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20MBAFM403

Fourth Semester MBA Degree Examination, July/August 2022
Indirect Taxation

Time: 3 hrs.

Max. Marks:100

Note: 1. Answer any FOUR full questions from Q1 to Q7.
2. Question No. 8 is compulsory.

- 1 a. State the meaning of GSTN. (03 Marks)
b. Explain the structure of GST council and its functions. (07 Marks)
c. Describe the advantages and disadvantages of GST. (10 Marks)
- 2 a. State the exempted good and services under GST. (03 Marks)
b. Distinguish between composite supply and mixed supply. (07 Marks)
c. Define "the terms Taxable Supply" and its different forms of supply with example. (10 Marks)
- 3 a. State the essential elements of "Scope of Supply". (03 Marks)
b. Discuss the Concept of Reverse Charge Mechanism (RCM) in GST. (07 Marks)
c. A dealer effected the following sales during the second Quarter (July – September) 2020-21.
i) Invoice No. 171, dated 02-07-2020 for Rs. 26,000
ii) Invoice No. 172, dated 19-07-2020 for Rs. 70,000
iii) Invoice No. 173, dated 02-08-2020 for Rs. 51,000
iv) Invoice No. 174, dated 04-09-2020 for Rs. 12,200
v) Invoice No. 175, dated 25-09-2020 for Rs. 20,000
vi) Good worth Rs. 6,100 against invoice No. 174 were returned on 28-09-2020
vii) Goods worth Rs. 5,200 sold on 25-02-2020 were returned on 30-08-2020.
All the above goods were sold in the course of interstate trade. Calculate the taxable Turnover and IGST payable if the Tax Rate is 12%. (10 Marks)
- 4 a. Enlist the benefits of Registration. (03 Marks)
b. How Casual Taxable Person is different from Non-Resident taxable person. (07 Marks)
c. Mr. Shekar (dealer in Delhi) entered into a contract with a supplier in Mysore to deliver machinery along with essential accessories. From the information determine the total amount of GST payable U/s 15 of the CGST Act 2017.
i) Price of machinery (exclusive of GST) Rs. 6,00,000
ii) Installation and erection expenses charged Separately in invoice Rs. 46,000
iii) Packing charges charged separately in invoice Rs. 4,000
iv) Design and engineering charges charged separately in invoice Rs. 55,000
v) Pre-delivery inspection charges Rs. 6,000
vi) Rate of GST on machinery 18%
vii) Cash discount of Rs. 25,000 was allowed as per terms of contracts. Since full payment was received before dispatch of machinery.
viii) The machine is supplied along with accessories (optional) at Rs. 10,000 and the rate of duty applicable to there accessories is 28%.
Calculate the GST if it is a mixed supply. (10 Marks)

- 5 a. Define the meaning of FOB and CIF value. (03 Marks)
- b. Enumerate the special cases for registration under GST. (07 Marks)
- c. Compute the Net GST liability of Mr. Guru, a registered dealer in Chennai from the following information.
- | | |
|---|------------|
| i) Raw materials imported from Srilanka
(Excluding BCD at 10% and IGCT at 12%) | Rs. 40,000 |
| ii) Raw Material purchased from Coimbatore (including GST at 5%) | Rs. 90,300 |
| iii) Raw material purchased from Bangalore (including IGST at 12%) | Rs. 43,000 |
| iv) Storage, Transportation cost and insurance | Rs. 76,000 |
| v) Other manufacturing expenses incurred | Rs. 25,000 |
| vi) Profit margin of a manufacturer is 10% on the selling price | |
- Mr. Guru sold 30% of the finished goods to a SEZ in Hosur and the balance to a dealer in Chennai. GST rate on sale of such goods is 12%. (10 Marks)
- 6 a. What shall be the 'OIDAR'? (03 Marks)
- b. What is crew baggage and explain the different ways of assessment of goods U/s 17. (07 Marks)
- c. Categorize the different forms of filling of returns as per the CGST Act 2017. (10 Marks)
- 7 a. Write the meaning of Road and Infrastructure cess on imported goods. (03 Marks)
- b. From the following particular calculate the customs duty payable. (07 Marks)
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| i) Assessable value of imported goods Rs. 1,50,000 |
| ii) Basic customs duty payable @ 10% |
| iii) Integrated Tax U/s 3(7) of customs tariff Act 18% |
| iv) The exporting country has subsidized the seller Rs. 30,000 |
| v) Ignore compensation cess. |
- c. In detail discuss the different types of customer duty of India. (10 Marks)
- 8 CASE STUDY [Compulsory]
- a. ABC and Company Limited has imported a machine form U.K . From the following particulars furnished by it, arrive at the Assessable value for the purpose of customs duty payable.
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|---|------------|
| | Amount (£) |
| i) Price of the machine | 10,000 |
| ii) Freight (air) | 3,000 |
| iii) Engineering and design charges paid to a firm in U.K. | 500 |
| iv) License free relating to imported goods 20% of price of payable by the buyer as a condition of sale machine | |
| v) Materials and components supplied in UK by the buyer free of cost valued at | Rs. 20,000 |
| vi) Insurance paid to the insurance in India | Rs. 6000 |
| vii) Buying commission paid by the buyer to his agent in UK | £ 100 |
| other particular | |
| i) Inter – Bank exchange rate of Rs. 98 per U.K pound | |
| ii) CBITC had notified exchanged rate of Rs. 100 per UK Pound | |
| iii) Importer paid Rs. 5,000 towards demurrage charges, for delay in clearing the machine from the Airport. | |
- (10 Marks)

- b. From the particulars given below, find out the Assessable value of the imported goods under the customer Act, 1962.

	US \$
i) Cost of the machine at the factory of the exporter	10,000
ii) Transport charges from the factory of Exporter to the port for shipment	500
iii) Handling charges paid for loading the machine in the ship	50
iv) Buying commission paid by the importer	50
v) Freight charges from exporting country to India	1,000
vi) Exchange rate to be considered : 1\$ =	Rs. 60
vii) Actual insurance charges paid are not ascertainable.	

(10 Marks)

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