Final
Indirect Tax

SAVIOUR

(Coverage of PTPs & MTPs of ICMAI)

MULTIPLE CHOICE QUESTIONS

CA NIKUNJ GOENKA

GOODS & SERVICES TAX

Chapter 1

Objectives :
Goods & Services Tax

Contents

CMA Final MTP Jun 19

(i) The due date to file GSTR-7 (Return for authorities deducting tax at source) is:

(a) 10th of the next month

(b) 13th of the next month

(c) 18th of the next month

(d) 20th of the next month.

(ii) Which state became the first state of India to ratify GST bill?

(a) Bihar

(b) Telangana

(c) Assam

(d) Andhra Pradesh

(iii) Which one of the following is true?

(a) A person can collect tax only he is registered

(b) Registered person not liable to collect tax till his aggregate turn over exceeds threshold limit

(c) A person can collect the tax during the period of his provisional registration

(d) None of the above

(iv) What does N stands for in HSN?

(a) Nomenclature

(b) Nationalization

(c) Network

(d) Nomination

(v) Following is an intra-State supply:

(a) Goods sent from Delhi to another dealer in Delhi.

(b) Goods sent from Delhi to a SEZ in Noida, Uttar Pradesh.

(c) Goods sent from Delhi to Chandigarh branch (Haryana) of the same supplier.

(d) None of the above

(vi) Combined Stake of Central and State Government in GSTN is .

(a) 25 %

(b) 49 %

(c) 51 %

(d) 100 %

(vii) Which of the following tax has been abolished by the GST?

(a) Service Tax

(b) Income Tax

(c) Wealth Tax

(d) Corporation tax

Answer

(i) **(a)** 10th of the next month

The GSTR-7 (Return for authorities deducting tax at source) is to be filed on a monthly basis and the due date is 10th of the next month.

(ii) **(c)** Assam

Assam became the first state in the country to ratify the constitution amendment bill on the Goods and Services Tax (GST) as the assembly unanimously passed the bill.

(iii) **(a)** A person can collect tax only he is registered

Only a registered taxable person can collect GST. The taxable person must prominently indicate the GST amount on tax invoices.

(iv) **(a)** Nomenclature

HSN - Harmonized System of Nomenclature code used for classifying the goods under the GST.

(v) **(a)** Goods sent from Delhi to another dealer in Delhi.

For intra-State supply, the origin and destination must be in the same State or Union Territory.

(vi) **(b)** 49 %

The Central and the State Governments hold a combined stake of 49%, the remaining 51% stake is divided among five financial institutions - LIC Housing Finance with 11% stake and ICICI Bank, HDFC, HDFC Bank and NSE Strategic Investment Corporation Ltd with 10% stake each.

(vii) **(a)** Service Tax

Service tax is an indirect tax and it has been abolished throughout India after implementation of GST.

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(i) For an E-commerce operator registration threshold limit is _________

(a) ₹ 20 lakhs

(b) ₹ 50 lakhs

(c) ₹ 75 lakhs

(d) None of above.

(ii) Based on Article Number __________ of the Constitution of India, GST Council formed.

(a) 269A

(b) 279A

(c) 289A

(d) 299A

(iii) GST will be levied on _________.

(a) Manufacturers

(b) Retailers

(c) Consumers

(d) All of the above

(iv) Which constitutional amendment is done to pass the GST bill?

(a) 101st

(b) 120th

(c) 122nd

(d) 115th

(v) Balance in Electronic Credit Ledger can be utilised against which liability?

(a) Output tax payable

(b) Interest payable

(c) Penalty

(d) All of above

(vi) In case of supply of goods, the tax invoice shall be prepared in the manner of:

(a) Only original

(b) Two copies

(c) Three copies

(d) Four copies

(vii) The due date to file GSTR-4 is _________

(a) 10th of the month succeeding quarter

(b) 13th of the month succeeding quarter

(c) 30th April of the next financial year

(d) 20th of the month succeeding quarter.

Answer

(i) **(d)** None of above

GST registration is mandatory for E-commerce operator.

(ii) **(b)** 279A

As per Article 279A of the Constitution of India, the President of India is empowered to constitute Goods and Services Tax Council. The President of India constituted the GST Council on 15th September, 2016.

(iii) **(d)** All of the above

The GST is an indirect tax which means that the tax is passed on till the last stage wherein it is the customer of the goods and services who bears the tax.

(iv) **(a)** 101st

101st Constitutional Amendment is done to pass the GST bill. GST Constitutional (101st Amendment) Act 2016 contains the provisions which are necessary for the implementation of GST Regime.

(v) **(a)** Output tax payable

As per Section 49(4) of the CGST Act, 2017, the amount available in the electronic credit ledger may be used for making any payment towards output tax.

(vi) **(c)** Three copies

In case of supply of goods, the tax invoice shall be prepared in the manner of three copies – the original copy being marked as original for recipient, the second copy being marked as duplicate for transporter and the third copy being marked as triplicate for supplier.

(vii) **(c)** 30th April of the next financial year

The GSTR-4 [Return for compounding taxable person (Section 39(2) of the CGST Act, 2017)] is to be filed on an annual basis and the due date is 30th April of the next financial year.

CMA Final Jun 19

(i) The GST return form to be filed by a Composition dealer/supplier is ________________ and the same had to be furnished ______________________.

(A) GSTR-1, Monthly

(B) GSTR-1, Quarterly

(C) GSTR-4, Monthly

(D) GSTR-4, Quarterly

(ii) Mr. Ram registered in Chennai has supplied goods to Kochi Fisheries Department, for a total contract value of ₹ 2,65,000 inclusive of 18% IGST. The tax to be deducted at source is (TDS on GST)

(A) Nil

(B) ₹ 2,650

(C) ₹ 5,300

(D) None of these

(iii) In the electronic ledger, the balance in Input tax credit is shown in

(A) Electronic cash ledger

(B) Electronic credit ledger

(C) Electronic confirmation ledger

(D) Electronic liability ledger

(iv) A registered supplier, who regularly files monthly GST return, has paid GST of ₹ 72,000 pertaining to the month of May, 2018 on 10-07-2018. The interest payable for delayed remittance of GST is

(A) ₹ 710

(B) ₹ 355

(C) ₹ 473

(D) None of these

(v) In case of inter-State supply of goods, the tax(es) levied is/are

(A) CGST only

(B) IGST only

(C) CGST and IGST

(D) SGST and IGST

(vi) Lakshmi became liable to be registered under GST law on 10th November, 2018. She submitted the application for registration on 18th November, 2018. The registration certificate is issued on 9th December, 2018. The effective date of registration will be

(A) 10th November, 2018

(B) 18th November, 2018

(C) 9th December, 2018

(D) None of these

(vii)A manufacturer who is a registered person under GST has purchased 10000 kgs of raw material during February, 2019, on which IGST of ₹ 1,00,000 has been paid. He has taken 100 kgs for personal use. 200 kgs were stolen from the factory. Only 80% of the raw materials were consumed during the month for production. The input tax credit available to him for February, 2019 is

(A) ₹₹ 99,000

(B) ₹ 97,000

(C) ₹ 98,000

(D) ₹ 1,00,000

Answer

(i) **D** Under the GST law, in case of a Composition dealer, the prescribed return form is GSTR_4, which shall be filed on quarterly basis.

(ii) **A** The liability to deduct tax at source arises where the value of supply, excluding GST, exceeds ₹ 2,50,000. Here the same will be below ₹ 2,50,000 [2,65,000 x 100/118]. Hence the liability is nil.

(iii) **B** Balance of the ITC is shown in Electronics credit ledger. Electronic cash ledger shows the GST deposited to the credit of the Govt. The set off of GST and the balance liability is reflected in Electronic Liability ledger.

(iv) **A** There has been a delay of 20 days in the remittance.
Interest to be calculated at 18%
Same is (72,000X18%X20/365) r/off= ₹ 710

(v) **B** As per IGST Rules, for inter-state movement of goods and services is concerned. IGST will be levied.

(vi) **A** As per 10(2) of the CGST Rules, 2017, when a person liable for registration, applies for registration within 30 days, the effective date of registration is the date when he became liable for registration.

(vii) **B** ITC is not available in respect of goods taken for personal use as well as those stolen from the factory. The quantity of raw materials consumed in production is irrelevant.

CMA Final MTP Dec 19

(i) When can credit for tax paid under reverse charge mechanism be taken?

(a) Same month in which payment of tax has been made

(b) Same month in which liability of tax has occurred

(c) Either of the above

(d) No credit is available

(ii) Mr. Ramesh sold goods to Mr. Suresh worth ₹ 9,00,000. The invoice was issued on 12th September. The payment was received on 28th September. The goods were supplied on 18th September. The time of supply of goods will be :

(a) 12th September

(b) 18th September

(c) 28th September

(d) None of the above

(iii) Rule 30 of the CGST Rules inter alia provides value of supply of goods or services or both based on cost shall be _______ % of cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services

(a) 100

(b) 110

(c) 125

(d) 150

(iv) Who can take input tax credit?

(a) Registered dealer not opting for composition scheme

(b) Unregistered dealer

(c) Registered dealer opting for composition scheme

(d) None of the above

(v) A registered person may not issue a tax invoice if the value of the goods or services or both supplied is less than ____________ subject to such conditions and in such manner as may be prescribed.

(a) ₹ 100

(b) ₹ 200

(c) ₹ 500

(d) ₹ 1,000

(vi) What is the rate of TDS under GST?

(a) 1%

(b) 2%

(c) 12%

(d) 18%

(vii) The e-commerce operator collecting tax u/s 52 shall file its monthly return in:

(a) Form GSTR 8 by 18th of the succeeding month

(b) Form GSTR 7 by 20th of the month succeeding the quarter

(c) Form GSTR 8 by 17th of the succeeding month

(d) Form GSTR 8 by 10th of the succeeding month

Answer

(i) **(a)** Same month in which payment of tax has been made

Reason: ITC will be available in the month in which the tax under reverse charge has been paid.

(ii) **(a)** 12th September

Reason: The time of supply of goods will be 12th September, as the date of invoice or payment whichever is earlier.

(iii) **(b)** 110

Reason: Rule 30 of the CGST Rules inter alia provides value of supply of goods or services or both based on cost shall be 110% of cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services.

(iv) **(a)** Registered dealer not opting for composition scheme

Reason: As per sec. 16, every registered person shall be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person. However, registered dealer opting for composition scheme is not eligible for availing input tax credit.

(v) **(b)** ₹ 200

Reason: As per sec. 31(3)(b), a registered person may not issue a tax invoice if the value of the goods or services or both supplied is less than ₹ 200.

(vi) **(b)** 2%

Reason: 1% TDS is required to be deducted under both the CGST and the SGST Act and therefore the total TDS to be deducted is 2%. In case of an inter-state transaction, IGST would be levied and 2% TDS would be levied in this case as well.

(vii) **(d)** Form GSTR 8 by 10th of the succeeding month

Reason: The e-commerce operator collecting tax u/s 52 shall file its monthly return in Form GSTR 8 by 10th of the succeeding month.

CMA Final MTP Dec 19

(i) In GST, securities have been specifically —

(a) Included in definition of goods

(b) Included in definition of services

(c) Included in definition of goods as well as services

(d) Excluded from definition of goods as well as services.

(ii) ABC Ltd. gives Puja Gifts to its employee Mr. Y worth ₹ 5,00,000. It's taxability will be:

(a) It is a supply and liable to GST

(b) It is not a supply and therefore not liable to GST

(c) Outside the scope of GST

(d) It is a supply but not liable to GST.

(iii) Where supplier is from Jaipur, recipient is from Mumbai and place of assembly/ installation of goods is Kolkata, the place of supply will be:

(a) Jaipur

(b) Mumbai

(c) Kolkata

(d) None of the above.

(iv) As per section 147 of the CGST Act, which of the following is considered as deemed export?

(a) Supply of goods by a registered person against Advance Authorisation

(b) Supply of capital goods by a registered person against Export Promotion Capital Goods Scheme

(c) Supply of goods by a registered person to Export Oriented Unit

(d) All of the above.

(v) Customs Department, Mumbai has auctioned some confiscated goods and the buyer is P Ltd. who is registered under GST. GST is payable by —

(a) Customs Department

(b) P Ltd.

(c) GST is not payable at all

(d) None of the above.

(vi) Where a vehicle has been intercepted and detained for a period exceeding 30 minutes, the said information may be uploaded in the common portal in form no.

(a) GST EWB-01

(b) GST EWB-03

(c) GST EWB-04

(d) GST EWB-07.

(vii) The user charges for Goods and Service Tax Network (GSTN) will be paid:

(a) entirely by the Central Government

(b) entirely by the State Governments

(c) entirely by the Central Government and the State Governments in equal proportion

(d) entirely by the users.

Answer

(i) **(d)** Securities have been specifically excluded from definition of goods as well as services in GST. Although securities have been excluded from the definition of 'goods' or of 'services', 'transaction in securities' have been included in the scope of exempt supplies while determining pro rata reversal of input tax credits used for making both taxable and exempt supplies.

(ii) **(a)** Puja Gifts to employee Mr. Y worth ₹ 5,00,000 shall qualify as a supply and liable to GST. However, gifts up to ₹ 50,000 in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.

(iii) **(c)** As per section 10(1)(d) of IGST Act, where the goods are assembled / installed at site, the place of supply shall be the place of such installation/ assembly. Here, the place of supply will be Kolkata.

(iv) **(d)** Supply of goods by a registered person against Advance Authorisation, Supply of capital goods by a registered person against Export Promotion Capital Goods Scheme, Supply of goods by a registered person to EOU/ EHTPU/ STPU/ BTPU and supply of gold by a bank or public sector undertaking against advance authorisation – these all are considered as deemed export.

(v) **(b)** In the given case, GST is payable by P Ltd. under reverse charge mechanism, as P Ltd. is a registered buyer.

(vi) **(c)** Where a vehicle has been intercepted and detained for a period exceeding 30 minutes, the said information may be uploaded in the common portal in form no. GST EWB-04 by the transporter.

