

MODEL TEST PAPER 6
SECTION B – GOODS AND SERVICES TAX (50 MARKS)
QUESTIONS

- (i) *Working Notes should form part of the answers. However, in answers to Questions in Division A, working notes are not required.*
- (ii) *Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of notes.*
- (iii) *All questions should be answered on the basis of the provisions of the CGST Act, 2017 and the IGST Act, 2017 as amended by the Finance (No. 2) Act, 2024 including significant notifications and circulars issued and other legislative amendments made, which have become effective up to 31.10.2024.*

Division A - Multiple Choice Questions (MCQs)

Write the most appropriate answer to each of the following multiple-choice questions by choosing one of the four options given. All questions are compulsory.

Total Marks: 15 Marks

Case Scenario 1

Anushka, registered under GST in the State of Madhya Pradesh, is engaged in supplying multiple taxable goods and services. She has undertaken the following activities/transactions in the month of October in the current financial year:

- (i) Donated some money to Netrajyoti Charitable Trust, Madhya Pradesh, in the memory of her late mother. The Netrajyoti Charitable Trust constructed a room in the school run by it from such donation and wrote “Donated by Miss. Anushka in the memory of her mother” on the door of the room so constructed.
- (ii) Organized a seminar in Indore which was sponsored by WE-WIN Cricket Academy, an LLP. Anushka received a sponsorship fee of ₹1,50,000.
- (iii) Ashoka Public School intended to distribute gift packages consisting of fountain pen, calculator and tape dispenser to its students on the occasion of Children’s Day. Therefore, it entered into a contract with Anushka on 28th October for supply of 2,000 packages at a single price of ₹ 250. Rates of GST for fountain pen, calculator and tape dispenser are 5%, 12% and 18% respectively.
- (iv) Received the following payments during the month of October:
 - earned ₹ 160,000 by performing at a western Indian cinematic concert in Indore
 - earned ₹ 50,000 for renting of space for use as a Textile Emporium
 - received ₹ 70,000 for supply of farm labour
- (v) Supplied machinery with a basic price of ₹ 45,000 (before TCS under Income Tax Act, 1961). Tax collected at source under Income-tax Act, 1961 on said machinery is ₹ 2,500. Further, a subsidy of ₹50,000 is received from Prakarti

Foundation Pvt. Ltd for usage of green energy and the subsidy was linked to energy saved during the month.

Anushka needs to transport one consignment to the transporter and then to the consignee. The distance, within the same State, between her godown and the transporter is 20 kms and from the place of transporter to consignee is 99 kms, respectively.

All the amounts given above are exclusive of GST, wherever applicable.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 6 below:-

1. Donation made by Anushka to Netrajyoti Charitable Trust is _____.
 - (a) exempted from GST by way of a notification
 - (b) not a supply at all
 - (c) liable to GST under forward charge
 - (d) liable to GST under reverse charge
2. Which of the following statements is correct with respect to the sponsorship fee received by Anushka?
 - (a) Tax on sponsorship services is payable by Anushka under forward charge.
 - (b) Tax on sponsorship services is payable by WE-WIN Cricket Academy under reverse charge.
 - (c) Sponsorship services are exempt from GST since services provided to a sports academy are exempt.
 - (d) Tax on sponsorship services is payable by Anushka under reverse charge.
3. Determine the nature of supply and the applicable rate of GST for the packages supplied by Anushka to Ashoka Public School.
 - (a) composite supply & applicable rate of GST is 12%
 - (b) mixed supply & applicable rate of GST is 18%
 - (c) composite supply & applicable rate of GST is 18%
 - (d) mixed supply & applicable rate of GST is 12%
4. Out of all the payments received by Anushka in the month of October, value of exempt supply amounts to _____.
 - (a) ₹ 4,30,000
 - (b) ₹ 70,000
 - (c) ₹ 1,20,000

