



# CA FINAL IDT MCQS

WITH SOLUTION OF  
NOV 2022 EXAM

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# MISSION CA WITH DIVYESH VAGHELA



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## CA FINAL - IDT

# NOV 22 EXAM MCQS

WITH DETAILED SOLUTION

## AUTHOR NOTE:

For Explanation of answer, Must refer solution video. I have tried my best to provide correct solution with the reasons. You might have different opinion of answers as some of MCQs were having ambiguity or question drafting issues. Don't forget join my telegram channel for Free Notes.

### Case Study 1

Dumdum Engineering Private Limited (DEPL), Surat (Gujarat), a supplier of heavy machinery, supplied a machine to Gulati Manufacturers from its godown located in Mumbai, Maharashtra, on 1st January at a price of ₹ 64,00,000 (excluding all taxes). Gulati Manufacturers has its corporate office in New Delhi. However, the machinery was installed at its manufacturing unit located in Gurugram (Haryana) for which installation and commissioning charges of ₹ 4,80,000 and handling and loading charges of ₹ 1,60,000, were charged by DEPL. For every machinery supplied, DEPL receives a grant of ₹ 3,20,000 from its holding company Dharam Ltd.

Transportation of machinery to the customer's premises is arranged by DEPL through a third-party service provider [Goods Transport Agency (GTA)]. Gulati Manufacturers entered into a separate service contract with the GTA and paid the freight of ₹ 50,000 directly to it.

DEPL offered a cash discount of 2% on the price of the machinery at the time of supply since Gulati Manufacturers agreed to make the payment within 15 days of the receipt of the machinery at its premises. However, it was agreed that in case Gulati Manufacturers failed to make the payment within the stipulated time, DEPL would-

- recover the discount given; and
- charge interest @ 1% per month or part of the month on the total amount due (including discount recovered) from Gulati Manufacturers (towards the machinery supplied) from the date of making the supply till the date of payment. However, no interest is to be charged on the tax dues.

Gulati Manufacturers paid the consideration for the machine on 31st March. Since the payment was made after the stipulated period of 15 days of the receipt of the machinery, discount given was recovered from it and interest was accordingly charged. However, Gulati Manufacturers refused to pay tax on interest and discount recovered. Assume the rates of taxes to be as under:

In view of the above information, you are required to answer the following questions:

Supply	CGST rate	SGST rate	IGST rate
Machinery supplied	6%	6%	12%
Service of transportation of goods	2.5%	2.5%	5%
Other services involved in the above supply	9%	9%	18%

1. The GST liability of DEPL for the month of January is \_\_\_\_\_ (approx.).

- (a) 9,46,660
- (b) 8,67,840**
- (c) 9,06,153
- (d) 8,29,440

2. Supply of machinery and supply of installation and commissioning services is \_\_\_\_\_ supply. Time of supply of interest received by DEPL and cash discount recovered on account of delayed payment of consideration is \_\_\_\_\_

- (a) composite, 31st March**
- (b) composite, 1st January
- (c) mixed, 1st January
- (d) mixed, 31st March



3. If the grant of ₹ 3,20,000 received by DEPL had been received from Central Government instead of its holding company Dharam Ltd., with other facts remaining the same, the GST liability of DEPL for the month of January would have been \_\_\_\_\_ (approx.).

- (a) 9,46,660
- (b) 8,67,840
- (c) 9,06,153
- (d) 8,29,440

### Case Study 2

Soni Traders, Registered in Indore (MP) is trading in decorative items. It sold goods valued Rs. 44,000 (Excluding of tax) to Heera traders registered in Barmar, Rajasthan.

Soni Traders generated an E-way on 18/08/2022 for Barmar which is 725 kms from Indore.

Goods valued Rs. 70,000 has been sold but yet to be delivered to Mr. Madan, a composition dealer. Mr. Madan has not furnished statement for payment of self-assessed tax for 2 consecutive quarters.