(vii) **(c)** The user charges for Goods and Service Tax Network (GSTN) will be paid entirely by the Central Government and the State Governments in equal proportion on behalf of all users. The state share will be then apportioned to individual states, in proportion to the number of taxpayers in the state.

CMA Final Dec 19

(i) The term 'casual taxable person' includes

(A) A person occasionally supplying goods or services or both in a State or an Union Territory where he has no fixed place of business.

(B) A person occasionally supplying goods or services or both in a State or an Union Territory where he has fixed place of business.

(C) Both (A) and (B)

(D) None of the above

(ii) Mahesh is employed in Zed Traders a proprietary concern of Kumar having taxable turnover under GST. Services provided by Mahesh will be taxable if

(A) Mahesh provides them on contract basis to Zed Traders.

(B) Mahesh provides them on regular basis to Zed Traders.

(C) Mahesh provides them to the brother of Kumar, not in the course of employment.

(D) None of the above.

(iii) What would be the tax rate applicable in case of composite supply?

(A) Tax rate as applicable on principal supply.

(B) Tax rate as applicable on ancillary supply.

(C) Tax rate as applicable on respective supply.

(D) Tax rate of the principle supply or ancillary supply whichever is higher

(iv) What are the supplies on which reverse charge mechanism would apply?

(A) Notified categories of goods or services or both under Section 9(3).

(B) Inward supply of goods or services or both from an unregistered dealer under 9(4).

(C) Both of (A) and (B).

(D) None of the above.

(v) Which one of the following is exempted from GST?

(A) Any business exhibition

(B) A business exhibition in India

(C) A business exhibition outside India

(D) None of the above

(vi) What is date of receipt of payment?

(A) Date of entry in the books

(B) Date of payment credited into bank account

(C) Earlier of (A) and (B)

(D) Date of filing of return

(vii) Time limit to pay the value of supply with taxes to avail the input tax credit is

(A) Three months

(B) Six months

(C) One hundred and eighty days

(D) Till the date of filing annual return or 30th September of following year whichever is earlier.

Answer

(i) **(A)** A person occasionally supplying goods or services or both in a State or an Union territory where he has no fixed place of business.

(ii) **(C)** Mahesh provides them to the brother of Kumar, not in the course of employment. Supply includes services provided by the employees to the employer, not in the course of employment.

(iii) **(A)** Tax rate as applicable to principal supply

(iv) **(A)** Notified categories of goods or services or both under Section 9(3) as section 9(4) has been deferred presently

(v) **(C)** A business exhibition outside India

(vi) **(C)** Earlier of (a) and (b)

(vii) **(C)** One hundred and eighty days from the date of issue of invoice by supplier

CMA Final MTP Jun and Dec 20

(i) Advance ruling can be declared to be void by the Authority if it has been obtained by an applicant/ appellant by:

(a) Fraud

(b) Suppression of facts

(c) Misrepresentation of facts

(d) Any one of the above

(ii) Which of the following has been kept out of GST levy?

(a) Generator

(b) Computer

(c) Jewellery

(d) Electricity

(iii) Which state became the first state of India to ratify GST bill?

(a) Bihar

(b) Telangana

(c) Assam

(d) Andhra Pradesh

(iv) A service would be called as "continuous supply of service", if the service under a contract is provided continuously or on recurrent basis exceeding

(a) 1 year

(b) 6 months

(c) 3 months

(d) 1 month

(v) A casual taxable person is required to obtain registration where he makes:

(a) Taxable inter-State or intra-State supply.

(b) Taxable inter-State or intra-State supply whose proposed value exceeds ₹ 20 lakhs.

(c) Taxable inter-State supply.

(d) In none of the above situations.

(vi) A person is not liable for registration under GST Act if

(a) Non-resident person making a taxable supply

(b) An agriculturist selling produce out of cultivation of land

(c) Dealer engaged in inter-state trade above threshold limit for registration

(d) Casual taxable person making taxable supply

(vii) Under GST input tax credit cannot be claimed on goods and services used as inputs if:

(a) Goods are purchased on credit.

(b) Goods are received and utilized, the invoice is received after two weeks from the supplier.

(c) Good are destroyed by fire.

(d) Services are provided by a law firm on which GST has been paid under RCM.

Answer

(i) **(d)** Any one of the above

Section 104 of CGST Act 2017 specifies the three cases - Viz. fraud, suppression of material facts, mis-representation of facts as reasons for holding advance ruling to be void

(ii) **(d)** Electricity

Electricity is a nil rated item under GST. Therefore, transmission and distribution of electricity is exempted.

(iii) **(c)** Assam

Assam became the first state in the country to ratify the constitution amendment bill on the Goods and Services Tax (GST) as the assembly unanimously passed the bill.

(iv) **(c)** 3 months

"Continuous supply of services" means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding three months with periodic payment obligations and includes a supply notified as being a continuous supply of services.

(v) **(a)** Taxable inter-State or intra-State supply

As per section 24 of the CGST Act, 2017, a casual taxable person making supply of taxable goods is required to obtain registration. It does not matter whether such supply is intra-State or inter-State.

(vi) **(b)** An agriculturist selling produce out of cultivation of land

Income is related to agriculture and hence turnover is exempt from GST and such agriculturist is not liable for registration under GST

(vii) **(c)** Goods are destroyed by fire

ITC is not available on goods destroyed u/s. 17(5) of CGST Act.

CMA Final MTP Jun and Dec 20

(i) Under GST Act a supply of assortment of sweets, chocolates and firecrackers packed in a gift hamper is ____________.

(a) Joint supply

(b) Composite supply

(c) Mixed supply

(d) Assorted supply

(ii) Under GST input tax credit cannot be claimed on goods and services used as inputs if

(a) Goods are purchased on credit

(b) Goods are received and utilized, the invoice is received after two weeks from the supplier

(c) Good are destroyed by fire

(d) Services are provided by a law firm on which GST has been paid under RCM

(iii) Under GST Act the term SAC stands for ____________.

(a) Supply Accounting Code

(b) Services Application Code

(c) Services Accounting Code

(d) Supply Application Code

(iv) GST is a __________________ based tax.

(a) Territory

(b) Origin

(c) Destination

(d) None of the above

(v) For the year 2018-19 due date of filling of annual return is 31.12.2019. The books and records of 2018-19 must be maintained till

(a) 31.03.2025

(b) 31.12.2025

(c) 31.12.2027

(d) 31.03.2029

(vi) What is the taxable event under GST?

(a) Supply of goods or services

(b) Provision of service

(c) Manufacturing of goods

(d) None of the above

(vii) What is the meaning of the Cascading effect of tax?

(a) Dual taxation

(b) Charging Tax on tax

(c) Non-eligible of ITC

(d) None of the above

Answer

(i) **(c)** Mixed Supply

Each of these items can be supplied separately, is not dependant on each other and not bundled due to natural necessities.(Section 8 of CGST Act).

(ii) **(c)** Good are destroyed by fire

ITC is not available on goods destroyed u/s. 17(5) of CGST Act

(iii) **(c)** Services Accounting Code

SAC codes (Full form: Services Accounting Code) are codes issued by CBEC to uniformly classify each services under GST

(iv) **(c)** Destination

Under GST law, the share of the GST goes to the state where the destination lies or where the movement of goods ends, unlike VAT, where it went to the state where the movement originated.

(v) **(b)** 31.12.2025

As per section 36 of the CGST Act, 2017books and records are to be maintained for 72 months (6 years) from the date of furnishing the return.

(vi) **(a)** Supply of goods or services

The taxable event in GST is supply of goods or services or both. It means no supply no GST.

(vii) **(b)** Charging tax on tax

Cascading tax effect is also termed as "tax on tax". This effect occurs when a good is taxed on every stage of production. Such a good is taxed till it is finally sold to the consumer.

CMA Final PTP Dec 22

(i) Whether activity of bus body building, is a supply of goods or services?

(A) It is treated as supply of goods

(B) It is treated as supply of services

(C) It shall either be treated as supply of goods or supply of services.

(D) It shall neither be treated as supply of goods nor supply of services.

(ii) Peer star consultants, located and registered under GST in Chennai, Tamil Nadu provided architectural services to Team India (P) Ltd., located and registered in Kochi, Kerala, for its office to be constructed on land in Singapore. Determine the place of supply of architectural services provided to Team India (P) Ltd.:

(A) Chennai, Tamil Nadu

(B) Kochi, Kerala

(C) Singapore

(D) Either Kerala or Singapore, at the option of the recipient.

(iii) Care charitable trust running a hospital by hiring visiting doctors/ specialists. Medical services to patients at a concessional rate charged by hospital for ₹ 3,50,000 from patients and paid to visiting doctors/specialists ₹ 2,20,000 who are not the employees of the hospital. In this case, what would be the GST liability of Care charitable trust.

(A) ₹ 5,70,000

(B) ₹ 3,50,000

(C) ₹ 2,20,000

(D) Nil

(iv) Krish Enterprises, registered in Karnataka, is engaged in supply of various goods and services exclusively to Government departments, agencies etc. and persons notified under section 51. It has made a following

Particulars	Total contract value (inclusive of GST) (₹)	Payment due in March 2022 in ₹
Supply of taxable goods to Karnataka office of National Housing Bank, a society established by Government of India under the Societies Registration Act, 1860	5,49,000	55,000

You are required to determine amount of tax, if any, to be deducted from each of the receivable given above assuming the rate of CGST, SGST and IGST as 9%, 9% and 18% respectively.

(A) IGST ₹ 1,100

(B) SGST ₹ 550 and CGST ₹ 550

(C) IGST ₹ 9306

(D) CGST ₹ 4,653 and SGST ₹ 4,653

(v) Mr. Purple, an unregistered person under GST purchases the goods supplied by Mr. Red who is a registered person without receiving a tax invoice for ₹ 1,50,000 (exclusive of GST) from Mr. Red and thus helps in tax evasion by Mr. Red. The GST that would have been charged in case it was provided through invoice was ₹ 13,500 of CGST and SGST respectively. What is the disciplinary action taken by tax authorities to curb such type of cases and on whom?

(A) Penalty of upto ₹ 25,000 on Mr. Purple will be levied.

(B) Penalty of ₹ 27,000 on Mr. Red will be levied.

(C) Penalty of upto ₹ 25,000 on Mr. Purple and penalty of ₹ 27,000 on Mr. Red will be levied.

(D) Penalty of ₹ 10,000 on Mr. Purple and ₹ 27000 on Mr. Red will be levied.

(vi) M/s A Ltd. appoints M/s B Ltd. for laying of pipelines inside its factory premises which resulting into movable property. For which M/s A Ltd. purchased pipelines for ₹ 12,00,000 plus GST 12%. On completion of works contract service M/s B Ltd charged for ₹ 2,50,000 plus GST 18%. Find the eligible input tax credit to M/s P Ltd.

(A) ₹ 1,44,000

(B) ₹ 45,000

(C) ₹ 1,89,000

(D) Nil

(vii) Mr. Shankar supplied goods to Mrs. Rukmani for ₹ 3,50,000 plus GST 18%, vide Invoice No. 60 dated 7th December 2021. Mrs. Rukmani availed the ITC of 63,000 and confirmed in GSTR-2. However, invoice no. 60 dated 7th December 2021 not reflected in GSTR-1, of Mr. Shankar. What is the time limit for rectification of discrepancy?

(A) 20th January 2022

(B) 20th February 2022

(C) 20th March 2022

(D) Discrepancy cannot be rectified.

Answer

(i) **(C)**
(ii) **(B)**
(iii) **(D)**
(iv) **(B)**
(v) **(C)**
(vi) **(N.A.)**
(vii) **(N.A.)**

CMA Final PTP Jun 23 [Old]

(i) State which of the following statements is incorrect:

(I) An agent, supplying taxable goods on behalf of principal, where invoice is issued in the name of principal, is required to get compulsorily registered under GST.

(II) Persons who are required to deduct tax under section 51 of the CGST Act, 2017, whether or not separately registered under CGST Act, are compulsory required to get registered under GST without any threshold limit.

(III) Every person supplying online information and database accessor retrieval services from a place outside India to a registered person in India is compulsory required to get registered under GST without any threshold limit.

(IV) Persons who supply services, other than supplies specified under sub-section (5) of section 9 of the CGST Act, 2017, through such electronic commerce operator who is required to collect tax at source under section 52 of the CGST Act, 2017, are compulsory required to get registered under GST without any threshold limit.

Choose the most appropriate option:

(A) (I), (II)

(B) (III), (IV)

(C) (I), (III), (IV)

(D) (i), (II), (III) and (IV)

(ii) Kannan owns a famous sweets shop located and registered under GST in Mathura, Uttar Pradesh. He received an order for 200 kg of sweets on 2nd May from Ghoomghoom Travels (P) Ltd., located in same locality of Mathura and registered under GST, for a total consideration of ₹1,00,000. Complete order of sweets was delivered to Ghoomghoom Travels (P) Ltd. on 5th May but without invoice, as accountant of Mr. Kannan was on leave on that day. However, the invoice was raised for the same on 6th May, when the accountant joined the office after leave. Payment in full was made on 7th May.

Determine the time of supply of goods in this case.

(A) 2nd May

(B) 5th May

(C) 6th May

(D) 7th May

(iii) Sukanya, a supplier registered under GST, failed to pay the GST amounting to ₹5000 for the month of January. The proper officer imposed a penalty on Sukanya for failure to pay tax. Sukanya believes that it is a minor breach and in accordance with the provisions of Section 126 of the CGST Act, 2017, no penalty is imposable for minor breaches of tax regulations. In this regard, which of the following statements is true?

(A) Penalty is leviable on Sukanya since the breach is considered as a 'minor breach' only if amount of tax involved is less than ₹5000.

(B) Penalty is leviable on Sukanya since the breach is considered as a 'minor breach' if amount of tax involved is less than ₹ 2,500.

(C) Penalty is not leviable on Sukanya since the breach is considered as a 'minor breach' if amount of tax involved is upto ₹5,000.

(D) Penalty is leviable on Sukanya since the breach is considered as a 'minor breach' only if amount of tax involved is nil.

