



V SEMESTER BCOM EXAMINATION – MARCH / APRIL – 2022

SCHEME – SEMESTER – CBCS

193

INDIRECT TAXES - I

Time: 03 Hours

Max Marks: 80

Instructions to Candidates: Answer all parts. Case Study is Compulsory

PART – A

Answer any FOUR of the following. Each Question carries 5 Marks: 4x5=20

1. What is the meaning of GST. Mention different types of GST. 5
2. Write a note on: 2½ x2=5
 - a) Taxable Supply
 - b) Exempt Supply
3. Define person under GST Act. 5
4. Write a note on supplies in territorial waters. 2½ x2=5
5. Ms. Neela provides services worth ₹ 20000 to Ms Meena on January 01 2021, the invoice was issued on January 20, 2021 and the payment for the same was received on February 01, 2021. Determine the time of supply of services. 5
6. Write a note on 5
 - a) Inter State Supply
 - b) Intra State Supply

PART – B

Answer any TWO of the following. Each Question carries 10 Marks: 2x10=20

7. What is reverse charge mechanism under GST? When it is applicable? 10
8. Explain mixed supply and composite supply under GST Act? 10
9. Mr. Kumar runs a restaurant in Bangalore and from the following details compute the GST liability under composition levy scheme and normal levy scheme: The total value of input is ₹ 62,50,000 . The nil rated and exempted inputs constitute 20%, the mark up rate is 40%, the composition levy rate is 5%, and normal levy scheme rate under GST is 18%. Compute the tax liability under the two schemes and advise which option is better.

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10. Mr. Anil of Mysore gives you the following details of transactions. 10
- Sale of goods by Mr. Anil to Mr. X in Chamarajanagar ₹ 5,00,000.
 - Job worker directly sold goods to a dealer in Mumbai ₹ 2,00,000.
 - Sale of goods by Mr. Anil to XYZ Company in Bangalore ₹ 1,50,000.
 - The goods received by Mr. Anil from unregistered dealer ₹ 10,000.
 - Goods supplied by Anil to a job worker in Mysore and returned after completion ₹ 1,500.
 - Supply of services to Mr. B and it is chargeable to tax at Zero rate ₹ 4,00,000.
 - The sale of goods to a merchant in USA ₹ 5,00,000.
 - Transfer of goods from branch in Mandya to a branch in Bangalore ₹ 500000.
 - The amount of CGST and SGST paid by Anil ₹ 50,000.
 - Supply of exempted goods ₹ 2,00,000.
- Compute aggregate turnover under GST Act 2017.

PART – C

Answer any **TWO** of the following. Each Question carries 15 Marks: 2x15=30

11. Briefly explain the various types of supply under GST Act 2017. 15
12. a) Define the term forward charge and reverse charge. 10
- b) Determine the time of supply in the following cases if the supply involves the movement of goods? 5

Event	Case – 1	Case – 2	Case - 3
Date of Removal	1.1.2021	3.1.2021	4.2.2021
Date of Invoice	2.1.2021	1.1.2021	4.2.2021
Date of goods available to recipient	3.1.2021	4.1.2021	6.2.2021
Date of receipt of payment	15.2.2021	25.2.2021	1.1.2021

13. State the features of goods and service tax. 5
14. a) Write a note on GST council. 5
- b) From the following transactions state the type of tax payable under GST law by registered person. 10
- Sale of goods from Bombay to Delhi
 - Goods sold within Bombay

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- iii) Goods sold from Bombay to Pune
- iv) Sale of goods from Karnataka to Maharashtra
- v) Export of goods from Bangalore to New York, USA
- vi) Provision of service by an Indian company to its wholly owned subsidiary in Australia
- vii) Supplied goods to SEZ developer
- viii) Purchased goods from EOU
- ix) Mr. Bharat purchases machinery from China
- x) Royalty paid to a company outside Indian for using its brand name in India.

PART – D

15. Case Study. Compulsory.

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Mr. Abhay is a manufacturer in Mumbai paying tax based on previous Indirect tax structure. As there is a transition to GST, he registered himself under GST based on turnover. The details related to manufacturing activities before and after GST are given below.

His turnover for the financial year is ₹ 70,00,000. He has multiple vertical line of businesses. One of his concerns is manufacturing. He purchased Raw Materials for manufacturing of shirts, manufacturing cost incurred is ₹ 7000 at 12%, Excise Duty (before GST) and 7000 (after GST) and after keeping a profit margin of ₹ 2000. He supplied the goods to the wholesaler at ₹ 8820 inclusive of VAT at 12.5% and ₹ 8680 at inclusive of GST 12%. The wholesaler further adds lables to it. When he is adding lables, he is adding value. Further the retailer buys the shirt from the wholesaler for ₹ 9702 inclusive of VAT at 12.5% and ₹ 9548 at inclusive of GST 12%. Retailer packs the shirts and adds value to it, the final product is sold to the customer for ₹ 10,672 inclusive of VAT at 12.5% and ₹ 10,502 inclusive of GST 12%.

Questions:

1. Suggest which tax structure is beneficial from the view point of tax payer and customer.
2. Discuss the impact of implementation of GST?

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