

MODEL TEST PAPER 8
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

M/s. Veena & Co. of Jabalpur was registered under GST under composition scheme. Outward Supply of the firm for the month of July 2024 was ₹ 10 lakh, out of which ₹ 2 lakh was supply of services. In the preceding financial year, the firm was doing trading of taxable goods only. Turnover of the concern for the previous financial year was ₹ 100 lakh.

The firm imported the following services during August, 2024:

- (a) Architect services from Mr. Vinod, a partner of the firm, who resides in France for ₹ 1,00,000. The said service was paid but not used for the furtherance of the business.
- (b) Management consultancy services from Mr. Lal, a renowned lawyer in Sweden, who was an ex-employee of the firm. The value of the said service was ₹ 3,00,000. Even though it was used in the furtherance of the business, no consideration was paid by the firm.

Aggregate Turnover of the firm crossed the limit of ₹ 150 lakh on 25.09.2024 from which date the firm was liable to pay tax under regular scheme.

All the amounts given above are exclusive of taxes wherever applicable. All the supply referred above is intra-State unless specified otherwise.

From the information given above, choose the most appropriate answer for the 1-3 questions:

1. Tax liability of Veena & Co. for the month of July 2024 is ₹ _____ each under CGST and SGST.
 - (A) 5,000
 - (B) 9,000

(C) 10,000

(D) 14,000

(2 Marks)

2. Import of services by Veena & Co. that will be treated as supply is ₹ _____.

(A) Nil

(B) ₹ 1,00,000

(C) ₹ 3,00,000

(D) ₹ 4,00,000

(2 Marks)

3. Veena & Co. will be eligible to claim ITC held on Stock and Capital goods as on _____.

(A) 01-09-2024

(B) 24-09-2024

(C) 25-09-2024

(D) 30-09-2024

(2 Marks)

Case Scenario 2

Pawan was engaged in providing various services within the State of Rajasthan since May 2024. His aggregate turnover crossed the threshold limit on 04.07.2024. He applied for registration under GST on 02.08.2024. He got his GST registration on 10.08.2024.

After taking registration, Pawan started a business across India including supply of goods also. He dispatched goods pan India based on orders he got for the goods dealt by him.

He received an order from Delhi for which he supplied taxable goods valuing ₹ 45,000. Applicable rate of IGST was 12%. He also supplied certain exempted goods valuing ₹ 4,000. He made one invoice for both taxable as well as exempted supply made to Delhi.

He asked his tax consultant for the requirement of generation of e-way bill for this order. Tax consultant informed him that the requirement of e-way bill is based on consignment value of goods supplied.

Even being a micro enterprise, Pawan did not receive timely payment from his customers as a result of which he ran into severe cash crunch and eventually could not make on-time payment to his suppliers. As a result, he decided to shut down his business and got placed in a software company as a senior programmer executive.

While shutting down his business, he informed his tax consultant to cancel the GST registration. Tax consultant surrendered his registration online in GST Portal on 25.10.2024 and his application for cancellation was approved by the Proper Officer on 31.10.2024.

All the amounts given above are exclusive of taxes wherever applicable.

From the information given above, choose the most appropriate answer for the 4-6 questions:

4. Effective date of registration of Pawan is _____.
- (A) 04.07.2024
(B) 02.08.2024
(C) 03.08.2024
(D) 10.08.2024 **(2 Marks)**
- 5.. Consignment value of goods supplied to Delhi by Pawan is ₹ _____.
- (A) 45,000
(B) 49,000
(C) 50,400
(D) 54,400 **(2 Marks)**
6. Due date by which Pawan is supposed to file Final return under GST is _____.
- (A) 25.11.2024
(B) 30.11.2024
(C) 25.01.2025
(D) 31.01.2025 **(2 Marks)**
7. Smita Limited made an outward supply of garments at an agreed price of ₹ 5,00,000. The company charged 'Go Green Cess' levied by Local municipal corporation amounting to ₹ 10,000 for this supply. As the customer made payment within 3 days from the date of delivery, Smita Limited provide a discount of ₹ 5,000 separately as a customer friendly measure, even though no prior agreement was made on discount. Value of Supply made by Smita Limited u/s 15 is ₹ _____
- (A) 5,05,000
(B) 5,10,000
(C) 5,00,000
(d) 5,15,000 **(2 Marks)**
8. 'Truth is God', a religious trust u/s 12AA of the Income-tax Act, 1961, provides service by way of renting of premises within the precincts of a religious place which is exempt upto ₹ _____.
- (A) ₹ 999 per day
(B) ₹ 1,000 per day
(C) ₹ 9,999 per day
(D) ₹ 10,000 per day **(1 Mark)**

Division B - Descriptive Questions

Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

Question 1

1. (a) DEF Pvt. Ltd., a registered supplier of goods and services in Pune, Maharashtra, has furnished the following details for the month of January, 2025. The turnover of DEF Pvt. Ltd. was ₹ 3.2 crores in last financial year.