(iv) Under which of the following situations, input tax credit will be available under GST law?

(A) Cars purchased by a manufacturing company for official use of its employees.

(B) Aircraft purchased by a manufacturing company for official use of its CEO.

(C) Maintenance and repair services availed by a company for a truck used for transporting its finished goods.

(D) General insurance taken on a car used by employees of a manufacturing company for official purposes.

(v) Under GST law, time-limit for issuance of show cause notice in case of non-payment of tax on account of reasons other than fraud, wilful misstatement or suppression of facts, etc. is:

(A) 2 years and 9 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.

(B) 3 years from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.

(C) 4 years and 6 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.

(D) 5 years from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.

(vi) The time-limit for issuance of order of best judgment assessment is

(A) 5 years from the date specified for furnishing of the annual return for the financial year to which the tax not paid relates.

(B) 4 years from the date specified for furnishing of the annual return for the financial year to which the tax not paid relates.

(C) 3 years from the date specified for furnishing of the annual return for the financial year to which the tax not paid relates.

(D) None of the above

(vii) During access to any business premises under section 71 of the CGST Act, 2017, which of the following records can be inspected by the officers?

(I) Trial balance

(II) Statements of annual financial accounts, duly audited, wherever required.

(III) Cost audit report.

(IV) Income-tax audit report.

Choose the most appropriate option.

(A) (I) and (II)

(B) (I), (II) and (IV)

(C) (II), (III) and (IV)

(D) (I), (II), (III) and (IV)

Answer

(i) **(C)**
(ii) **(B)**
(iii) **(Any)**
(iv) **(C)**
(v) **(A)**
(vi) **(A)**
(vii) **(D)**

CMA Final MTP Jun 23 [New]

(i) Goods within the meaning of supply does not include:

a. Movable property

b. Money and securities

c. Actionable claim

d. All of the above

Give your justification:

(ii) Is there any threshold limit for applying the provisions of Section 52 for collecting tax at source?

a. TCS applies if net value of taxable supplies exceeds ₹ 10,00,000/-

b. TCS applies if net value of taxable supplies exceeds ₹ 15,00,000/-

c. TCS applies if net value of taxable supplies exceeds ₹ 20,00,000/-

d. No such limit prescribed, tax should always be collected at source if the conditions envisaged u/s 52 are met.

Give your justification:

(iii) Which of the following transactions is inter-state supply of goods involving movement of goods?

a. Location of supplier is in Hyderabad and location of recipient is in Mumbai and goods are shippedto Kolkata

b. Location of supplier is in Hyderabad and place of supply is Mumbai

c. Location of supplier and place of supply is Hyderabad

d. None of the above

Give your justification:

(iv) When can the transaction value be rejected for computation of value of supply?

a. When the buyer and seller are related and price is not the sole consideration

b. When the buyer and seller are related or price is not the sole consideration

c. It can never be rejected

d. When the goods are sold at very low margins

Give your justification:

(v) The time limit to pay the value of supply with taxes to the supplier to avail the input tax credit is _____.

a. 3 months

b. 6 months

c. 180 days

d. Till the date of filling of annual return

Give your justification:

(vi) Mr. Amar generated an E-Way bill at 00:10 hrs. on 16th September. What shall be the first day to be considered to end for validity consideration?

a. At 11:50 pm of 16th September

b. At 12:00 Midnight of 17th September

c. At 12:10 am of 17th September

d. None of the above

Give your justification:

(vii) A registered taxable person is eligible to claim refund in respect of export of goods and services in the following cases

a. Under bond, without payment of IGST and claim refund of unutilized input tax credit.

b. On payment of IGST and claim refund of IGST paid on such goods and services.

c. None of the above

d. Both (a) and (b)

Give your justification:

(viii) Mr. Ram, a registered person under GST sold goods to Mr. Ravi worth ₹5,00,000. The invoice was issued on 15th November. The payment was received on 1st October. The goods were supplied on 20th November. Find the time of supply of goods.

a. 15th November

b. 20th November

c. 1st October

d. 30th November

Give your justification:

(ix) Green Tree society is a registered tax payer under GST. The banquet hall of the society has been provided to a Member of the society on hire for the purpose of celebrating his son birthday party for ₹ 25,000. What is the value of supply?

a. ₹ 25,000

b. ₹ 18,500

c. ₹ 15,000

d. Nil

Give your justification:

(x) Mr. Navab, being a registered tax payer and also a performing artist received ₹ 50,000 for performing classical dance. What will be the value of taxable supply?

a. ₹ 50,000

b. ₹ 40,000

c. ₹ 15,000

d. Nil

Give your justification:

Answer

		Justification
(i)	(b)	As per sec. 2(52), goods means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply
(ii)	(d)	As per Section 52 of the CGST Act, 2017 the e-commerce operator, not being an agent, is required to collect an amount calculated at the rate not exceeding one per cent, as notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it, where the consideration with respect to such supplies is to be collected by such operator.
(iii)	(a)	As per sec. 10(1)(b) of the IGST Act, where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;
(iv)	(b)	The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply – Sec. 15(1)
(v)	(c)	Where a recipient fails to pay to the supplier of goods or services or both (other than the supplies on which tax is payable on reverse charge basis), the amount towards the value of supply along with tax payable thereon within a period of 180 days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed [Rule 37].
(vi)	(b)	Validity of the E-Way bill for the first day ends by the midnight of the following day.

(vii) (d) As per 54(3), in the following situations, a registered person may claim refund of any unutilised input tax credit at the end of any tax period:

i. zero rated supplies made without payment of tax;

ii. where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies)

(viii) (a)
- Date of issue of invoice: 15th November
- Last date on which invoice should have been issued: 20th November
- Therefore, time of supply of goods [earlier of above] = 15th November
- Date of receipt of payment (i.e. Advance) is not relevant in case of supply of goods

(ix) (a) Banquet hall provided to a Member of the society on hire for the purpose of celebrating his son birthday party for ₹ 25,000 is not an exempted supply. Hence entire value is taxable

(x) (d) As per entry 78 of the exemption notification, following services by an artist by way of a performance in folk or classical art forms of:

(a) music, or

(b) dance, or

(c) theatre,

if the consideration charged for such performance is not more than ₹ 1,50,000, shall be exempt

CMA Final MTP Jun 23 [New]

(i) Zero rated supply includes:

a. Export of goods and services

b. Supply of goods and services to a SEZ developer or SEZ Unit

c. Supply of goods and services by a SEZ developer or SEZ Unit

d. Both (a) and (b) Give your justification.

(ii) E-Way bill generation facility of a person paying tax under regular scheme will be blocked if he has notfurnished the returns for a consecutive period of _____.

a. 2 months

b. 2 tax periods

c. 3 tax period

d. 6 tax periods

Give your justification.

(iii) The time limit beyond which if goods are not returned, the inputs sent for job work shall be treated as supply, is _____.

a. One year

b. Five years

c. Six months

d. Seven years

Give your justification.

(iv) CMA Bharath being a Practicing Cost Accountant provided certain professional services to his client. However, during such course of action, some out of pocket expenses were incurred, which Bharath claimed for reimbursement from his client. Should the same be included in the transaction value?

a. Yes

b. No

c. May be

d. Does not qualify as supply Give your justification.

(v) Every electronic commerce operator required to collect tax at source under section 52 shall furnish a statement in ______, containing details of supplies effected through such operator and the amount of tax collected as required under section 52(1) of the CGST Act.

a. Form GSTR-5

b. Form GSTR-6

c. Form GSTR-7

d. Form GSTR-8

Give your justification.

(vi) At present, which of the following types of bonded warehouse is not allowed in manufacture and other operations?

a. Public Bonded Warehouse

b. Special Bonded warehouses

c. Private Bonded warehouse

d. Both (a) and (b) Give your justification.

(vii) Mr. Raj being an owner of shop is a registered person under GST. He has decided to close the business. At the time of deregistration he has closing stock of ₹ 15,00,000. The final GST return of Mr. Raj will show his supplies made during the last taxable period plus Stock in hand of ₹ 15,00,000 during the deregistration. Which of the following will be his next course of action?

a. Mr. Raj is liable to pay GST on stock if he has taken ITC on acquisition of such stock

b. Mr. Raj is not liable to pay GST on stock

c. Mr. Raj is liable to pay GST on stock irrespective of fact that he has not taken ITC on acquisition of such stock

d. None of the above Give your justification.

(viii) Mr. Ram registered in Chennai has supplied goods to Kochi Fisheries Department, for a total contract value of ₹ 2,65,000 inclusive of 18% IGST. The tax to be deducted at source is (TDS on GST)_____.

a. Nil

b. ₹ 2,650

c. ₹ 5,300

d. None of the above Give your justification.

(ix) Nikita imported wearing apparel and paid ₹ 50,000 as import duty. As she did not like the apparel, these are re-exported after 20 days. Calculate the amount of duty drawback allowable under Section 74 of the Customs Act, 1962.

a. Nil

b. ₹ 50,000

c. ₹ 40,000

d. ₹ 45,000

Give your justification.

(x) Chennai Express train going from Chennai to Cochin, M/s X Ltd. located in Cochin has supplied the food which are given to passengers during night time. The food packets are loaded at Chennai Central Station, Chennai. Which model of GST is applicable?

a. IGST

b. CGST-SGST

c. CGST-UTGST

d. None of the above Give your justification.

(xi) Reliable Industries a readymade garment manufacturer issued the voucher on 10-07-2022 to their prospective customer for enabling them to buy readymade garments manufactured by them from their shop. Customer purchased readymade garments on 20th Aug 2022. Find the time of supply of goods.

a. 10-07-2022

b. 20-08-2022

c. 31-07-2022

d. 31-08-2022

Give your justification.

(xii) If the date of cancellation of registration is 1st April 2023 whereas the cancellation order was received on 13th April 2023, then the GSTR 10 must be filed by_____.

a. 13th July 2023

b. 1st July 2023

c. 31st July 2023

d. 31st August 2023 Give your justification.

Answer

Justification

(i) (d) Justification:
Zero rated supply means any of the following supplies of goods or services or both, namely:
export of goods or services or both; or
supply of goods or services or both to a Special Economic Zone (SEZ), developer of SEZ unit.

(ii) (b) Justification:
Rule 138E blocks the E-Way bill generation facility of a person paying tax under regular scheme if he has not furnished the returns for a consecutive period of 2 tax periods.

(iii) (a) Justification:
As per sec. 19 of the CGST Act, where the inputs sent for job work are not received back by the principal after completion of job work or otherwise or are not supplied from the place of business of the job worker within one year of being sent out, it shall be deemed that such inputs had been supplied by the principal to the job worker on the day when the said inputs were sent out

(iv) (a) Justification:
The expenditure or costs incurred by a supplier as a pure agent of the recipient of supply shall be excluded from the value of supply, if all the following conditions are satisfied namely:

a. the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorization by such recipient;
b. the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and
c. the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.

(v) (d) Justification:
The operator who collects tax shall furnish a statement, electronically, in Form GSTR-8 within 10 days from the end of the month in terms of Rule 67(1) read with sec. 52(4).

(vi) (d) Justification:
The following persons are eligible to apply for manufacture and other operations in a bonded warehouse, -
A person who has been granted a licence for a private warehouse under Section 58 of the Customs Act, in accordance with Private Warehouse Licensing Regulations, 2016.
A person can also make a combined application for licence for a warehouse under Section 58, along with permission for undertaking manufacturing or other operations in the warehouse under Section 65 of the Act.

(vii) (a) Justification:
Permanent transfer or disposal of business assets where input tax credit (ITC) has been availed on such asset shall be treated as supply [Schedule I]

(viii) (a) Justification:
TDS is to be deducted at the rate of 2 % on payments made to the supplier of taxable goods and/or services, where the total value of such supply, under an individual contract, exceeds ₹ 2,50,000.

(ix) (a) Justification:
In case of wearing apparel, no duty drawback is available

(x) (a) Justification:
The place of supply of services shall be the location of the first scheduled point of departure of that conveyance for the journey

(xi) (a) Justification:
As per sec. 12(4), In case of supply of vouchers by a supplier, the time of supply shall be:

If the supply is identifiable at the point at which voucher is issued	The date of issue of voucher
In all other cases	The date of redemption of voucher

(xii) (a) Justification:
GSTR 10 is required to be filed within 3 months of the date of cancellation or date of order of cancellation, whichever is later.

CMA Final PTP Jun 23 [New]

(i) X & Co., registered under the normal provisions of the IGST Act, received a "No claim bonus" (NCB) of ₹ 34,000 from their insurers while paying the insurance premium on an eligible asset. This amount was allowed as deduction by IC, the insurer from the insurance premium paid by X & Co. The treatment of NCB in the context of supply of services is:

(A) Such NCB is treated as the value of supply of service provided by X & Co. to IC

(B) 50% of such amount is treated as the value of supply of service provided by X & Co. to IC

(C) 75% of such amount is treated as the value of supply of service provided by X & Co. to IC

(D) It is not to be regarded as supply provided by X & Co. to IC

(ii) RT Liners, registered to GST under normal provisions, has provided services of transportation of goods from Mumbai to Dubai. As regards, such supply made on 12-12-2022, the position is:

(A) The place of supply is Dubai and RT Liners can take ITC.

(B) The place of supply is Dubai but RT Liners cannot take ITC.

(C) The place of supply is Mumbai and RT Liners can take ITC.

(D) The place of supply is Mumbai but RT Liners cannot take ITC.

(iii) R, a registered person under normal provisions, purchased (first purchase) taxable goods from a registered supplier S on 1-5-2022 for ₹ 1,00,000 plus IGST at 18%. He has paid 40% to S within 180 days and balance is pending as on 1st June, 2023, R Purchased taxable goods from S on 2-11-2022 for ₹ 2,00,000 plus IGST at 18%. He has paid 60% to S within 180 days and balance is pending as on 1st June, 2023. As regards the availment of ITC and reversal thereof, the position is

(A) For first and second purchases, entire ITC of ₹ 54,000 (18,000 + 36,000) has to be reversed by R

(B) For both first and second purchases, entire ITC of ₹ 54,000 (18,000 + 36,000) need not be reversed by R

(C) For both first and second purchases, proportionate ITC of ₹ 25,200 (18,000*60% + 36,000*40%) need not be reversed by R

(D) For the first purchase, entire amount of ITC has to be reversed and for second purchase, only 40% has to be reversed by R.

