



OP – 259

IV Semester M.Com. Examination, November 2021  
(CBCS Scheme)  
COMMERCE

AT 4.4 : Customs Duty and GST

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer **any seven** of the following sub-questions in about **3-4** lines each.  
Each sub-question carries **two** marks. (7×2=14)
- Differentiate between zero rated supply and exempt supply with examples.
  - Mr. Harish is a full time Director in Axis Ltd. (salary being Rs. 3,50,000 per month). In addition, he gets Rs. 25,600 per meeting of Board of Directors as sitting fess. Find out the GST liability on sitting fess. Can he claim exemption of GST on salary received by him ? Who will pay GST in this case ?
  - What are the provisions Regulating E-way Bill in GST ?
  - “Under certain cases GST registration is compulsory irrespective of the Aggregate Turnover.” Discuss.
  - Cauvery enterprises imported the goods and details are available for claiming duty drawback as per Customs Act, 1962 : Ganga Ltd. exported manufactured goods having FOB value of Rs. 86,000, Rate of duty drawback on FOB value exports 40% and market value of the export product Rs. 96,000. Determine duty drawback.
  - Write about GSTR-4.
  - Highlight the parameters to find out time of supply in case of change in GST Rate.
  - Differentiate between Cash Ledger and Credit Ledger.
  - What is Refund Voucher ? When it will be issued ?
  - How clearance for home consumption is different from clearance for warehousing ?

SECTION – B

- Answer **four** of the following. Each question carries **5** marks. (4×5=20)
2. “GST is much more than just a repackaged VAT, as the way GST is structured solves most of the challenges encountered by the Indian businesses.” Justify this statement by discussing the unique features of GST.

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3. Calculate GST payable under the following cases with relevant justification by assuming both the transactions are intra state.
- A 5 star hotel is booked for 10 employees of ITC Ltd. on a lump sum package with various facilities for Rs. 19,000 which consists Accommodation – Rs. 10,000 (GST rate 18%), Breakfast – Rs. 5,000 (GST rate 5%), Tea and Coffee during conference – Rs. 2,000 (GST rate 5%), Access to fitness room for the delegates – Rs. 1,000 (GST rate 18%) and Business centre – Rs. 1,000 (GST rate 5%) for each pax.
  - A customer purchased 5 Gift basket consisting Chocolates – 100 gms of Rs. 200/- (GST rate 18%), Biscuits – 300 gms of 100/- (GST rate – 18%), Juices – 250 ml of 50/- (GST rate 12%), Soft drinks – 200 ml of 15/- (GST rate 28%), Dry fruits – 300 gms of 300/- (GST rate 5%).
4. Identify the time of supply and due date for the same in following independent cases :
- Consultancy service provided on 6<sup>th</sup> July, 2020. Invoice is issued on 25<sup>th</sup> July. Payment is received on 20<sup>th</sup> August.
  - Architect rendered his services on 3<sup>rd</sup> August, 2020. Invoice of Rs. 3,00,000 is issued on 4<sup>th</sup> August. An advance amount of Rs. 75,000 is received on 25<sup>th</sup> July and balance of Rs. 1,25,000 is received on 7<sup>th</sup> August.
  - Seminar happened on 3<sup>rd</sup> August, 2020. However, invoice is issued on receipt of advance Rs. 20,000 on 16<sup>th</sup> July. Balance amount Rs. 10,000 is received at the time of completion service.
  - Mr. Harish (unregistered) supplied goods on 10<sup>th</sup> August 2021 to Karvy Ltd. Invoice was issued on 5<sup>th</sup> July and Date of payment by Karvy Ltd. is 20<sup>th</sup> September (as per books of Karvy Ltd) (amount debited by bank in current account of Karvy Ltd. on 21<sup>st</sup> September).
  - Technical Service is provided on 3<sup>rd</sup> July. Invoice of Rs. 7,00,000 is issued on 18<sup>th</sup> August. Payment of Rs. 5,00,000 is received on 11<sup>th</sup> August and the balance amount 2,00,000 is received on 19<sup>th</sup> August, 2020.
  - Goods supplied to Arvindh Mills on 23<sup>rd</sup> April 2020 by Chetan Ltd. of Punjab and received Rs. 1,20,000 immediately. Balance was received on 30<sup>th</sup> June.
5. "GSP enables a GST tax payer to comply with all the procedural provisions of the GST law through its web platform." Discuss.
6. Rocks Ltd., located in West Bengal provides GST liability for the month of July 2021 is as follows :
- | <b>Particulars</b>  | <b>Amount (Rs.)</b> |
|---------------------|---------------------|
| Output CGST payable | 5,64,000            |
| Output SGST payable | 4,98,000            |
| Output IGST payable | 2,23,000            |
| Input CGST          | 1,04,000            |
| Input SGST          | 2,14,000            |
| Input IGST          | 3,27,000            |
- Additional details : An Asset was bought from the local supplier for Rs. 1,70,000 (inclusive of GST at 18%). Calculate GST payable.



