 Lakhs in the preceding financial year?

Solution: Not eligible for composition scheme – as engaged in supply of services other than restaurant/catering services exceeding 10% of state turnover of preceding FY (even though it is fulfilling condition of aggregate turnover)

Also discuss whether it is possible for M/s. Swamy and Sridhar Company to opt for composition scheme only for showroom?

Solution: Composition scheme has to be opted for all registered premises – if any registered premise is not eligible for composition, then any registered premise cannot opt for composition.

Part B - Compulsory (01*10=10 marks)

MNN, a supplier of goods, pays GST under regular scheme. He is not eligible for any threshold exemption. He has made the following outward/inward taxable supplies in a tax period

Particulars Amount (₹)

Interstate supply of goods 15,00,000
Intrastate supply of goods 7,00,000
Intrastate purchase of goods 12,00,000

Mr. MNN has the following ITC's with him at the beginning of the tax period:

CGST 40,000

SGST 40,000

IGST 50,000

Both inward and outward supplies are exclusive of taxes, wherever applicable

- (a) Evaluate the net GST payable by Mr. MNN during the tax period. Assume rates to be 18%.
- (b) Infer workings of total output tax, total input tax credit, net GST payable. Solution:

Particulars IGST CGST SGST
Output liability 2,70,000

Output intra state 63,000 63,000

Less ITC

CO1	L3
	23
CO1	L3

IGST	50,000		
CGST	85,000	63,000	
SGST	85,000		63,000
Net tax payable	50,000	0	0
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	Course Outcomes (COs)	P01	P02	PO3	PO4	PO5	PSO1	PSO2	PSO3	PSO4
CO1:	Explain the various terms related to Indian Goods and Service tax (GST)	1a,1b	1c	-	-	-	1a,1b	1c	-	-
CO2:	Analyze whether a person is eligible to obtain registration as well as filing of returns under GST law.	2a,2b	2c	-	-	-	2a,2c	2b,2c,3c,4	-	-
CO3:	Have clarity on Provisions of levy and collection of GST in India	3a,3b	3c,4	-	-	-	-	-	-	-
CO4:	Assess the Value of goods and services based on provisions of Time, value and Place of supply.	-	-	-	-	-	-	-	-	-
CO5:	Understand the concept of import and export procedure for Custom duty.	-	-	-	-	-	-	-	-	-
CO6:	Identify Customs duty provisions and valuation of imported goods.	-	-	-	-	-	-	-	-	_

Cognitive level	KEYWORDS						
L1 -	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.						
Remember	inst, define, ten, describe, recate, recan, identity, snow, laber, tabulate, quote, name, who, when, where, etc.						
L2 -	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss						
Understand	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss						
L3 - Apply	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify						
L4 - Analyze	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select						
L5 - Evaluate asses, decide, choose, rank, grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate							
L6 - Create	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate						

PO1–Theoretical Knowledge; PO2–Effective Communication Skills; PO3–Leadership Qualities; PO4 –Sustained Research Orientation; PO5 –Self-Sustaining Entrepreneurship

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