(iv) Y, a registered person purchased taxable goods from S on 12-4-2022. Y was forced to reverse ITC to the tune of ₹ 3,00,000 since S did not furnish GSTR-3B till 30th September, 2022. Subsequently on 1-11-2022, S has furnished GSTR-3B. As regards Y, the option as regards fresh availment of the above ₹ 3,00,000 is:

(A) Y cannot avail the ITC in any future period

(B) Y can avail ₹ 1,50,000 in any subsequent tax period.

(C) Y can avail ₹ 3,00,000 in any subsequent tax period, without the prior permission of the Department.

(D) Y can avail ₹ 3,00,000 in any subsequent tax period, with the prior permission of the Department.

(v) GH kart, an e-commerce operator, has a registration for TCS. On 29-12-2022, it wants to close the said registration. The following is the position relating to the cancellation of registration:

(A) Once registration is granted, it shall stand till the GST is surrendered.

(B) GH kart can apply for cancellation of registration when it is no longer required to collect TCS.

(C) Registration can be cancelled only by the GST authority upon an enquiry.

(D) Registration can be cancelled only by the GST authority upon an enquiry or pursuant to any proceeding under the GST law.

(vi) Danube is an e-commerce operator, providing taxable services to Indian residents through its e-commerce portal. It intends to provide a taxable service to a recipient on 28-12-2022. The need for furnishing address of the recipient along with PIN code arises when:

(A) The value of taxable services exceeds ₹ 50,000

(B) The value of taxable services exceeds ₹ 1,00,000

(C) The value of taxable services exceeds ₹ 1,50,000

(D) The value of taxable services is below ₹ 50,000

(vii) DF Bank is a banking company and is an entity exempted from mandatory generation of invoice under Rule 48(4). On 29-12-2022, it supplies bullion to a client. The position as regards generation of invoice now is:

(A) DF Bank is not required to generate mandatory invoice for any supply.

(B) DF Bank is not required to generate mandatory invoice for such supply, if the value exceeds ₹10 lakhs.

(C) DF Bank is not required to generate mandatory invoice for such supply, if the value exceeds ₹ 50 lakhs.

(D) DF Bank is not required to generate mandatory invoice for all taxable supplies hereinafter.

(viii) RT, a registered person in Karnataka, having annual turnover of 3.2 crores, has filed the annual GST return for the FY 2022-23 belatedly, by 43 days. The amount of late fee chargeable is:

(A) ₹ 1,28,000

(B) ₹ 2,150

(C) ₹ 4,300

(D) Nil

(ix) Which of the following deposits is not exempt from the provisions of electronic cash ledger under the Customs Act, 1962:

(A) In customs stations where automated systems are not in place, where the duty payable is less than ₹ 2 lakhs

(B) In customs stations where automated systems are not in place

(C) For accompanied baggage

(D) For payment of IGST

(x) Under the Customs Act, 1962, duty drawback is permissible, inter alia, where the goods originally imported, are re-exported with a period of:

(A) One year

(B) Two years

(C) Three years

(D) Four years

Answer

(i) (D)
(ii) (Any)
(iii) (Any)
(iv) (Any)
(v) (Any)
(vi) (Any)
(vii) (Any)
(viii) (Any)
(ix) (D)
(x) (B)

CMA Final PTP Dec 23 [Old]

(i) YUI Foundation, a charitable trust registered under section 12AB of the Income-tax Act, 1961, owns and manages a newly constructed Dharamshala "Devi Bhuvan" in the precincts of a temple in Dwarka. The Dharamsala has 50 rooms, a huge party lawn and other amenities. YUI Foundation has received the following amounts during the period from April to September, 2022:

1. Rent of ₹ 25,00,000 from renting of rooms @ ₹ 1,000/- per day.
2. Rent of ₹ 9,00,000 from renting of party lawns for marriage and social functions @ ₹ 9,000/- per day.
3. Donations of ₹ 20,00,000 (including one donation of ₹ 15,00,000 received with specific direction to advertise the business activity of the donor).

The value of taxable supply of YUI Foundation during the above tax period is:

(A) ₹ 55,00,000

(B) ₹ 50,00,000

(C) ₹ 25,00,000

(D) ₹ 40,00,000

(ii) Mr. Sanjay, a registered taxable person pays ₹ 28,320/- for purchase of capital goods worth ₹ 24,000 with GST (18%) of ₹ 4,320/-. These capital goods arc eligible for input tax credit. Mr. Sanjay is proprietor of a manufacturing firm and is entitled to claim depreciation on the above capital goods. His accountant thinks of the following entries:

1. He capitalizes the goods at ₹ 24,000 and claims depreciation on the same. For GST amount, he can claim input tax credit of ₹ 4,320.
2. He capitalizes the goods at ₹ 24,000 and claims depreciation on the same. For GST amount, he cannot claim input tax credit.
3. He capitalizes the goods at ₹ 28,320 and claims depreciation on the same. For GST amount, he can claim input tax credit of ₹ 3,542 (82 % of ₹ 4,320).
4. He capitalizes the goods at ₹ 28,320 and claims depreciation on the same. For GST amount, he cannot claim input tax credit.

Which of the two treatments from the above are correct?

(A) 1,3

(B) 1,4

(C) 2, 3

(D) 2,4

(iii) Which of the following transactions does not qualify as supply under GST law?

(A) Disposal of car without consideration and the supplier has not claimed input tax credit on such car.

(B) A principal makes supplies to his agent who is also registered under GST and is situated within the same State and the invoice for further supply is issued by the agent in his name.

(C) Head Office makes a supply of services to its own branch outside the Stale.

(D) A person imports services without consideration for the purposes of his business from his elder son living outside India.

(iv) An international trade exhibition is going to be held in United States of America (USA) in next month (May, 2023). M/s ADF Export House want to participate in it. It intends to send 1500 units of taxable goods (art work) to USA for display in the said exhibition. The activity of sending the goods out of India for exhibition is _____.

Fill in the blank from the following options:

(A) zero rated supply of goods

(B) zero rated supply of service

(C) not a supply

(D) taxable supply of goods

(v) Time-limit for issuance of show cause notice under GST law in case of any amount collected as tax, but not paid to the Central Government, is

(A) 2 years and 9 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.

(B) 3 years from the due dale of filing Annual Return for the Financial Year to which the tax not paid relates to.

(C) 4 years and 6 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.

(D) No time-limit is prescribed.

(vi) For the year 2017-18, due date of filing of annual return was 31.12.2018 under the CGST Act, 2017. The books and records of year 2017-18 must be maintained till

(A) 31.03.2024.

(B) 31.12.2024.

(C) 31.12.2026.

(D) 31.03.2034.

(vii) If a person, opting for composition scheme is liable to be registered on 1st October 2022 and he has applied for registration on 17th Nov. 2022 and registration granted on 20lh November 2022, then the effective date of registration will be

(A) 20th November, 2022

(B) 1st October, 2022

(C) 17th November, 2022

(D) 1st April, 2023

Answer

(i) **(D)**

(ii) **(B)**

(iii) **(A)**

(iv) **(C)**

(v) **(D)**

(vi) **(B)**

(vii) **(A)**

CMA Final PTP Dec 23 [New]

(i) QRP Company Ltd, was aggrieved by 3 different orders of Appellate authority on 25th April, 2023 and want to file 3 different appeals before Appellate Tribunal. The details of amount of tax involved are as follows:

Case No.	Amount of Tax (₹)
1	98,000
2	18,00,000
3	42,00,000

For this purpose, you are required to calculate the Total amount of fees for all the three applications, to be paid along with application under CGST Act, 2017.

(A) ₹ 61,000

(B) ₹ 25,000

(C) ₹ 44,000

(D) ₹ 60,000

(ii) In cases of change in rate of tax and amount is credited to the bank account after 4 working days from the date of change in rate of tax, the date of receipt of payment will be:

(A) Date of bank entry

(B) Date of book entry

(C) Date of book entry or date of bank entry, whichever is earlier

(D) Date of book entry or date of bank entry, whichever is later

(iii) In case of supply of goods for ₹ 9,00,000, following information is provided:

Advance of ₹ 5,00,000 received on 1st August

Invoice issued for ₹ 9,00,000 on 15th August

Goods removed on 25th August

Balance payment of ₹ 4,00,000 received on 26th August

You may assume that payment entered in the books and credited in the bank on the same day of receipt.

What is the Time of supply for the purpose of payment of tax, as per GST Law?

(A) 1st August for ₹ 5,00,000 and 15th August for ₹ 4,00,000

(B) 15th August for both ₹ 5,00,000 and ₹ 4,00,000

(C) 25th August for both ₹ 5,00,000 and ₹ 4,00,000

(D) 1st August for ₹ 5,00,000 and 26th August for X 4,00,000

(iv) Transactions falling outside the ambit of supply are provided in:

(A) Schedule I

(B) Schedule II

(C) Schedule III

(D) None of the above

(v) Mr. Ram, a trader in Delhi has opted for composition scheme of taxation under GST. Determine the rate of total GST payable by him under composition scheme:

(A) 0.5% CGST & 0.5% SGST

(B) 2.5% CGST & 2.5% UTGST

(C) 5% IGST

(D) 5% of UTGST

(vi) Maintenance & repair service provided within territorial waters to marine vessel owned by foreign company is

(A) not export of service even if payment is received in forex.

(B) not export of service if payment is received in Indian Rupees.

(C) export of service if payment is received in forex.

(D) export of service even if payment is received in Indian Rupees

(vii) The time limit beyond which if goods are not returned, the capital goods sent for job work shall be treated as supply

(A) One year

(B) Five years

(C) Six months

(D) Three years

(viii) A registered supplier, who regularly files monthly GST return, has paid GST of ₹ 85,000 pertaining to the month of June 2022 on 10-08-2022. The total interest payable for delayed remittance of GST is

(A) ₹ 838 (R/off)

(B) ₹ 419(R/off)

(C) ₹ 559(R/off)

(D) NIL

(ix) A manufacturer who is a registered person under GST has purchased 11000 kgs of raw material during February, 2023, on which IGST of ₹ 1,10,000 has been paid. He has taken 100 kgs for personal use. 200 kgs were stolen from the factory. Only 80% of the raw materials were consumed during the month for production. The input tax credit available to him for February, 2023 is

(A) ₹ 1,09,000

(B) ₹ 1,07,000

(C) ₹ 1,08,000

(D) ₹ 1,10,000

(x) M/s Amar Megamart, a store located and registered under GST in Karnataka, has come out with big discount offers at the time of Diwali on various gift items. In order to attract more customers, it has decided to supply a gift pack containing 6 packets of Amarram's Namkeen (200 gram each) taxable @ 12%, 2 packet of Roasted Smoked Almonds (100 gram) taxable @ 18%, 1 packet of Coumville Chocolate (50 mg) taxable @ 28% and 1 bottle of Teal Fresh Juice (1 litre) taxable @ 18% in a single basket for a single price of ₹ 1,200. State the type of supply and the tax rate applicable on the same.

(A) Composite supply; tax rate of the principal item, i.e. Namkeen @18%

(B) Composite supply; highest tax rate out of all items, i.e. 28% applicable to chocolates

(C) Mixed supply; tax rate of principal item, i.e. Namkeen @18%

(D) Mixed supply; highest tax rate out of all items, i.e. 28% applicable to chocolates

Answer

(i) **(C)**
(ii) **(A)**
(iii) **(B)**
(iv) **(C)**
(v) **(A)**
(vi) **(A)**
(vii) **(D)**
(viii) **(A)**
(ix) **(B)**
(x) **(D)**

CMA Final MTP June 24

(i) Flow of consideration is not a mandatory requirement under supply, in case of:

(A) Imports

(B) Activities specified under Schedule I of the CGST Act

(C) Both

(D) None of the above

(ii) What is the threshold limit of turnover in the preceding financial year for opting to pay tax under composition scheme for States other than special category States?

(A) ₹ 20 lakh

(B) ₹ 10 lakh

(C) ₹ 50 lakh

(D) ₹ 150 lakh

(iii) Mr. A has started intra-state supply of services from Delhi. He is required to obtain registration if his aggregate turnover exceeds____________ during a financial year.

(A) ₹ 10 lakh

(B) ₹ 20 lakh

(C) ₹ 30 lakh

(D) ₹ 40 lakh

(iv) Levy of GST on Priority Sector Lending Certificate (PSLC) under:

(A) Exempted supply of goods

(B) Reverse Charge Mechanism (RCM)

(C) Partial Reverse Charge Mechanism

(D) Forward Charge

(v) Which of following deductions is allowed from value of imported goods vide rule 7 (deductive value) —

(A) commission on sales in India;

(B) transport from foreign port;

(C) Both

(D) NIL

(vi) In case proper officer checks the goods in movement, then what document shall be required apart from delivery challan to satisfy the proper officer where the value of goods exceeds ₹ 50,000?

(A) E-way Bill

(B) Voucher

(C) Invoice

(D) NIL

(vii) Mr. A entered into a contract with Mr. B & agreed to make the payment by 30th Sep 2023. If the payment is not made in time, then he shall pay late fees @ ₹ 200 per day. No payment of late fees has been made so far. What shall be the time of supply in respect of the late fees due on Mr. A?

(A) Sept 2023

(B) Oct 2023

(C) Time of supply has not arisen

(D) NIL

(viii) Is it mandatory to capitalize the capital goods in books of Accounts?

(A) Yes

(B) No

(C) Optional

(D) NIL

(ix) Is there any threshold limit for applying the provisions of Section 52 for collecting tax at source?

(A) TCS applies if net value of taxable supplies exceeds ₹ 10,00,000/-

(B) TCS applies if net value of taxable supplies exceeds ₹ 15,00,000/-

(C) TCS applies if net value of taxable supplies exceeds ₹ 20,00,000/-

(D) No such limit prescribed, tax should always be collected at source if the conditions envisaged u/s 52 are met.

