

SEMESTER - V

COURSE- B COM (P)

PAPER - INDIRECT TAX LAW

QUESTION BANK

Q 1 SK Gensets is a company registered in Mumbai. It manufactures and sells generators and gives Pan India warranty for free repairs and servicing for one year. Easy Services is a company registered in Delhi and it has an arrangement to provide repair and servicing of generators to Delhi/NCR customers on behalf of SK Gensets. The payment of such repairs and servicing is made directly by SK Gensets to Easy Repairs. Mr A of Delhi bought a generator from SK Gensets and he got the first free service done from Easy Repairs at their Delhi workshop. Easy Repairs need to collect Rs 2000 from SK Gensets for services offered to Mr A.

Easy Repairs seeks your advice about nature of this supply, whether it is intra state supply or interstate supply and the also rate/type of GST to be charged. Discuss the relevant provisions of Place of Supply and advise ABC.

Q 2 P is a supplier of Garments which attracted a GST rate of 5% till 31.08.2020 which was increased to 12% w.e.f. 01.09.2020. A provides you details of some instances of goods supplied, Payments received and invoices raised. You are required to advise A about Time of Supply and Rate of GST to be charged as per provisions of section 14 of CGST Act-

S No.	Goods Supplied	Invoice Raised	Payment Received	Time of Supply	GST Rate
1	08.09.2020	05.09.2020	28.08.2020		
2	31.08.2020	29.08.2020	25.10.2020		
3	05.09.2020	29.08.2020	15.09.2020		
4	25.08.2020	27.08.2020	26.09.2020		
5	22.09.2020	02.09.2020	31.08.2020		

Q 3 PQR sells a new model of Air Conditioner to A by charging Rs 20000 and also buying A's old Air Conditioner in exchange. The relevant details of exchange arrangement are given below-

Market Value of new Air Conditioner- Not available

Price of similar kind and quality with same specifications- 25000

Exchange Value of old Air conditioner- 4500

Cost of manufacturing of new model of Air Conditioner -21000

Calculate the Value of Supply. What will be your answer if Market Value of new model is Rs 26000

Q 4 P of Punjab places an order for 1000 shirts with D of Delhi and instructs him to dispatch goods to R of Rajasthan. D and P seek your advice about implications of the complete transaction from the perspective of Place of Supply and applicable type of GST

Q 5 X is a supplier of cosmetics products which attracted a GST rate of 28% till 31.08.2020 which was reduced to 18% w.e.f. 01.09.2020. X provides you details of some instances of goods supplied, Payments received and invoices raised. You are required to advise X about Time of Supply and Rate of GST to be charged as per provisions of section 14 of CGST Act-

S No.	Goods Supplied	Invoice Raised	Payment Received	Time of Supply	GST Rate
1	28.08.2020	05.09.2020	08.09.2020		
2	30.08.2020	27.08.2020	25.10.2020		
3	03.09.2020	29.08.2020	15.10.2020		
4	05.09.2020	27.08.2020	26.08.2020		
5	02.09.2020	24.08.2020	01.09.2020		

Q 6 Sooraj agrees to supply a solar geyser to Chand, to be fitted by Sooraj at customer's place. The details are given below-

List Price 20000; Packing and Forwarding 1500; Installation expenses 2000; Subsidy by Delhi Govt. 5000; Subsidy by Save Earth Organisation 2000; Discount on list price 7%. Chand paid the installation expenses of Rs 2000 directly to the mechanic. The applicable rate of GST is 5%.

Calculate the Transaction Value and GST

Q 7 P of Punjab places an order for 1000 shirts with D of Delhi and instructs him to dispatch goods to R of Rajasthan. Discuss the applicable provision of Place of supply and type of GST . What will be your answer if P had instructed D to deliver shirts to K of Karol Bagh, Delhi

Q 8 M, registered in Mumbai., sells Machines with Pan India warranty .A of Delhi bought a Machine from M which developed a problem. M has an arrangement with D, registered in Delhi to provide repairs under warranty. to Delhi/NCR customers of M. D repairs the Machine. It now needs to raise a bill of Rs 10,000 on M. Discuss whether it is intra state supply or interstate supply. Discuss the relevant provisions of Place of Supply and advise D.

Q9 X of Jaipur, an unregistered person, buys a return ticket from D of Delhi to fly from Chandigarh to Mumbai and return. What will be the Place of Supply?

Q 10 A tourist bus is going from Delhi to Rajasthan. H boards the bus at Gurugram with some tourist goods which he sells to the passengers on board when the bus was in Rajasthan. What is the Place of Supply? What will be your answer if H had sold the goods after disembarking the Bus at Jaipur?

Q 11 D of Delhi places order to Voltas Co. of Mumbai to erect and install a Central Air Conditioning plant in a Cinema house in Lucknow in UP. Determine the Place of Supply.

Q 12 A supplies Goods for Rs 10,000 to X. Invoice raised on 10 July 2020. Goods delivered on 20 July 2020. Payment due date was 10 August 2020 after which Interest @ 200 per month was applicable. X made payment of 10,200 on 10 September 2020. Determine the Time of Supply of Goods.

Q 13 Ex- X repairs Machine of ABC on 20 August, raises invoice for repair on 15 September and received payment on 30 October. Determine Time of Supply of Service.

Q 14 A supplies Service for Rs 10,000 to X on 15 June 2020. Invoice was raised on 10 July 2020. Payment due date was 10 August 2020 after which Interest @ 200 per month was applicable. X made payment of 10,200 on 10 September 2020. Determine Time of Supply of Service.

Q 15 Sooraj agrees to supply a solar geyser to Chand, to be fitted by Sooraj at customer's place. The details are- List Price 20000; Packing and Forwarding 1500; Installation expenses 2000; Subsidy by Delhi Govt. 5000; Subsidy by Save Earth Organisation (NGO) 2000; Discount on list price 7%. Chand paid the installation expenses of Rs 2000 directly to the mechanic.

Calculate Transaction Value for the purpose of GST

Q 16 PQR sells a new model of Air Conditioner to A in exchange scheme taking back old AC plus cash payment of Rs 20000. Calculate Value of Supply if

Market Price of this new model of AC (without exchange scheme)- Not available

Price of similar kind and quality with same specifications- 25000

Exchange Value of old Air conditioner-(known at time of Supply) 4500

Cost of manufacturing of new model of Air Conditioner -21000

What will be your answer if Market Value of new model (without exchange) is Rs 26000 ?

Q 17 X and Y are related Persons. X gets a contract for Rs 10,00,000 . X gives the same contract to Y for Rs 800,000. Y normally provides similar services to other customers for Rs 950,000. Determine Value of Supply from Y to X as per GST Rules. Will it make any difference if X is entitled to claim full Input Tax Credit for this inward supply ?

Q 18 Discuss the provisions of GST registration u/s 22 to 24 of CGST Act.

Q 19 What do you mean by Blocked Credit ? Give 5 examples of Blocked Credit

Q 20 Write short notes on following-

- a) GST Council
- b) GST Network
- c) Casual Taxable Person
- d) Doctrine of Unjust Enrichment
- e) Anti profiteering