- (d) ₹ 2,20,000
5. The value of supply of machinery supplied by Anushka is _____.
- (a) ₹ 45,000
(b) ₹ 47,500
(c) ₹ 48,500
(d) ₹ 51,000
6. Which of the following statements is true in respect of furnishing of details of conveyance in Part B of e-way bill?
- (a) Part B need not be filed in respect of transport of consignment from Godown of Anushka to transporter location.
(b) Part B need not be filed in respect of transport of consignment from transporter location to consignee's location.
(c) Information in Part-B is neither required in transport of consignment from Godown of Anushka to transporter location nor from transporter location to consignee's location.
(d) Information in Part-B is mandatory in transport of consignment from Godown of Anushka to transporter location and from transporter location to consignee's location. **(6 x 2 Marks = 12 Marks)**
7. While filing return for the month of November, a firm - Vedika & Co. - registered under GST generated E-Challan on 5th December for making payment of GST through RTGS of their bank. Determine the validity of E-Challan generated by Vedika & Co. for payment of taxes for the month of November?
- (a) 5th December
(b) 15th December
(c) 20th December
(d) 31st December **(1 Mark)**
8. Vikas Nigam Limited (a Public Sector Undertaking) has placed an order to Bharti Steels registered in Bokaro, Orissa for supply of 70 Iron shields each costing ₹ 12000 (exclusive of GST). However, the supply will take place in 3 lots containing 10 shields, 20 shields, 40 shields on different days. Determine whether tax is required to be deducted under GST law by Vikas Nigam Limited on the above order?
- (a) No TDS will be deducted
(b) TDS to be deducted on the third lot of 40 shields only as value exceeds Rs. 2,50,000
(c) TDS to be deducted on entire order of 70 shields
(d) TDS to be deducted on supply of 2nd order of 20 shields **(2 Marks)**

Division B - Descriptive Questions

Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

Total Marks:35 Marks

1. (a) Aashima Limited, a registered dealer in Patna (Bihar), is engaged in various types of supplies. The company provided the following details for the month of January 2025:

Sl. No.	Particulars	Amount in ₹		
(i)	Outward supply of goods made during the month to various non-related persons:	As given in particulars column		
	Particulars		Market value	Transaction Value (₹)
	a. in the State of Bihar (Intra-State)		3,00,000	4,00,000
	b. to other States (Inter-State)		2,00,000	1,00,000
(ii)	Services by way of warehousing of potato chips (Inter-State transaction)	5,00,000		
(iii)	Stock transfer without consideration to its branch at Gaya (Bihar). Branch has separate GSTN for convenience of accounting and billing. Value under section 15 of the CGST Act, 2017 - ₹ 20,000 (Intra -State)	Nil		
(iv)	Intra-State inward supply of various services for use in the course or furtherance of business (30 invoices)	6,50,000		

Additional Information:

- (a) All the amounts given above are exclusive of taxes.
- (b) During the course of arranging and filing documents, the accountant of Aashima Limited observed that an invoice for ₹ 30,000 (excluding tax) dated 02.12.2024 was omitted to be recorded in the books of accounts and no payment was made against the same till the end of January 2025. This invoice was issued by Mr. Suhaas of Patna, from whom Aashima Limited had taken cars on rental basis. Invoice included cost of fuel also. (Intra-State transaction).
- (c) Rate of GST applicable on various supplies are as follows:

Nature of supply	CGST	SGST	IGST
Car rental service	2.5%	2.5%	5%
All other inward and outward supplies	9%	9%	18%

- (d) No opening balance of input tax credit exists in the beginning of the month.
- (e) Out of the 30 invoices of inward supply received, 6 invoices with taxable value amounting to ₹ 1,50,000 were e-invoices in which Invoice Reference Number (IRN) was not mentioned. However, all the invoices were duly reflected in GSTR 2B for the month of January 2025, since the suppliers had filed their GSTR-1.
- (f) Subject to the information given above, conditions necessary for claiming ITC were complied with.
- (g) Aashima Ltd. is not engaged in renting of cars business.

You are required to calculate the amount of net GST liability payable in cash by Aashima Limited for the month of January 2025. Brief notes for treatment given for each item should form part of your answer.