(x) The due date for filling GSTR – 7 is _______ of the succeeding month.

(A) 10

(B) 13

(C) 18

(D) 20

Answer

I. (B)

II. (D)

III. (B)

iv. (B)

v. (A)

vi. (A)

vii. (C)

viii. (A)

ix. (D)

x. (A)

CMA Final PTP June 24

(i) GHY Company Ltd. received an adjudication order passed by the Assistant Commissioner of Central Tax on 11th October 2024 under section 73 of the CGST Act, 2017 wherein it was decided as follows: IGST due ₹ 8,00,000, Interest ₹ 35,000 and Penalty ₹ 50,000. Company wants to file an appeal before the Appellate Authority. How much company has to pay as pre-deposit under section 107(6) of the CGST Act, 2017, if company appeals against part of the demanded amount say Tax ₹ 5,00,000, interest ₹ 20,000 and penalty ₹ 30,000 and admits the balance liability of tax, interest and penalty?

(A) ₹5,80,000

(B) ₹3,85,000

(C) ₹4,35,000

(D) ₹3,90,000

(ii) M/s. ACG Ltd., a supplier of Television (T.V.), registered in the State of Gujarat has a policy to supply one Television at 70% discount to open market price to its top employees in terms of the employment contract. During the month of November 2023, the company supplied 20 Televisions to these employees. The total open market value of such 20 Televisions is ₹ 7,00,000 (excluding GST). Calculate the value of supply under GST Laws.

(A) ₹ 4,90,000

(B) NIL

(C) ₹ 2,10,000

(D) ₹ 7,00,000

(iii) Which of the following statements does not covered under exemption Notification No. CT 12/2017 (R) dated 28.06.2017, with reference to GST monthly subscription/ contribution charged by a Residential Welfare Association (RWA) from its members?

1. Annual turnover of RWA more than ₹ 20 lakhs and monthly maintenance charges received from individual member is ₹ 7,300.
2. Annual turnover of RWA more than ₹ 20 lakhs and monthly maintenance charges received from individual member is ₹ 8,500.
3. Annual turnover of RWA less than ₹ 20 lakhs and monthly maintenance charges received from individual member is ₹ 15,500.
4. Annual turnover of RWA less than ₹ 20 lakhs and monthly maintenance charges received from individual member is ₹ 7,500.

Choose the most appropriate option.

(A) (i) and (ii)

(B) Only (ii)

(C) (ii) and (iii)

(D) (ii) and (iv)

(iv) M/s QRT Ltd. made certain gifts to its employees, as—

1. Mr. A ₹ 50,000
2. Mr. C ₹ 47,000
3. Mr. Z ₹ 57,000

Which of these gifts shall be liable to GST?

(A) (i), (ii) and (iii)

(B) (i) and (iii)

(C) Only (iii)

(D) None of the above

(v) The person was operating under normal scheme, but now he wants to convert in composition scheme, which form he must file?

(A) Form GST CMP-01

(B) Form GST CMP-02

(C) Form GST CMP-03

(D) Form GST CMP-04

(vi) Mr. Kapil, director of M/s TRT Ltd. registered in Chennai went for 2 days official seminar in Delhi. From Noida he booked a hotel in Delhi & provided the company's GSTIN. What is the place of supply under GST law?

(A) Delhi

(B) Chennai

(C) Noida

(D) NIL

(vii) Under GST law what is the due date for issue of TDS Certificate?

(A) The date of payment of TDS

(B) Within 20 days from the date of payment of TDS

(C) Within 10 days from the date of payment of TDS

(D) Within 05 days from the date of payment of TDS

(viii) The due date to file GSTR-6 (Return for Input Service Distributor) is

(A) 15th of the next month

(B) 13th of the next month

(C) 10th of the next month

(D) 20th of the next month

(ix) If a person is liable to be registered on 12th November 2023 and he has applied for registration on 18th November 2023, and certificate granted on 24th November, 2023. The effective date of registration for composition levy will be:

(A) 18th November 2023

(B) 12th November 2023

(C) 12th December 2023

(D) 24th November 2023

(x) In respect of a consignment supplied on 21st August, provisional assessment was resorted by a person who files return on monthly basis. The assessment was finalized on 20th November and the taxpayer became liable to pay differential IGST of ₹ 10,000. The taxpayer paid this amount on 20th December. The number of days for which the taxpayer is liable to pay interest are—

(A) 122 days

(B) 91 days

(C) 61 days

(D) 30 days

Answer

I. (B)

II. (C)

III. (B)

iv. (C)

v. (B)

vi. (A)

vii. (D)

viii. (B)

ix. (B)

x. (B)

CMA Final MTP Dec 24

(i) Who is eligible to claim input tax credit under GST?

(A) Only registered businesses

(B) Only individuals

(C) Only government entities

(D) Any person irrespective of registration status

(ii) In GST, aggregate turnover does not include-

(A) Inward supplies on which tax is payable on reverse charge basis

(B) Exempt supplies

(C) Export of goods or services or both

(D) Inter-State supplies of persons having the same PAN number

(iii) In which of the following cases, old rate will not be applicable with respect to change in rate of supply of goods?

(A) Supply was completed before the change of rate and payment was also received but the invoice is issued after the change in rate of tax.

(B) Invoice was issued before the change in rate and payment was also received but the supply was made after change in rate of tax.

(C) Payment was received before change in rate of tax but the sales were made after the change in rate of tax and subsequently the invoice was issued after the completion of sale.

(D) Supply was completed before change of tax and the invoice was also issued but the payment was received after the change in rate.

(iv) Zero rated supply does not includes:

(A) Export of goods or/and services;

(B) Supply of goods or/and services to SEZ;

(C) Supply of goods or/and services by SEZ

(D) Both B and C

(v) Mr. Oberoi from Ahmedabad hires an aircraft from a company of Vietnam for a business tour. However, they board the aircraft from Mumbai. The place of supply of service will be:

(A) Location of supplier

(B) Location of recipient

(C) Location where service is performed.

(D) Location where passenger embarks the journey.

(vi) Supplier X makes a supply worth ₹11,800 (inclusive of GST) to a Municipality where the contract for supply is for ₹15,00,00. The rate of GST is 18%. The supplier and the deductor are in the same State. What would be the Net payment to Supplier X after deducting TDS?

(A) ₹ 11,000

(B) ₹ 11,800

(C) ₹ 10,000

(D) ₹ 11,600

(vii) In GST, refund shall not be paid to the applicant if the amount of refund is less than:

(A) ₹ 8,000

(B) ₹ 1,000

(C) ₹ 5,000

(D) ₹ 10,000

(viii) M/s Ashok Enterprise sells mineral water bottles, with MRP ₹22 per bottle. However, customers availing the discountof ₹5 per bottle. In the month of April 2024, M/s Ashok Enterprise sold 2,500 bottles. Applicable rate of GST 18%. What will be the invoice price?

(A) ₹ 37,760

(B) ₹ 50,150

(C) ₹ 42,500

(D) ₹ 55,000

(ix) In which of the following cases, E-way Bill is required?

(A) The mode of transport is non-motor vehicle.

(B) Goods transported under Customs supervision or under customs seal

(C) Transit cargo transported to or from Nepal or Bhutan

(D) None of the above

(x) If a person is arrested for a cognizable offence, then he must be produced before a magistrate within:

(A) 24 hours of his arrest

(B) 48 hours of his arrest

(C) 24 hours of his warrant

(D) 48 hours of his warrant

Answer

I. (A)

II. (A)

III. (C)

iv. (C)

v. (B)

vi. (D)

vii. (B)

viii. (B)

ix. (D)

x. (A)

CMA Final MTP Dec 24

(i) The maximum rate of IGST as per IGST Act is:

(A) 20%

(B) 30%

(C) 40%

(D) None of the above

(ii) Who is required to file the Annual Return under GST?

(A) Every registered person

(B) Registered person having annual turnover of ₹2 crores and above

(C) Registered person having annual turnover of ₹1.5 crores and above

(D) None of the above

(iii) In GST, assessment means a process of determining the tax liability in accordance with the provisions of the Act, which includes:

(A) Provisional Assessment

(B) Self-assessment

(C) Reassessment

(D) All of the above

(iv) For the year 2023-24 due date of filling of annual return is 31.12.2024. As per CGST Act, 2017, the books and records of 2023-24 must be maintained till

(A) 31.03.2024

(B) 31.12.2024

(C) 31.12.2026

(D) 31.12.2030

(v) Under GST Act the term UIN stands for:

(A) User Identification Number

(B) Utility Identification Name

(C) Unique Identification Number

(D) Unique Individual Number

(vi) Under GST, inspection, as well as search, can be carried out only after authorization by a proper officer not below:

(A) the rank of Commissioner

(B) the rank of Assistant Commissioner

(C) the rank of Principal Commissioner.

(D) the rank of Joint Commissioner.

(vii) If the Show Cause Notice mentions the tax as ₹ 1,11,156.30 and penalty as ₹ 572.6, then what is the amount payable as per section 170 of the CGST Act?

(A) ₹1,11,800

(B) ₹ 1,11,728.9

(C) ₹ 1,11,700

(D) ₹ 1,11,729

(viii) Where a desk-top printer is sold for ₹10,000 along with the exchange of an old printer and if the price of the new desk-top printer without exchange is ₹12,500, the taxablevalue for GST purpose would be -

(A) ₹10, 000

(B) ₹ 12,500

(C) Either (A) or (B)

(D) ₹10,000 for the supplier and ₹2,500 for the customer

(ix) The time limit to pay the value of supply with taxes to avail input tax credit is:

(A) Three months

(B) Six months

(C) One hundred and eighty days

(D) Till the date of filing annual return or 30th September of following year whichever is earlier

(x) A manufacturer who is a registered person under GST has purchased 10,000 kgs of raw material during February, 2024, on which IGST of ₹1,00,000 has been paid. He has taken 100 kgs for personal use. 200 kgs were stolen from the factory. Only 80% of the raw materials were consumed during the month for production. The input tax credit available to him for February, 2024 is:

(A) ₹99,000

(B) ₹97,000

(C) ₹80,000

(D) ₹1,00,000

Answer

I. (C)

II. (A)

III. (D)

iv. (D)

v. (C)

vi. (D)

vii. (D)

viii. (B)

ix. (C)

x. (B)

CMA Final PTP Dec 24

(i) Which of the following persons can opt for the composition scheme under sub sections (1) and (2) of section 10 of the CGST Act, 2017, in the State of Delhi?

1. Registered person whose aggregate turnover in the preéeding financial year did not exceed ₹ 75 lakh.
2. Registered person whose aggregate turnover in the preceding financial year did not exceed ₹ 1.5 crore.
3. A person engaged in manufacture of pan masala, tobacco and manufactured tobacco substitutes.
4. A person engaged in the manufacture of ice cream, other edible ice, whether or not containing cocoa.
5. A person engaged exclusively in providing restaurant service.
6. A person engaged exclusively in supply of medicines.

(A) 1,2,3,5

(B) 1,2,5,6

(C) 2,3,4,5

(D) 3,4,5,6

(ii) M/s P Associates of Chennai received certain consultancy services from D Inc. of USA. Both are not related person. The services received is without any consideration. Does the same classify as supply?

(A) Yes. Being import of services in the course of business

(B) No. Since, party to the contract are not related

(C) On the prior approval of the Government

(D) NIL

(iii) Sanjay Kumar, a resident of Noida and an unregistered person, U.P. (working in a private firm), went to Himachal Pradesh for a family vacation via Delhi-Chandigarh- Himachal Pradesh in his own car. After entering Chandigarh, his car broke down due to some technical issue. He called 'ONROARDS' - an emergency roadside car assistance company (registered under GST in Delhi) to repair the car. The car was repaired by the staff of 'ONROARDS'. 'ONROARDS' does not have policy to maintain a record of the addresses of the persons taking the car assistance service. The value of supply amounted to ₹ 50,000 (being labour charges ₹ 40,000 and spares ₹ 10,000). The bill was supposed to be generated online though the server, but due to some technical issue, it was not so generated.

Determine the place of supply in the given case.

(A) Delhi

(B) Chandigarh

(C) Noida, U.P.

(D) Himachal Pradesh

(iv) ABC Ltd. has provided following information for the month of March 2024:

1. Intra-State outward supply ₹ 9,00,000
2. Inter-State exempt outward supply ₹ 5,00,000
3. Turnover of exported goods ₹ 10,00,000
4. Payment made to GTA ₹ 80,000 (ITC not availed by GTA)

Calculate the aggregate turnover of ABC Ltd.

(A) ₹ 9,00,000

(B) ₹ 24,80,000

(C) ₹ 24,00,000

(D) ₹ 19,00,000

(v) Which of the following services are not exempt from GST?

(A) Yoga camp conducted by a charitable trust registered under section 12AB (erstwhile under section 12AA) of the Income-tax Act, 1961.

(B) Services provided by business correspondent with respect to Savings Bank Accounts in the rural branch of a bank.

(C) Services provided by cord blood bank for preservation of stem cells.

(D) Service provided by commentator to a recognized sports body.

(vi) Calculate the tax to be paid by Mr. C, a composition dealer who supplied laptops being a trader from the following data:

1. Cost of purchases ₹ 3,00,000 plus GST 12%.
2. Profit Margin 40% on cost of purchases.

(A) ₹ 4,704

(B) ₹ 7404

(C) ₹ 4074

(D) NIL

(vii) The time limit beyond which if goods are not returned, the capital goods sent for job work shall be treated as supply is

(A) Five Years

(B) One Year

(C) Six Months

(D) Three Years

(viii) Exemption can be claimed at ________________ stage even if not claimed at ____________ stage.

(A) adjudication, investigation

(B) investigation, adjudication

(C) any, prior

(D) NIL

(ix) Mr. DD a supplier of goods, pays GST under regular scheme. The amount of input tax credit (ITC) available and output tax liability under different tax heads for a tax period are as under: -

Head	Output Tax Liability (₹)	ITC Available (₹)
CGST	60,500	68,000
SGST/UTGST	60,500	49,000
IGST	60,500	75,000

Compute the minimum net GST payable in cash by Mr. DD and also closing balance of ITC of each head.

