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18MBAFM403

Fourth Semester MBA Degree Examination, Feb./Mar. 2022 Indirect Taxation

Time: 3 hrs.

Max. Marks:100

**Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.**

- 1 a. What is GST dual model? (03 Marks)
b. Explain the activities which are treated as supply even if made without consideration. (07 Marks)
c. What is the procedure of Registration under CGST Act and Rules 2017? Explain. (10 Marks)
- 2 a. Mention the tax rate applicable under composition scheme. (03 Marks)
b. What do you understand by 'Indirect Tax'? What are the Pros and Cons of Indirect Taxing? (07 Marks)
c. A Ltd imported a machine at an invoice price of GBP (Great British Pound) £ 10,000. This sum includes £ 2000 attributable to post importation activities to be carried out by the seller. A Ltd., had supplied raw materials worth £ 500 to the seller for the manufacture of the said machine. The importer imported these goods by vessel and actual cost of transport is £ 1,500 and lighterage and barge charges in India are Rs 50,000. Ship demurrage charges of Rs 10,000. The importer also incurred in India Rs 25,000 for transportation of goods from port of entry to Inland Container Depot (ICD). Insurance charges not known.
Exchange rate 1 £ = Rs 103.06.
Note : Post – Shipment expenditure is not Pre – condition for such import. Calculate the Assessable value of the machine. (10 Marks)
- 3 a. Why is the determination of 'Place of Supply' important under GST laws? (03 Marks)
b. What do you mean by the term 'Aggregate Turnover'? How is it calculated? (07 Marks)
c. What is GST Council? What are the guiding principles of the GST in India? (10 Marks)
- 4 a. What are the benefits of Filing returns under GST to the manufacturers? (03 Marks)
b. Explain in brief the applicable rules to the valuation of exported goods. (07 Marks)
c. ABC Ltd., is in the business of monitors (20 inches), digital cameras, recorders and projectors. The 28% GST rate is applicable on these items. The Company also manufactures Agricultural implements like spades, forks and axes etc., which are exempt from GST. The following is the turnover of the Company during April to June 2018

	Particulars of Supplies	Value of Supply (Rs)	GST Rate
a)	Computer Monitors	21,00,000	18 %
b)	Digital Camera	11,00,000	28 %
c)	Projector	7,00,000	28 %
d)	Agricultural Implements	9,00,000	NIL
	Total	48,00,000	

The Co. fulfills all the conditions required for adoption of composition levy scheme. Calculate the total tax liability under composition scheme if the Company ABC Ltd., is Case 1 – Manufacturer of these items and Case II Trader. (10 Marks)

- 5 a. Mention any 3 circumstances under which no duty will be levied. (03 Marks)
 b. Elucidate the provisions for determination of place of supply of goods in the domestic transactions. (07 Marks)
 c. Describe the provisional assessment of Customs duty. (10 Marks)
- 6 a. What is Baggage? (03 Marks)
 b. What is Customs Duty? Explain the types of duties charged under Customs Act of 1962. (07 Marks)
 c. Explain in detail the classification of exemptions under the CGST Act of 2017. (10 Marks)
- 7 a. List out the functions of GST Council. (03 Marks)
 b. Explain the seizure of goods under Customs Act. (07 Marks)
 c. Determine the time of supply in the following cases assuming that GST is payable under reverse charge :

Sl. No.	Date of payment by the recipient for supply of services	Date of issue of invoice by the supplier of services
i)	August 10	June 29
ii)	August 10	June 1
iii)	Part payment made on June 30 and balance amount paid on September 1	June 29
iv)	Payment is entered in the books of accounts on June 28 and debited in recipient's Bank account on June 26	June 1
v)	Payment is entered in the books of account on June 30 and debited in recipient's Bank A/C on June 26.	June 29

(10 Marks)

8 **CASE STUDY (Compulsory) :**

Red Pepper Ltd., Delhi a registered supplier, is manufacturing taxable goods. It provides the following details of taxable inter – state supply made by it during the month of March.

Sl. No	Particulars	Amount (Rs)
i)	List price of taxable goods supplied inter – state (exclusive of taxes)	15,00,000
ii)	Subsidy received from the Central Govt. for supply of taxable goods to Government School (Exclusively related to supply of goods included at SL.No (i))	2,10,000
iii)	Subsidy received from an NGO for supply of taxable goods to an old age home (exclusively related to supply of goods included at SL. No (i))	50,000
iv)	Tax levied by Municipal Authority	20,000
v)	Packing charges	15,000
vi)	Late fee paid by the recipient of Supply for delayed payment of consideration (Recipient has agreed to pay Rs 6000 in lumpsum and no additional amount is payable by him)	6,000

The list price of the goods is net of the two subsidies received. However the other charges / taxes / fee are charged to the customers over and above the List price. Calculate the Total value of taxable supplies made by Red Pepper Ltd., during the month of March. Rate of IGST is 18%.

(20 Marks)