Sr. No.	Particulars	Amount (₹)
1.	Intra State outward supply of taxable goods	5,00,000
2.	DEF Pvt. Ltd. had provided service of booking of flight tickets for employee of H Enterprise (registered in Delhi) in the economy class from Bagdogra (West Bengal) to Pune Maharashtra.	20,000 (service fee charged)
3.	DEF Pvt. had purchased goods worth ₹ 5,00,000 from R Ltd. (registered in Gujarat) on 15.03.2024. Now R Ltd. issued debit note on 15.01.2025 for post delivery service to DEF Pvt. Ltd. as per part of terms of sales.	25,000
4.	DEF Pvt. Ltd. had sold one of its unit in Pune as a going concern (with all goods and unexecuted orders) to H Ltd. (registered in New Delhi)	10,00,000
5.	DEF Pvt. Ltd. had provided service to Mr. Y (registered in Punjab) to organise business exhibition in Dubai.	5,00,000
6.	Inter-State outward supply of service	10,00,000
7.	Amount towards receipt of intra State services	6,00,000
8.	Purchase of confectionery items which are to be used to supply free of cost to customers in a customer meet organised by DEF Pvt. Ltd.	1,00,000

Opening balance of Input Tax credit at the beginning of Jan 2025.

CGST ₹ 25,000

SGST ₹ 25,000

IGST ₹ 30,000

Additional Information:

- (1) Rates of CGST, SGST and IGST are 9%, 9% and 18% respectively unless otherwise mentioned.
- (2) Both inward and outward supplies are exclusive of taxes, wherever applicable.
- (3) All the conditions necessary for availing the ITC have been fulfilled.

From the information given above, compute the output tax liability and input tax credit available to DEF Pvt. Ltd., for the month of January, 2025. Make suitable assumptions wherever required. **(10 Marks)**

- (b) ABC Infra, is a partnership firm registered under GST. It furnishes the following details about services provided during the month of February:

	Particulars	Amount (exclusive of GST)
(i)	Consideration received from neighbouring Housing Cooperative Society as ABC Infra agrees to install effluent plant for treatment of wastewater even though is no legal requirement to do so.	5,50,000
(ii)	Consideration received from distribution of passes for cricket match organized as firm's annual event. Total 500 passes have been distributed.	2,42,500
(iii)	Services given of booking air tickets in economy class for flight between Mumbai to Manipur.	1,20,000 (service fee charged)
(iv)	Services given for construction of buildings to State Government in relation to function entrusted to Municipality under article 243W of the Constitution. Construction material used of ₹ 2,79,375 is included in the given figure.	8,20,000

All supplies mentioned above are intra-State supplies. GST rates for CGST, SGST, IGST are 9%, 9%, 18% respectively. Compute the GST payable by the ABC Infra for the month of February. **(5 Marks)**

2. (a) M/s. T is a registered dealer of Andhra Pradesh trading in different types of machinery and its related different types of services. Their aggregate turnover for the preceding financial year 2023-24 for sale of machinery was ₹ 1.32 crores, it was first year so they had not started for providing service related to machinery. From FY 2024-25 they are planning to provide repair and maintenance service of ₹ 6.25 lakh for which they have to purchase some raw material of ₹ 5 lakh from the other State (till date they are purchasing within State only).

From the information given above, examine whether M/s. T can opt for composition scheme under Section 10(1), 10(2A) or 10(2) of the CGST Act, 2017 for FY 2024-25? **(5 Marks)**

- (b) (i) Garima having its permanent residence in Bhavnagar, Gujarat purchased car from Kiara Motors of Jaipur, Rajasthan to take the advantage of lower registration charges and road tax. Garima took the delivery of the car from Jaipur and returned with car to her residence in Bhavnagar, Gujarat. Address of Garima recorded in the invoice issued by Kiara Motors mentions only the name of the

State i.e. Gujarat.

Garima is an unregistered person whereas Kiara Motors is a registered person under GST. Determine the place of supply for supply made by Kiara Motors to Garima. **(2 Marks)**

- (ii) Aakar Advertisement Agency, a registered person in Nagpur, Maharashtra, wants to display the products of its client's at most prominent places in different States. It took on rights to use the space on hoardings mounted on fixed surface attached to earth, situated in Udaipur, Rajasthan and in Gwalior, Madhya Pradesh from G.N. Enterprise registered in State of Chhattisgarh. Aakar Advertisement Agency has an exclusive right to use the space and also to manage the advertisements on the hoardings.

What will be the place of supply of services provided by the G.N. Enterprise to the Aakar Advertisement Agency? **(3 Marks)**

3. (a) Mohan, a registered person in Salem, Tamil Nadu, makes intra-State supply of taxable goods amounting to ₹ 13,57,000 (inclusive of GST) to a Public Sector Undertaking (PSU). Consideration for same is received in 5 equal instalments from the PSU.

Tax rates applicable: CGST 9%, SGST 9%, IGST 18%

What will be your view with respect to applicability of TDS provisions as per section 51 of the CGST Act, 2017 regarding above transaction?

What is the period by which TDS is required to be deposited to the Government account? **(5 Marks)**

- (b) Every registered person executing works contract shall keep separate accounts for works contract under CGST Rules, 2017.

List the details to be maintained. **(5 Marks)**

4. (a) Describe the provisions relating to import of services by a registered person as contained in the section 7(1)(b), 7(1)(c) and Schedule 1 of the CGST Act, 2017. **(5 Marks)**

- (b) (i) List out category of persons who are exempted from the E-invoicing provisions. **(2 Marks)**

(ii) No act or proceedings of the Goods and Services Tax Council shall be invalid merely by certain reasons. What are they? **(3 Marks)**

OR

- (b) Commissioner has notified some specified persons to maintain additional accounts or documents as mentioned in rule 56 of the CGST Rules 2017, Agent as defined under Section 2(5) of the CGST Act, 2017 is one of them.

List the additional accounts or documents to be kept by agent.

(5 Marks)