(A) Payable SGST ₹ 3,000 Balance of IGST ITC Nil, and CGST ITC ₹ 7,500

(B) Payable SGST ₹ 1,500 Balance of IGST ITC Nil, and CGST ITC ₹ 7,500

(C) Payable SGST ₹ 11,500 Balance of IGST ITC Nil, and CGST ITC ₹ 17,500

(D) Payable SGST ₹ 6,500 Balance of IGST ITC Nil, and CGST ITC ₹ 12,500

(x) What is the time limit to file intimation for withdrawal from the composition scheme, if person who availing composition scheme under GST laws during financial year 2023- 2024, crosses the turnover of ₹ 150 lakh?

(A) Within 30 days from date of crossing limit.

(B) WIthin 7 days from the end of the month in which limit crossed.

(C) Up to the last date of the month in which limit crossed.

(D) Within 7 days from date of crossing limit.

Answer

I. (B)

II. (B)

III. (A)

iv. (C)

v. (C/D)

vi. (A)

vii. (D)

viii. (A)

ix. (A/B/C/D)

x. (D)

CMA Final MTP 1 June 25

(i) While repairing the factory shed, few goods were also supplied along with the labour service. Whether it is a:

(A) Composite Supply

(B) Mixed Supply

(C) Works Contract Service

(D) None of the above

(ii) Mr. Dhoni a registered person from Mumbai, received certain architectural services from one of its associates from UAE for his personal purpose free of cost. The same was worth $5,000. Does the import of service qualify as supply?

(A) Yes. Being made from related party

(B) No. since, not made in course or furtherance of business

(C) Yes, but only on prior approval of Government

(D) None of the above

(iii) Stylish a modelling agency, registered in Mumbai having 10 models entered into a contact for beauty treatment of their models with Fair & Lovely in Delhi but the beauty treatment was done before a fashion show in the city of Hyderabad. What is the place of supply?

(A) Mumbai

(B) Delhi

(C) Chennai

(D) Hyderabad

(iv) Mr. OBAMA of USA came to Chennai for personal visit and booked a room in Taj Hotel of Chennai. What GST is liable to pay by Taj Hotel of Chennai where payment received in US Dollars?

(A) CGST + SGST

(B) GST

(C) Zero rate of GST

(D) None of the above

(v) The term "used in the course or furtherance of business" means —

(A) 100

(B) 10

(C) 110

(D) 120

(vi) Calculate the tax to be paid by Mr. C, a composition dealer who supplied laptops being a trader from the following data:

(A) It should be directly co-related to output supply

(B) It is planned to use in the course of business

(C) It is used or intended to be used in the course of business

(D) It is used in the course of business for making outward supply

(vii) Levy of GST on Priority Sector Lending Certificate (PSLC) is under:

(A) Exempted supply of goodss

(B) Reverse Charge Mechanism (RCM)

(C) Forward Charge

(D) Partial Reverse Charge Mechanism

(viii) When an e-commerce operator is required to register under GST?

(A) When he is required to collect tax at source u/s 52

(B) When his aggregate turnover exceeds the threshold limit

(C) It is mandatory to register irrespective of the threshold limit.

(D) When he is required to collect tax at source u/s 52 and his aggregate turnover exceeds the threshold limit.

(ix) Which document is to be issued by the consignor instead of tax invoice for transportation of goods for job work?

(A) E-Way Bill

(B) Delivery Challan

(C) Debit Note

(D) Receipt Voucher

(x) E-Way bill generation facility of a person paying tax under regular scheme will be blocked if he has not furnished the returns for a consecutive period of __________.

(A) 2 months

(B) 2 tax periods

(C) 3 tax periods

(D) 6 tax periods

Answer

I. (C)

II. (B)

III. (D)

iv. (A)

v. (C)

vi. (C)

vii. (D)

viii. (C)

ix. (B)

x. (A)

CMA Final MTP 2 June 25

(i) Aggregate turnover does not include:

(A) Inward supplies on which tax is payable on reverse charge basis

(B) Exempt supplies

(C) Export of goods or services or both

(D) Inter-State supplies of persons having the same PAN number

(ii) What action should be taken by an assessee to satisfy with anti-profiteering provision?

(A) Reduce rate of tax on any supply of goods or services, if such assessee has got the benefit of such reduced rate

(B) Pass on the benefit of input tax credit, if such assessee has got such input tax credit

(C) Both (a) and (b)

(D) None of the above

(iii) As per section 69(2) of CGST Act, 2017, where a person is arrested under sub-section (1) for an offence specified under sub- section (5) of section 132, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within __________ hours:

(A) 12 hours

(B) 24 hours

(C) 48 hours

(D) 36 hours

(iv) Whether penalties under any other provisions of the Act be imposed in respect of adjudication proceedings under section 73 or 74?

(A) Yes

(B) No

(C) At proper officer's discretion

(D) None of the above

(v) Period for Retention of Accounts under GST is:

(A) 72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records.

(B) 60 months from the due date of furnishing of annual return for the year pertaining to such accounts and records.

(C) 180 days from the due date of furnishing of annual return for the year pertaining to such accounts and records.

(D) 365 days from the due date of furnishing of annual return for the year pertaining to such accounts and records.

(vi) Determine the amount of GST in case of supply of service of ₹10,00,000 on 4th February 2025 and invoice has also been issued on the same date. The date of payment is 31st January 2025. The CGST rate has been increased from 5% to 12% w.e.f. 1st February 2025. (CMA FINAL PTP JUNE 2025)

(A) ₹50,000

(B) ₹1,00,000

(C) ₹70,000

(D) ₹1,20,000

(vii) Mr. Ram a second-hand car dealer purchased a second hand car for ₹2,50,000. He sold the same car to Mr. Lakshman for ₹3,00,000. Determine value of supply?

(A) ₹3,00,000

(B) ₹2,50,000

(C) ₹50,000

(D) None of the above

(viii) Mr. Ajay purchased goods from Mr. Chethan, a composition dealer worth ₹100,000. Since Mr. Chethan was trader so he was supposed to pay only 1% of his turnover as his tax. The item so purchased was otherwise taxable at 12%. What is the amount of credit which Mr. Ajay is eligible to take?

(A) ₹990

(B) ₹12,000

(C) ₹1,000

(D) Not eligible to claim credit

(ix) Annual Return is summary of:

(A) GSTR-1

(B) GSTR-3B

(C) GSTR-4

(D) All of the above.

(x) Refund shall not be paid to the applicant if the amount of refund is less than –

(A) ₹1000

(B) ₹5000

(C) ₹7000

(D) ₹10000

Answer

I. (A)

II. (C)

III. (B)

iv. (B)

v. (A)

vi. (D)

vii. (C)

viii. (D)

ix. (D)

x. (A)

CMA Final PTP June 25

(i) Services by a hotel, inn, guest house, club or campsite are not exempted for residential/lodging purposes ___________.

(A) if the actual tariff for a unit of accommodation is below ₹10,000.

(B) irrespective of tariff value for a unit of accommodation.

(C) if the actual tariff for a unit of accommodation is exactly ₹1,000.

(D) if the actual tariff for a unit of accommodation is above ₹1,000.

(ii) Maximum time limit for availing ITC is

(A) the date of filing of annual return for the year.

(B) 30th November of the following financial year.

(C) Earliest of above two

(D) Later of above two

(iii) Minimum value addition required to be achieved under DFIA is________

(A) 10%

(B) 15%

(C) 20%

(D) 5%

(iv) Mr. Ram a second-hand car dealer purchased a second-hand car for ₹2,50,000. He sold the same car to Mr. Lakshman for ₹3,00,000. Determine value of supply.

(A) ₹3,00,000

(B) ₹2,50,000

(C) ₹50,000

(D) None of the above

(v) Determine the amount of GST in case of supply of service of ₹10,00,000 on 4th Sep. 20XX and invoice has also been issued on the same date. The date of payment is 30th August, 20XX. The CGST rate has been increased from 5% to 12 % w.e.f. 1st Sept, 20XX.

(A) ₹50,000

(B) ₹1,00,000

(C) ₹70,000

(D) ₹1,20,000

(vi) Services by way of renting precincts of a religious place meant for general public, owned or managed by an entity registered as charitable or religious trust under section 12AA or 12AB of the Income Tax Act, 1961 shall be exempted, provided the room rent and rent for community halls is respectively less than

(A) ₹1,000 and ₹1,000.

(B) ₹1,000 and ₹10,000.

(C) ₹10,000 and ₹10,000.

(D) ₹500 and ₹10,000.

(vii) As per section 69(2) of the CGST Act, 2017, where a person is arrested under subsection (1) for an offence specified under sub-section (5) of the section 132, the officer authorized to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within

(A) 4 hours

(B) 24 hours

(C) 25 hours

(D) 26 hours

(viii) Which of the following transactions does not qualify as supply under GST law?

(A) Disposal of car without consideration and the supplier has not claimed input tax credit on such car.

(B) A principal makes supplies to his agent who is also registered under GST and is situated within the same State and the invoice for further supply is issued by the agent in his name.

(C) Head Office makes a supply of services to its own branch outside the State.

(D) A person imports services without consideration for the purposes of his business from his elder son living outside India.

(ix) GH Ltd., a registered supplier in Karnataka, is engaged in milling of paddy into rice and provides allied services also. During March, 2024, the amounts collected, exclusive of GST, are as under:

Case No.	Amount (₹)
Processing charges for milling of paddy into rice	30,00,000
Packing and warehousing of rice	15,00,000
Loading and unloading of rice	12,00,000

If the GST rate applicable is 5%, the GST liability is as under):

(A) 2,85,000

(B) 2,25,000

(C) 1,50,000

(D) Nil

(x) The maximum amount of pre-deposit payable by a taxpayer for filing an appeal involving IGST implications before the appellate authority is

(A) ₹50 lakhs

(B) ₹25 crores

(C) ₹50 crore

(D) ₹100 crore

Answer

I. (B)

II. (C)

III. (C)

iv. (C)

v. (D)

vi. (B)

vii. (B)

viii. (A)

ix. (C)

x. (A/B/C/D)

CUSTOM DUTY

Chapter 2

Objectives : Customs & FTP

Contents

CMA Final MTP Jun 19

Choose the correct answer with justification/ workings wherever applicable :

(i) Who is the adjudicating authority in case of goods liable for confiscation amounted > ₹ 50,000 ≤ ₹ 5,00,000 ?

- (a) The Superintendent of Customs
- (b) The Deputy/ Assistant Commissioner of Customs
- (c) The Joint/ Additional Commissioner of Customs
- (d) The Commissioner of Customs

(ii) After visiting USA, Mrs. & Mr. X brought to India a laptop computer valued at ₹ 80,000 personal effects cloths valued at ₹ 90,000 and a personal computer for ₹ 52,000. What is the customs Duty payable?

- (a) ₹ 11,550/-
- (b) ₹ 15,400/-
- (c) ₹ 770/-
- (d) None of the above

(iii) Which of the following is an eligible capital good for import under EPCG (Export Promotion Capital Goods) Scheme?

- (a) Second hand capital goods
- (b) Power Generator Sets
- (c) Computer software systems
- (d) None of the above

Answer

(i) **(b)** The Deputy/ Assistant Commissioner of Customs

The adjudicating authority, in case of goods liable for confiscation amounted > ₹ 50,000 ≤ ₹ 5,00,000 is the Deputy/ Assistant Commissioner of Customs (u/s 122 of the Customs Act, 1962).

(ii) **(c)** ₹ 770/-

Duty payable on baggage is ₹ 770/- [₹ (52,000 – 50,000) x 38.50%]

(iii) **(c)** Computer software systems

The ineligible capital goods under EPCG (Export Promotion Capital Goods)

Scheme are Second hand capital goods & Power Generator Sets. Computer software systems are eligible capital goods under EPCG scheme.

CMA Final MTP Jun 19

Choose the correct answer with justification/ workings wherever applicable:

(i) If, any drawback amount payable to a claimant u/s 74 or 75 is not paid within the specified time period, then the rate of interest is payable to the claimant is. ________

(a) 4% p.a.

(b) 5% p.a.

(c) 6% p.a.

(d) 7% p.a..

(ii) There would be no recovery if the amount of customs duty involved is less than ___________ [Section 28 (1) - w.e.f. 10.05.2013].

(a) ₹ 100

(b) ₹ 200

(c) ₹ 300

(d) ₹ 500

(iii) Once goods are imported from a country outside India into India, such goods need to be cleared from the port within ___________ from the date of import.

(a) 3 working days

(b) 4 working days

(c) 5 working days

(d) 7 working days Answer:

Answer

(i) **(c)** 6% p.a.

Any drawback payable to a claimant u/s 74 or 75 is not paid within specified time period (i.e. one month from the date of filing of draw back claim), @6% per annum interest is payable to the claimant after the expiry of said one month till the date of payment of such drawback.

(ii) **(a)** ₹ 100

No minimum limit for recovery of customs duty had been specified under the Customs Act, 1962. Thus, recovery proceedings could be initiated even for the default of Re. 1. The Finance Act, 2013 has inserted third proviso in section 28(1) which provides that the proper officer will not serve the show cause notice, where the amount involved is less than ₹ 100. In other words, there would be no recovery of the customs duty if the amount of customs duty involved is less than ₹ 100.

(iii) **(a)** 3 working days

Once goods are imported from a country outside India into India, such goods need to be cleared from the port within 3 working days from the date of import. For delay beyond 3 working days the port authorities will charge demurrage. If the delay is from the Customs authorities, then such authorities will issue a certificate called as Detention Certification for bona fide import.

CMA Final Jun 19

Choose the most appropriate option from the following [Option to be given in capital letters A, B C or D] and give brief reason/justification for your choice, the correct choice or conclusion [1 mark for the correct choice and 1 mark for reason]:

(i) In the context of Indian Customs law, ICEGATE means

- (A) Indian Customs Electronic Data Interchange Gateway
- (B) Indian Customs Electronic Gateway
- (C) Inter Continental Electronic Gateway
- (D) None of the above

(ii) Transit of goods without payment of customs duty is governed by Section ____________ of the Customs Act, 1962.