4. Identify Correct statement - E-way bill is required because :-

- a) It is inter-state transport of goods
- b) Value of consignment is more than Rs. 50000
- c) Value of consignment Rs. 44000 only but E-way bill is required because Soni traders is trading in decorative items.
- d) Value of consignment is more than Rs. 50000 & it is inter-state transport of goods.

5. E-way bill generated from Indore to Barmar will be valid for \_\_\_\_\_

- a) 4 days
- b) 5 days
- c) 7 Days
- d) 8 Days

6. Identify the correct statement of given below

- a) E-way bill generation is blocked for supplied to Mr. Madan
- b) Soni Traders gets a message about non-submission of statement for payment of self-assessed tax for 2 consecutive quarters by Mr. Madan & it is for Soni trader to choose the course of action
- c) Soni Trader can generate E-way bill but not Mr. Madan
- d) E-way bill upto 1,00,000 for composite dealer

7. Import under Lease Financing is \_\_\_\_\_

- a) **Freely permitted**
- b) Permitted with permission obtained from regional authority of DGFT
- c) Permitted with permission obtained from DGFT
- d) Permitted with permission obtained from commissioner of customs

8. Mr. Polo, a renowned theatre artist is a registered person, He gave the following services during the month of August, 2021:

- 1) Performance as a lead character in one theatre play Rs. 5,00,000
- 2) Provided service as a brand ambassador for a Pharma co. Rs. 2,00,000
- 3) Service of Judge for a dance competition Rs. 1,00,000
- 4) Organised award function for which entry fees is Rs. 600 per person amounted to Rs. 15,00,000
- 5) Performance of Bharatnatyam dance on the occasion of Janmashtmi Rs. 1,20,000

What will be value of taxable supply of Mr. Polo for the month of August, 2021.

- a) 21,00,000
- b) 22,50,000
- c) 24,50,000
- d) **23,00,000**

9. DGFT order is final & binding not in respect of

- a) Interpretation of any provision of foreign trade Policy
- b) Classification of any item in ITC (HS)
- c) Content scope or issue of any authorisation issued under FTP
- d) **Announcement of new FTP**



10. A registered person who receives advance against supply of goods or services or both, where nature of supply is not determinable will issue

- a) Receipt voucher treat it as intra state supply
- b) Receipt voucher treat it as inter state supply
- c) Tax invoice treat it as intra state supply
- d) Tax invoice treat it as inter state supply

11. Authorised Economic Operator (AEO) programme has been developed by Indian Customs to enable business involved in the international trade to reap the certain benefits. which of the following is not benefit?

- a) Secure supply chain from point of export to import
- b) Ability to demonstrate compliance with security standards when contracting to supply overseas importers /exporters
- c) Reduction in dwell time and related cost
- d) Customs advice / assistance if trade faces unexpected issues with Norms of all countries.

12. FTP covers the policies and regulations some matters. which of following is not part of FTP

- a) Export promotion Capital Goods (EPCG) Scheme
- b) Quality Complaints and Trade Disputes
- c) Duty Remission and Duty Exemption Scheme, Scheme for Remission of Duties and taxes on exported products
- d) Provisions relating to Special Economic Zone (SEZ)

13. S of Surat Trading in sarees sent sarees for Sale on Approval or Return basis to Mr A of Varanasi on 1/04/2021. Mr A has approved the sarees on 15/10/2021. Date of issue of invoice ?

- a) 15th Oct 2021
- b) 1st April 2021
- c) 1st Oct 2021
- d) 23rd Oct 2021

14. Which of the following is correct for destroyed goods u/s 23 of Custom Act 1962 ?

- a) An importer is not required to pay duty on such goods.
- b) it is only applicable in case of total loss of goods before payment of duty.
- c) An importer need not to prove the loss to proper officer.
- d) The provisions are also applicable even if goods destroyed after warehousing.

15. M/s Kala & Associates, dealing in sale/ purchase of used or second-hand cars, is registered under GST. During the current financial year, it effected following intra-State transactions:

Particulars	Purchase Price	Sale Price
Car 1	5,00,000	7,50,000
Car 2	3,00,000	2,75,000
Car 3	6,00,000	6,50,000
Car 4	8,00,000	9,50,000

Car 4 from registered person who charged GST of 1,44,000 and accordingly M/s Kala & Associates had availed the input credit of the same. What will be GST liability if GST rate @18%.