(10 Marks)

- (b) Shri Narayan Pvt. Ltd., a registered supplier, furnishes the following information relating to goods sold by it to Shri Ram Pvt. Ltd.-

S. No.	Particulars	Amount (₹)
(i)	Price of the goods [excluding taxes and other charges mentioned at S. Nos. (iii), (v) and (vi)]	1,00,000
(ii)	Municipal tax	2,000
(iii)	Inspection charges	15,000
(iv)	Subsidy received from Shri Shyam Trust [Subsidy is directly linked to the goods supplied]	50,000
(v)	Late fees for delayed payment inclusive of GST [Shri Ram Pvt. Ltd. paid the late fees. However, these charges were ultimately waived by Shri Narayan Pvt. Ltd. and the amount was refunded to Shri Ram Pvt. Ltd. during the same month]	1,000
(vi)	Weighment charges [Such charges were paid by Shri Ram Pvt. Ltd. to Radhe Pvt. Ltd. on behalf of Shri Narayan Pvt. Ltd.]	2,000

Note: Price of the goods is net of the subsidy received.

Determine the value of taxable supply made by Shri Narayan Pvt. Ltd. to Shri Ram Pvt. Ltd. **(5 Marks)**

2. (a) Determine the time of supply from the given information in each of the following independent cases:

(i)

Particulars	Date
Supplier invoices goods taxable on reverse charge basis to Saroj & Co. (30 days from the date of issuance of invoice elapse on June 3)	May 4
Saroj & Co receives the goods	May 12
Saroj & Co makes the payment	May 30

(ii)

Particulars	Date
Supplier invoices goods taxable on reverse charge basis to Durable & Co. (30 days from the date of issuance of invoice elapse on June 3)	May 4
Durable & Co receives the goods, which were held up in transit	June 12
Payment made for the goods	July 3

(4 Marks)

- (b) Examine whether the following activities would amount to supply under section 7 read with Schedule I:

(i) Rimjhim Manufacturers have a factory in Delhi and a depot in Mumbai. Both these establishments are registered in respective States. Finished goods are sent from factory in Delhi to the Mumbai depot without consideration so that the same can be sold from the depot.

(ii) Mohan is an architect in Chennai. His brother who is settled in London is a well-known lawyer. Mohan has taken legal advice from him free of cost with regard to his family dispute. **(6 Marks)**

3. (a) World Fashions, a registered supplier of designer outfits in Delhi, decides to exhibit its products in a Fashion Show being organised at Hotel Green India, Delhi on 4th January. For the occasion, it gets the service by way of makeover of its models from Glamour Beauty Services Ltd., Mayur Vihar, on 4th January, for which a consideration of ₹ 5,00,000 (excluding GST) has been charged. Glamour Beauty Services Ltd. issued a duly signed tax invoice on 10th February showing the lumpsum amount of ₹ 5,90,000 inclusive of CGST and SGST @ 9% each for the services provided. Answer the following questions:

(i) Examine whether the tax invoice has been issued within the time limit prescribed under law.

(ii) Tax consultant of World Fashions objected to the invoice raised suggesting that the amount of tax charged in respect of the taxable

supply should be shown separately in the invoice raised by Glamour Beauty Services Ltd. However, Glamour Beauty Services Ltd. contended that there is no mandatory requirement of showing tax component separately in the invoice. You are required to examine the validity of the objection raised by tax consultant of World Fashions. **(5 Marks)**

- (b) M/s Balaji Electronics, a registered dealer, is supplying all types of electronic appliances in the State of Karnataka. Its aggregate turnover in the preceding financial year by way of supply of appliances is ₹ 120 lakh.

The firm also expects to provide repair and maintenance service of such appliances from the current financial year.

With reference to the provisions of the CGST Act, 2017, examine:

- (i) Whether the firm can opt for the composition scheme, under section 10(1) and 10(2), for the current financial year, as the turnover may include supply of both goods and services?
- (ii) If yes, up to what amount, the services can be supplied?

(5 Marks)

4. (a) What is the place of supply for mobile connection? Can it be the location of supplier? **(5 Marks)**

Or

- (a) What would be the place of supply of services provided by an event management company for organizing a sporting event for a Sports Federation which is held in multiple States? **(5 Marks)**
- (b) What are the documents and devices to be carried by person-in-charge of conveyance under rule 138A of CGST Rules, 2017? Also explain the meaning of consignment value of goods. **(5 Marks)**