- (A) 51
- (B) 52
- (C) 53
- (D) 55

(iii) The following is not a condition precedent for grant of duty drawback for re-export of duty paid goods:

- (A) The goods must be clearly identifiable.
- (B) The goods should have been actually imported earlier and import duty paid thereon.
- (C) The goods are actually re-exported to any place outside India.
- (D) Entire lot of goods imported earlier should be re-exported and no portion should remain.

Answer

(i) **A** This term appears in Shipping Bill (Electronic Declaration) Regulations, 2011 and this is what the term means.

(ii) **C** Section 53 of the Customs Act, 1962 contains the provisions relating to transit of certain goods without payment of customs duty.

(iii) **D** Section 74 of the Customs Act, 1962 contains the necessary conditions. (D) does not figure therein.

CMA Final MTP Dec 19

Choose the correct answer with justification/ workings wherever applicable:

(i) As per sec. 61, where any warehoused goods specified in sec. 61(1)(c) remain in a warehouse beyond a period of days from the date on which the proper officer has made an order u/s 60, interest shall be payable @ 15%

(a) 60

(b) 90

(c) 45

(d) 30

(ii) What is the capital punishment u/s 132 for false declaration, documents, etc.

(a) Imprisonment for a term which may extend to 2 years

(b) Imprisonment for a term which may extend to 5 years

(c) Imprisonment for a term which may extend to 1 year

(d) Imprisonment for a term which may extend to 6 months

(iii) Only projects having a minimum investment of ₹ in plant & machinery shall be considered for establishment as EOUs

(a) 10 Crore

(b) 50 lakhs

(c) 5 Crore

(d) 1 Crore

Answer

(i) **(b)** 90

Reason: As per sec. 61, where any warehoused goods specified in sec. 61(1)(c) remain in a warehouse beyond a period of 90 days from the date on which the proper officer has made an order u/s 60, interest shall be payable @ 15%

(ii) **(a)** Imprisonment for a term which may extend to 2 years

Reason: As per sec. 132, whoever makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document in the transaction of any business relating to the customs, knowing or having reason to believe that such declaration, statement or document is false in any material particular, shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

(iii) **(d)** 1 Crore

Reason: Only projects having a minimum investment of ₹ 1 crore in plant & machinery shall be considered for establishment as EOUs. However, Board of Approvals (BoA) may allow establishment of EOUs with a lower investment criteria also.

CMA Final MTP Dec 19

Choose the correct answer with justification/ workings wherever applicable:

(i) The Central Government is empowered to levy customs duty vide entry no. ____________ of the Union List of the Seventh Schedule to the Constitution of India.

(a) 78

(b) 83

(c) 111

(d) 120

(ii) As per section 2(2) of the Customs Act, assessment includes:

(a) provisional assessment

(b) self assessment

(c) reassessment

(d) All of the above.

(iii) _________ means vessel or cargo which is abandoned in sea without any hope of recovering it.

(a) Derelict

(b) Jetsam

(c) Flotsam

(d) Wreck.

Answer

(i) **(b)** The Central Government is empowered to levy customs duty vide entry no. 83 of the Union List of the Seventh Schedule to the Constitution of India.

(ii) **(d)** As per section 2(2) of the Customs Act, assessment means process of determining the tax liability in accordance with the provisions of the Act, which includes provisional assessment, self assessment, reassessment and any assessment in which the duty assessed is nil.

(iii) **(a)** Derelict means vessel or cargo which is abandoned in sea without any hope of recovering it. Goods are not thrown from the vessel to prevent it from sinking.

CMA Final Dec 19

Choose the most appropriate option for the following [Option to be given in capital letters A, B, C or D] and give brief reason/justification for your choice or conclusion :

(i) Determine the correct combination:

Sl. No.	Event	Sl. No.	Effect on customs duty
1	Foods damaged	1	Remission of duty
2	Goods pilfered	2	Abatement of duty
3	Goods destroyed	3	Not liable to pay duty

(A) 1 and 2, 2 and 3, 3 and 1

(B) 1 and 3, 2 and 3, 3 and 2

(C) 1 and 2, 2 and 1, 3 and 3

(D) 1 and 1, 2 and 3, 3 and 2

(ii) Two sets of sales were effected by Boomerang Ltd. First set 1000 units at ₹ 190 and second set 900 units at ₹ 200. In terms of rule 7 (Deductive Value) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the unit price in greatest aggregate quantity determined will be

(A) ₹ 200

(B) ₹ 190

(C) ₹ 195

(D) More data is required

(iii) As per the Customs Tariff Act, 1975, the following is not considered to be a way that constitute circumvention of antidumping duty imposed on an article which may warrant action by the Central Government:

(A) Altering the description or name or composition of the article subject to imposition of such anti-dumping duty

(B) Changing the country of its origin or export

(C) Import of such article in an unassembled or disassembled form

(D) Procuring the goods through an Indian subsidiary which is a SEZ unit.

Answer

(i) **A** When imported goods are damaged, there will be abatement of customs duty. In respect of pilfered goods, customs duty is not payable and when goods are destroyed, there will be remission of duty.

(ii) **B** The greatest number of units sold at a particular price is 1,000 units. Therefore, the unit price in the greatest aggregate quantity is ₹ 190.

(iii) **D** The first three are specifically covered by section 9A(1A) of the Customs Tariff Act, 1975. Import by a SEZ unit will not attract any anti-dumping duty.

CMA Final MTP Jun and Dec 20

Choose the correct answer with justification/ workings wherever applicable:

(i) As per the Customs Tariff Act, 1975, the following is not considered to be a way that constitute circumvention of antidumping duty imposed on an article which may warrant action by the Central Government:

(a) Altering the description or name or composition of the article subject to imposition of such anti-dumping duty

(b) Changing the country of its origin or export

(c) Import of such article in an unassembled or disassembled form

(d) Procuring the goods through an Indian subsidiary which is a SEZ unit

(ii) Which of the following is an eligible capital good for import under EPCG (Export Promotion Capital Goods) Scheme?

(a) Second hand capital goods

(b) Power Generator Sets

(c) Computer software systems

(d) None of the above

(iii) Which of these is/are not an adjudicating authority under Customs Act,1962?

(a) Commissioner of Customs

(b) Principal Commissioner of Customs

(c) Commissioner (Appeals)

(d) Assistant Commissioner of Customs

Answer

(i) **(d)** Procuring the goods through an Indian subsidiary which is a SEZ unit

The first three are specifically covered by section 9A(1A) of the Customs Tariff Act, 1975. Import by a SEZ unit will not attract any anti-dumping duty.

(ii) **(c)** Computer software systems

The ineligible capital goods under EPCG (Export Promotion Capital Goods) Scheme are Second hand capital goods & Power Generator Sets. Computer software systems are eligible capital goods under EPCG scheme.

(iii) **(c)** Commissioner (Appeals)

Commissioner (Appeals) is not an adjudicating authority under Customs Act, 1962

CMA Final MTP Jun and Dec 20

Choose the correct answer with justification/ workings wherever applicable:

(i) What is true about the classification of packing material?

(a) The packing material is always classified with the goods packed.

(b) The packing material is never classified with the goods packed.

(c) The packing material may or may not be classified with the goods packed.

(d) The packing material is classified in separate chapter of the schedule.

(ii) Once goods are imported from a country outside India into India, such goods need to be cleared from the port within _______________ from the date of import.

(a) 3 working days

(b) 4 working days

(c) 5 working days

(d) 7 working days

(iii) The following is not a condition precedent for grant of duty drawback for re-export of duty paid goods:

(a) The goods must be clearly identifiable

(b) The goods should have been actually imported earlier and import duty paid thereon

(c) The goods are actually re-exported to any place outside India

(d) Entire lot of goods imported earlier should be re-exported and no portion should remain

Answer

(i) **(c)** The packing material may or may not be classified with the goods packed.

(ii) **(a)** Once goods are imported from a country outside India into India, such goods need to be cleared from the port within 3 working days from the date of import. For delay beyond 3 working days the port authorities will charge demurrage. If the delay is from the Customs authorities, then such authorities will issue a certificate called as Detention Certification for bona fide import.

(iii) **(d)** Section 74 of the Customs Act, 1962 contains the necessary conditions

CMA Final PTP Dec 22

Choose the correct answer with justificationAvorkings wherever applicable.

(i) Under the FTP, the short form ITC (HS) refers to

(A) Input Tax Credit (High Seas)

(B) Inward Tax Credit (Harmonised System)

(C) Inland Terminal Changes (Hardware System)

(D) Indian Trade Classification (Harmonised System)

(ii) Interest on late payment of customs duty on Bill of Entry is charged under section ______ of the Customs Act, 1962.

(A) 42

(B) 37

(C) 47

(D) 49

(iii) Export performance during current and two previous years required for Two Star Export House Status holder is.

(A) USD 5 million

(B) USD 25 million

(C) USD 50 million

(D) USD 200 million

Answer

Choose the correct answer with justification/workings wherever applicable.

(i) **(D)**

(ii) **(C)**

(iii) **(B)**

CMA Final PTP Jun 23 [Old]

Choose the correct answer with justification/workings wherever applicable.

(i) Which of the following privileges are granted to the Status Holders as per Foreign Trade Policy 2015-2020?

(I) Authorisation and custom clearances for both imports and exports may be granted on self-declaration basis.

(II) Two Star Export Houses and above are permitted to establish export warehouses.

(III) Input-Output norms may be fixed on priority within 7 days by the Norms Committee.

(IV) Exemption from furnishing of bank guarantee in Schemes under FTP.

Choose the most appropriate option.

(A) (I), (II) and (IV)

(B) (I), (II) and (III)

(C) (I), (II), (III) and (IV)

(D) (I) and (II)

(ii) A Ltd. makes two sales to unrelated buyers. In the first sale, 300 units are sold at a price of ₹ 75. In the second sale, 200 units are sold at a price of ₹ 80. For the purposes of rule 7 (Deductive Value) of the Customs (Determination of Value of Imported Goods) Rules, 2007, determine the unit price in greatest aggregate quantity.

(A) ₹ 75

(B) ₹ 80

(C) Average of ₹ 75 and ₹ 80

(D) Data is insufficient to determine the unit price in greatest aggregate quantity

(iii) The relevant date for determining the rate of exchange in case of imported goods is:

(A) date when the vessel leaves the exporter's port for India.

(B) date of presentation of bill of entry.

(C) date of examination of goods by proper officer.

(D) date of deposit of duty.

Answer

(i) **(A)**
(ii) **(A)**
(iii) **(B)**

CMA Final MTP Jun 23 [New]

(i) 1,00,000 MT goods are imported for ₹ 10 lakh but goods actually received are 95,000 MT. In this case, value of goods liable to duty is —

a. ₹ 10,00,000

b. ₹ 9,50,000

c. ₹ 50,000

d. ₹ 10,50,000

Give your justification:

(ii) After visiting UK for 10 days, Mr. K brought to India a laptop computer valued at ₹ 76,000, personal effects valued at ₹ 1,20,000 and a personal computer for ₹ 72,000. What is the customs Duty payable?

a. ₹ 22,000

b. ₹ 8,470

c. ₹ 10,000

d. ₹ 15,000

Give your justification:

(iii) At present, which of the following types of bonded warehouse is not allowed in manufacture and other operations?

a. Public Bonded Warehouse

b. Special Bonded warehouses

c. Private Bonded warehouse

d. Both (a) and (b) Give your justification.

(iv) Nikita imported wearing apparel and paid ₹ 50,000 as import duty. As she did not like the apparel, these are re-exported after 20 days. Calculate the amount of duty drawback allowable under Section 74 of the Customs Act, 1962.

a. Nil

b. ₹ 50,000

c. ₹ 40,000

d. ₹ 45,000

Give your justification.

Answer

		Justification
(i)	(b)	Customs duty is applicable only on the value of goods imported to India
(ii)	(c)	Laptop and personal effects are not liable to duty. Further, Value of personal computer as reduced by GFA of ₹ 50,000 is liable for duty @ 38.5% i.e., [(₹ 72,000 - ₹ 50,000) x 38.5%]
(iii)	(d)	Justification: The following persons are eligible to apply for manufacture and other operations in a bonded warehouse, - A person who has been granted a licence for a private warehouse under Section 58 of the Customs Act, in accordance with Private Warehouse Licensing Regulations, 2016. A person can also make a combined application for licence for a warehouse under Section 58, along with permission for undertaking manufacturing or other operations in the warehouse under Section 65 of the Act.
(iv)	(a)	Justification: In case of wearing apparel, no duty drawback is available

CMA Final PTP Jun 23 [New]

Choose the most appropriate alternative and give justification in each case. 1 mark alloted for correct section and 1 mark for justification.

(i) RT, a non-SEZ unit, warehoused the imported goods on 12-12-2022 and removed them after 120 days. The customs duty payable as on the date of warehousing is ₹ 2,30,000, The duty as on the date of removal is ₹ 3,20,000. The interest payable under the Customs Act, 1961 in this regard is (interest rate, rate to be applied on what customs duty?):

1. 15% p.a.
2. 12% p.a.
3. ₹ 2,30,000
4. ₹ 3,20,000

(A) 1, 3

(B) 1, 4

(C) 2, 3

(D) 2, 4

(ii) The charging section for the Customs Act, 1961 is section:

(A) 2

(B) 3

(C) 4

(D) 12

Answer

(i) (A)

(ii) (D)

CMA Final PTP Dec 23 [Old]

Choose the most appropriate alternative and give justification in brief/brief working for your answer:

(i) Calculate the CTF value of imported goods under Customs Act, 1962 in the following case:

Particulars	US$
FOB value plus insurance charges	1,000
Sea Freight, loading, unloading and handling charges associated with the delivery of the imported goods to the place of importation	Not known
Insurance charges	20

A. $ 1180

B. $ 1200

C. $ 1196

D. $ 1224

(ii) For filing an appeal before the Commissioner (Appeals), the amount of pre-deposit required under the Customs Act, 1962 is

A. 5% of the demand, subject to a maximum of ₹5 crore.

B. 5% of the demand, subject to a maximum of ₹7.5 crore.

C. 7.5% of the demand, subject to a maximum of ₹7.5 crore.

D. 7.5% of the demand, subjcct to a maximum of ₹10 crore.

(iii) Anti-dumping duty payable by a SEZ in respect of an import is

A. Nil

B. 5% of the customs duty.

C. 7.5% of the customs duty.

D. 10% of the customs duty.

Answer

(i) **(C)**

(ii) **(D)**

(iii) **(A)**

CMA Final PTP Dec 23 [New]

(i) Under Customs Act, 1962 which of this is not mandatory documents required for export of goods from India

(A) Bill of Lading/Airway Bill/Lorry Receipt/Railway Receipt/Postal Receipt

(B) Commercial Invoice cum Packing List

(C) Shipping Bill/Bill of Export

(D) Bill of entry

(ii) In which of the following cases, can an importer claim abatement of duty under section 22 of the Customs Act, 1962?