- a) 76,500
- b) 81,000
- c) 1,08,000
- d) 2,25,000

16. A University offers BBA and MBA courses of 3 years & 2 years respectively and also Participation certificate for sports activity.

Course fees and fees for sports activity certificate are 12,00,000.

Sports activity certificate - IGST 18% (CGST 9%, SGST 9%)

Courses - IGST 12% (CGST 6%, SGST 6%)

What will be GST Liability?

- a) CGST 1,08,000, SGST 1,08,000
- b) IGST 2,16,000
- c) CGST 72,000, SGST 72,000
- d) IGST 1,44,000



17. S registered under GST in Vadodara, Gujarat is engaged in printing, selling books & stationary. Following information of a consignment which is to be supplied to Nasik Maharashtra.

- i. Exempt supply = 18,000
- ii. Taxable value = 50,000
- iii. Value of goods sent for Job work, delivery challan = 15,000

GST Rate - @18%

What will be Consignment Value for E-way Bill ?

- a) 65,000
- b) 50,000
- c) 74,000
- d) 92,000

18. Yoga & self Defence program conducted by state government run company for 15,00,000. 4,50,000 was contributed by private company & rest provided by state government. Taxable value of supply for company run by state government?

- a) 15,00,000
- b) 4,50,000
- c) 19,50,000
- d) 10,50,000

19. Which of the following statements is incorrect

- a) Notwithstanding anything contained in Articles 246 and 254, Parliament, and, subject to clause (2), the Legislature of every State, have power to make laws with respect to goods and services tax imposed by the Union or by such State.
- b) Parliament has exclusive power to make laws with respect to goods and services tax where the supply of goods, or of services, or both takes place in the course of inter-State trade or commerce.

# Answers

## Answer.1

Price of machine	64,00,000	
+ Handling and loading charges	4,80,000	
+ Installation and commissioning charges	1,60,000	
+ Transportation cost	Nil	
		_____
Total Price of Machine	70,40,000	
+ Subsidy from holding company	3,20,000	
(-) Discount	(1,28,000)	
		_____
<b>Taxable value of supply</b>	<b>72,32,000</b>	
(IGST @12%)		
<b>GST liability for the month of January</b>		<b>8,67,840</b>

## Answer.2

The given supply is a composite supply involving supply of goods (machinery) and services (handling and loading and installation and commissioning) where the principal supply is the supply of goods.

As per section 8(a), a composite supply is treated as a supply of the principal supply involved therein and charged to tax accordingly.

Thus, tax rate applicable to the goods @12% (machinery) has been considered.



As per section 12(6), the time of supply in case interest for delayed payment of is the date on which the supplier receives such Interest.

Thus, the time of supply of interest received and cash discount recovered on account of delayed payment of consideration is 31st March, the date when the full payment was made.

## Answer.3

Total Price of Machine	70,40,000
Subsidy from Government Company	Nil
(-) Discount	(1,28,000)
	<hr/>
<b>Taxable value of supply</b>	<b>69,12,000</b>
(IGST @12%)	

**GST liability for the month of January 8,29,440**

## VALUE OF SECOND HAND GOODS

### When ITC is not availed [Margin Scheme]

- Value = Selling price - Purchase price
- Selling price < Purchase price  
⇒ Ignore negative value

### When ITC is availed

- Normal valuation as per other applicable provisions

## Answer.15

Particulars	Purchase Price	Sale Price	Margin Scheme (Sale-Purchase)	Value When ITC Availed	Value of second hand cars	GST @18%
Car 1	5,00,000	7,50,000	2,50,000	-	2,50,000	45,000
Car 2	3,00,000	2,75,000	-	-	-	-
Car 3	6,00,000	6,50,000	50,000	-	50,000	9000
Car 4	8,00,000	9,50,000	-	9,50,000	9,50,000	1,71,000

**Total GST Liability = 81000**

(45000 + 9000 + 171000 - 144000)