7. Discuss the Baggage rule applicable for professional returning and transfer of residence to India with illustration.

**SECTION – C**

Answer **any three** questions out of **five**. Each question carries **twelve** marks. **(3×12=36)**

8. "Supply of goods and services are classified into different kinds for levying GST." Explain with example.
9. Explain the various types of Assessment and Audit under GST.
10. Hitachi Ltd., a Heavy Machine Manufacturing Company in Kanpur (Uttar Pradesh) made an agreement with Machine Tools Ltd., Delhi on 15<sup>th</sup> August 2020 to manufacture a machine as per specification and installed at the factory in Coimbatore, (location of branch office of Machine Tools Ltd). It has furnished the following details :
- Cost of the machinery is Rs. 15,00,000
  - Transportation and handling charges Rs. 50,000
  - Installation testing charges Rs. 75,000
  - Design charges paid by the Machine Tools Ltd. Rs. 25,000
  - Cost of accessories supplied by the Machine Tools Ltd. Rs. 45,000
  - Bought out accessories supplied along with machine (for installing the machine) Rs. 22,000.

Under special scheme, Company received Rs. 36,000 as subsidy from Central government. It is the policy of the company to give 5% discount on the cost of the machinery to customers from other states. GST rate is 18%. Machinery was removed from Kanpur on 6<sup>th</sup> January 2021 and installed and made available to be used on 22<sup>nd</sup> January 2021. An advance of Rs. 3,00,000 was received at the time of the agreement for which a receipt was given. The balance amount was received on 1<sup>st</sup> Feb. 2021 up on the issue of the invoice dated.1<sup>st</sup> Feb. 2021. Determine the following :

- a) Place of supply
  - b) Time of supply
  - c) GST payable
  - d) Due date for the payment.
11. Bharath Ltd. imported 10 tons of metals from Europe at EUR 6,500 per ton. Additional details of transactions are given below :

<b>Particulars</b>	<b>Amount (EUR)</b>
Total freight charges up to the exporters airport	400
Royalties paid per ton	120
Total accessories supplied by importer	4,500
Total charges for loading on to the aircraft in the exporter's country	200
Total returnable package containers	2,000
Total packaging charges (not returnable)	250



Total ship demurrage charges	120
Air freight charges per ton	300
Buyer's commission per ton	200

Other details are below :

- Importer incurred Rs. 56,000 to transport the metals from airport to its Go down.
- Insurance paid details are not available.
- IGST at 18%.

Exchange Rate Given by	As on 28.12.2020 (Bill of entry date)	As on 25.02.2021 (Entry Inward allowed)
CBIC	86.56	85.58
RBI	85.45	84.78
BCD Rate	25%	30%

Compute imported value.

12. Mrs. Aruna owns a garments wholeselling unit in Aurangabad, Maharashtra. She submits the following information pertaining to July 2021 :
- Input Tax credit balance in electronic ledger as on July 1, 2021  
– IGST Rs. 20,000; CGST Rs. 22,000; SGST Rs. 17,000.
- Outward supply of garments for the month of July is as follows :
- 2,500 units supplied to A Ltd., Kolkata at taxable value before 10% discount Rs. 30,00,000 plus GST at 12%
  - 900 units supplied to B Ltd., Mumbai at taxable value of supply before 30% discount Rs. 7,20,000 plus GST at 5%
  - 700 units supplied to C Ltd., Indore at taxable value of supply Rs. 35,00,000 plus GST at 12%
- Inward Supply for the month of July is as follows :
- Supply of garments from P Ltd., Chennai at taxable value of Rs. 6,00,000 plus GST at 5%
  - Supply of Garments from Q. Ltd., Mumbai at taxable value of supply Rs. 2,00,000 plus GST at 12%
  - Supply of Garments from R Ltd., Pune at taxable value of supply Rs. 3,00,000 plus GST at 5%
  - Rent of Aurangabad store paid to U Ltd., Mumbai at taxable value of supply Rs. 1,60,000 plus 18% GST
  - Rent of Aurangabad godown paid to V Ltd., Aurangabad at taxable value of Rs. 60,000 plus GST at 18%
  - Computer purchased (treated as revenue asset) for Aurangabad store at taxable value of supply Rs. 1,00,000 plus GST at 18%
- Advice Mrs. Aruna in paying GST by considering the following details :
- Out of her business stock, she gives 10 coats free of cost to a friend; ITC was availed when these coats were purchased. Normal sale price of these coats is Rs. 7,000 per piece (normally a discount for 10% is given to a customer) GST rate is 12%
  - For the aforesaid supply to the friend, nothing is recovered from the friend
  - Assume that conditions for claiming ITC are satisfied.