(i) Goods pilfered during unloading

(ii) Goods damaged by accident (due to negligence of the importer) after unloading but before examination for assessment by customs authorities

(iii) Goods destroyed by accident while being removed from the warehouse after clearance for home consumption

(iv) Goods damaged by accident (not due to negligence of the importer) after unloading but before examination for assessment by customs authorities

Choose the most appropriate option:

(A) Only (iv)

(B) Only (iii)

(C) Both (i) and (iii)

(D) (i), (ii), (iii) and (iv)

(iii) Value of inputs covered by Advance authorization ₹ 27 lakh. Export must be of _____ minimum value addition.

(A) 10%

(B) 15%

(C) 20%

(D) 50%

(iv) In the context of Indian Customs law, ICEGATE means

(A) Indian Customs Electronic Data Interchange Gateway

(B) Indian Customs Electronic Gateway

(C) Inter-Continental Electronic Gateway

(D) Indian Constitutional Electronic Data Interchange Gateway

(v) Where a person of Indian origin stays abroad for 36 months and returns to India on 25.4.2023 for having residence in India, the GFA for used household articles (Baggage) is

(A) ₹ 1 lakh

(B) ₹ 3 lakh

(C) ₹ 5 lakh

(D) Nil

Answer

(i) **(D)**
(ii) **(A)**
(iii) **(B)**
(iv) **(A)**
(v) **(C)**

CMA Final MTP June 24

(i) Out of the following transaction, which is not considered as supply under GST?

(A) High sea sale

(B) Payment of salary by the employer to his employee

(C) Sale of land

(D) All of the above

(ii) Minimum value addition required to be achieved under DFIA is______________.

(A) 10%

(B) 15%

(C) 20%

(D) 5%

(iii) Mr. Raj resident of India, returned back to India from London after 2 years of stay and brought jewellery ₹ 42,000 (18 grams). Duty payable by Mr. Raj is:

(A) ₹ 770

(B) ₹ 2,000

(C) ₹ 2,200

(D) Nil

(iv) ____________ grants the permission for manufacturing or other operations in the bonded facility.

(A) Assistant Commissioner of Customs

(B) Deputy Commissioner of Customs

(C) Additional Commissioner of Customs

(D) Commissioner of Customs

(v) In case, the developer submits the proposal to the State Government for The SEZ approval, then state government forwards this proposal to the Board of Approval (BoA) along with its recommendation within.

(A) 5 days

(B) 15 days

(C) 30 days

(D) 45 days

Answer

(i) **(D)**
(ii) **(C)**
(iii) **(D)**
(iv) **(D)**
(v) **(D)**

CMA Final PTP June 24

(i) Under Customs Act, 1962 which of this is not mandatory documents required for Import of goods from India?

(A) Bill of Lading/Airway Bill/Lorry Receipt/Railway Receipt/Postal Receipt

(B) Commercial Invoice cum Packing List

(C) Shipping Bill/Bill of Export

(D) Bill of entry

(ii) The following is not a condition precedent for grant of duty drawback for re-export of duty paid goods:

(A) The goods must be clearly identifiable.

(B) The goods should have been actually imported earlier and import duty paid thereon.

(C) The goods are actually re-exported to any place outside India.

(D) Entire lot of goods imported earlier should be re-exported and no portion should remain.

(iii) Under Customs Law, value of goods to be exported as bonafide gift can't exceed ____________ in a licensing year.

(A) ₹ 5,00,000

(B) ₹ 15,00,000

(C) ₹ 10,00,000

(D) NIL

(iv) Anti-dumping duty is calculated as follows:

(A) Higher of margin of dumping or injury margin

(B) Lower of margin of dumping or injury margin

(C) Higher of export price or normal value

(D) Lower of export price or normal value

(v) Which of the following statements are incorrect?

1. Special exemption under section 25 of the Customs Act, 1962 is granted by issuing a notification.
2. General exemption under section 25 of the Customs Act, 1962 is granted by issuing an order.
3. Special exemption is required to be published in official gazette.
4. General exemption is not required to be published in official gazette.

Choose the most appropriate option.

(A) (1) and (3)

(B) (1), (2), (3) and (4)

(C) (1) and (2)

(D) (2) and (4)

Answer

(i) **(C)**

(ii) **(D)**

(iii) **(A)**

(iv) **(B)**

(v) **(B)**

CMA Final MTP Dec 24

(i) Calculate Cost of transport/handling under Rule 10(2)(a) if total of FoB and insurance cost is $5000.

(A) $2,500

(B) $6,000

(C) $1,000

(D) NIL

(ii) The protective duties are levied by the______ upon the recommendation made to it by the Tariff Commission and upon it being satisfied that circumstances exist which render it necessary to take immediate action to provide protection to any industry established in India.

(A) Central Board of Indirect Taxes & Customs

(B) Central government

(C) Supreme court

(D) None of the above

(iii) Countervailing duty shall not be levied unless it is determined that:

(A) The subsidy relates to export performance

(B) The subsidy relates to the use of domestic goods over imported goods in the export article

(C) The subsidy has been conferred on a limited number of persons engaged in the manufacture, production, or export of articles

(D) All the above

(iv) Only those projects having a minimum investment of ____________ in plant & machinery shall be considered for establishment as EOUs.

(A) ₹1 crore

(B) ₹10 crores or above

(C) Below ₹5 crores

(D) ₹100 crore or above

(v) When an SEZ supplies goods/services to a Domestic Tariff Area (DTA), it is exempt from paying taxes, although the receiver in the DTA has to pay:

(A) IGST under reverse charge mechanism (RCM).

(B) CGST and SGST under reverse charge mechanism (RCM).

(C) CGST and UTGST under reverse charge mechanism (RCM).

(D) IGST under forward charge

Answer

(i) **(C)**
(ii) **(B)**
(iii) **(D)**
(iv) **(A)**
(v) **(A)**

CMA Final MTP Dec 24

(i) Mr. Raj, resident of India, returned back to India from London after 2 years of stay and brought jewellery ₹42,000 (18 grams). Duty payable by Mr. Raj:

(A) ₹770

(B) ₹2,000

(C) ₹2,200

(D) NIL

(ii) Who among the following grants the permission for manufacturing or other operations in the bonded facility?

(A) Assistant Commissioner of Customs

(B) Deputy Commissioner of Customs

(C) Additional Commissioner of Customs

(D) Commissioner of Customs

(iii) In the context of Indian Customs law, ICEGATE means -

(A) Indian Customs Electronic Data Exchange Gateway

(B) Indian Customs Electronic Gateway

(C) Inter Continental Electronic Gateway

(D) None the above

(iv) Which of the following is a document not required to be filled for claiming of duty drawback on re-export?

(A) Import Invoice

(B) Evidence of payment of duty at the time of import

(C) Export bill with packing list

(D) Permission from CBEC authorizing re-export of goods

(v) Which of the following is/ are duty exemption scheme(s) under FTP?

1. Advance Authorisation Scheme
2. Duty-Free Import Authorisation Scheme
3. Merchandise Export from India Scheme
4. Service Export from India Scheme

(A) Only 1

(B) Both 1 & 2

(C) Both 3 & 4

(D) All of the above

Answer

(i) **(D)**

(ii) **(D)**

(iii) **(B)**

(iv) **(D)**

(v) **(B)**

CMA Final PTP Dec 24

(i) Determine price to be taken for computing deductive value in Rule 7: Sale quantity- 80 units @ ₹ 90, 50 units @ ₹ 95, 25 units @ ₹ 105, 40 units @ ₹ 2100:

(A) ₹ 105

(B) ₹ 100

(C) ₹ 95

(D) ₹ 90

(ii) Computed value DOES NOT consist of:

(A) Cost of material and fabrication or other processing employed in producing the imported goods.

(B) Reasonable profit of foreign exporter

(C) The cost or value of all other expenses under rule 10(2)

(D) Reasonable profit of Indian importer.

(iii) The current limit of ₹ 1 lakh per annum for duty free import of samples in terms of NT 154/94-Customs, dated 13.7.1994 is enhanced to:

(A) ₹ 30 lakh per annum (w.e.f. 27.2.2010)

(B) ₹ 3 lakh per annum (w.e.f. 27.2.2010)

(C) ₹ 13 lakh per annum (w.e.f. 27.2.2010)

(D) ₹ 3 lakh per month (w.e.f. 27.2.2010).

(iv) Maximum duty drawback rate @ _____________ on FOB value of exports.

(A) 45%

(B) 15%

(C) 25%

(D) 33%

(v) Full form of IIN is:

(A) Import of Goods at concessional rate of duty Identification Number

(B) Import of Goods at Concessional Rate Identification Number

(C) Import of Goods Identification Number

(D) Import at Concessional Rate Identification Number

Answer

(i) **(D)**
(ii) **(D)**
(iii) **(B)**
(iv) **(D)**
(v) **(A/B)**

CMA Final MTP 1 June 25

(i) Determine price to be taken for computing deductive value in rule 7: Sale quantity- 80 units @ ₹90, 50 units @ ₹95, 25 units @ ₹105, 40 units @ ₹100:

(A) ₹105

(B) ₹100

(C) ₹95

(D) ₹90

(ii) A person, who is engaged in a profession abroad, or is transferring his residence to India after stayed abroad more than 2 years can bring, used household items without payment of duty up to:

(A) ₹50,00,000

(B) ₹25,00,000

(C) ₹5,00,000

(D) ₹50,000

(iii) Once a __________ is cleared for home consumption, the bond submitted by the importer gets debited automatically in the customs automated system and the details shall be made available electronically to the Jurisdictional Custom Officer. (CMA Final MTP 2 June 25)

(A) Bill of Entry

(B) Shipping Bill

(C) Entry inwards

(D) Entry outwards

(iv) Full form of IIN is:

(A) Import of goods at concessional rate of duty Identification Number

(B) Import of Goods at Concessional Rate Identification Number

(C) Import of Goods Identification Number

(D) Import at Concessional Rate Identification Number

(v) ____________ grants the permission for manufacturing or other operations in the bonded facility. (CMA Final MTP 2 June 25)

(A) Assistant Commissioner of Customs

(B) Deputy Commissioner of Customs

(C) Additional Commissioner of Customs

(D) Commissioner of Customs

Answer

(i) **(D)**
(ii) **(C)**
(iii) **(A)**
(iv) **(B)**
(v) **(D)**

CMA Final MTP 2 June 25

(i) Calculate Free on Board value from following: Ex-factory price of exporter- ₹10,000; Expenses upto loading of goods by foreign exporter- ₹12,000. Post importation cost- ₹8000:

(A) ₹30,000

(B) ₹22,000

(C) ₹18,000

(D) ₹20,000

(ii) Bona fide baggage means:

(A) used personal effects, travel souvenirs and articles other than those mentioned in Annexure I.

(B) used personal effects, travel souvenirs and articles other than those mentioned in Annexure II.

(C) used personal effects, travel souvenirs and articles other than those mentioned in Annexure III.

(D) None of the above.

(iii) Trading Units undertaking to export may be set up under EOU, EHTP, STP or BTP Scheme for:

(A) Rendering of services

(B) Agriculture including agro-processing

(C) Bio-technology

(D) None of these.

Answer

(i) **(B)**

(ii) **(A)**

(iii) **(D)**

CMA Final PTP June 25

(i) Which of the following is not 'deemed export' as per FTP?

(A) Supply of goods against Advance Authorization

(B) Supply of goods to units in EHTP

(C) Supply of capital goods under EPCG authorization

(D) Supply of non-capital goods under EPCG authorization

(ii) Value of personal computer is ₹ 1,10,000 and personal effects is ₹ 60,000 and duty-free allowance is ₹ 1,00,000. What is the value of the baggage liable to duty after all rebate?

(A) NIL

(B) ₹60,000

(C) ₹70,000

(D) ₹10,000

(iii) Identical goods means that the goods must be same in all aspects, including physical quantity. The method is applicable if

(A) The goods must be valued at a price which is produced by the same manufacturer.

(B) The price is not available, then the price of other manufacturers of the same country is to be taken into account.

(C) More than one identical goods are available, lowest of value shall be taken.

(D) All of the above

(iv) Preservation of physical and digital records by the licensees, namely owner of warehoused goods needs to maintain update the records and accounts accurately and preserve for a minimum S years from the date of

(A) removal of goods from the facility.

(B) import of goods.

(C) export of goods.

(D) removal of goods from the place of worker.

(v) Status holders shall be entitled to export freely exportable items (excluding Gems and Jewelry, Articles of Gold and precious metals) on free of cost basis for export promotion subject to an annual limit of

(A) 8% of average annual export realization during preceding 3 licencing years.

(B) rupees one crore or @2% of average annual export realization during preceding three licensing years, whichever is lower.

(C) 2% of average annual export realization during preceding 3 licencing years..

(D) 8% of average annual export realization during preceding 2 licencing years.

Answer

(i) **(D)**
(ii) **(D)**
(iii) **(D)**
(iv) **(A)**
(v) **(B)**