

**Internal Assessment Test - I**

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

		Marks	OBE																	
			CO	RBT																
<b>Part A - Answer Any Two Full Questions ( 2* 20 = 40 marks)</b>																				
1	<p>(a) 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.</p>	[03]	CO1	L1																
	<p>(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 (₹)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Inter-State supply of services</td> <td style="text-align: right;">3,80,000</td> </tr> <tr> <td>Receipt of goods and s ervices within the State</td> <td style="text-align: right;">3,00,000</td> </tr> </table> <p>Assume rates of tax: CGST and SGST 9% each and IGST 18% Notes:</p> <p>(i) Both inward and outward supplies are exclusive of taxes, wherever applicable.</p> <p>(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.</p> <p>Solution: Computation of net GST payable by Lal</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Particulars</th> <th style="text-align: right;">Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>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]</td> <td style="text-align: right;">68,400 [3,80,000 × 18%]</td> </tr> <tr> <td>Less: ITC of CGST @ 9% paid on intra-State receipt of goods and services</td> <td style="text-align: right;">27,000</td> </tr> <tr> <td>Cross utilization of CGST towards IGST] 27,000 (300000*9%)</td> <td></td> </tr> <tr> <td>Less: ITC of SGST @ 9% paid on intra-State receipt of goods and services [Cross utilization of SGST towards IGST]</td> <td style="text-align: right;">27,000 (300000*9%)</td> </tr> <tr> <td>Net GST payable</td> <td style="text-align: right;">14,400</td> </tr> </tbody> </table>	Inter-State supply of services	3,80,000	Receipt of goods and s ervices within the State	3,00,000	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	[07]	CO1	L4
Inter-State supply of services	3,80,000																			
Receipt of goods and s ervices within the State	3,00,000																			
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																			
	<p>(c) Explain in detail taxes subsumed under GST. Taxes currently levied and collected by the Centre are Central Excise duty, Duties of Excise (Medicinal and Toilet Preparations), Additional Duties of Excise</p>	[10]	CO1	L1																

(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'?

[03]

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 India.

CO2

L1

(b) Who are the persons liable to be registered under GST?

[07]

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.

[10]

Place Turnover (₹ in lakhs) (Including Taxes @ 18%)

CO3

L3

Bengaluru 1 Division	62.91
Bengaluru 2 Division	17.00
Bengaluru 3 Division	13.00
Bengaluru 4 Division	55.00
Mysuru Division	28.60
<b>Total</b>	<b>176.51</b>

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.

[03]

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<sup>st</sup> Amendment Act in India.

[07]

The 101<sup>st</sup> 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



IGST	50,000		
CGST	85,000	63,000	
SGST	85,000		63,000
<b>Net tax payable</b>	<b>50,000</b>	<b>0</b>	<b>0</b>
=====			

Course Outcomes (COs)		PO1	PO2	PO3	PO4	PO5	PSO1	PSO2	PSO3	PSO4
<b>CO1:</b>	Explain the various terms related to Indian Goods and Service tax (GST)	1a,1b	1c	-	-	-	1a,1b	1c	-	-
<b>CO2:</b>	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	-	-
<b>CO3:</b>	Have clarity on Provisions of levy and collection of GST in India	3a,3b	3c,4	-	-	-	-	-	-	-
<b>CO4:</b>	Assess the Value of goods and services based on provisions of Time, value and Place of supply.	-	-	-	-	-	-	-	-	-
<b>CO5:</b>	Understand the concept of import and export procedure for Custom duty.	-	-	-	-	-	-	-	-	-
<b>CO6:</b>	Identify Customs duty provisions and valuation of imported goods.	-	-	-	-	-	-	-	-	-

Cognitive level	KEYWORDS
L1 - Remember	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
L2 - 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

**CI**

**CCI**

**HOD**