



INDIRECT TAX MOCK TEST

Duration: 2 Hours

Marks: 70

**The figures in the margin on the right side indicate full marks.
Wherever required, the candidate may make suitable assumptions
and state them clearly in the answers**

Working notes should form part of the answer

PART – I

(Answer all the questions)

1. (a) Choose the correct option from amongst the four alternatives given: 7x2=14

- (i) Under GST the period prescribed for the issuance of tax invoice in the case of provision of services is
 - (a) Generally, 30 days from the supply of service (in case of Banking companies – 45 days from the date of supply).
 - (b) Generally, 45 days from the date of supply of service (in case of Banking companies – 30 days from the date of supply).
 - (c) Generally, 30 days from the date of supply of service (in case of Banking companies – 60 days from the date of supply).
 - (d) 30 days from the date of supply of service in all cases.
- (ii) What is the time of supply of goods liable to tax under reverse charge mechanism under GST?
 - (a) Date on which the payment is made
 - (b) Date of receipt of goods
 - (c) Date immediately following 30 days from the date of issue of invoice by the supplier
 - (d) Earlier of (A) or (B) or (C)
- (iii) Which of the following services provided by the Department of Posts are exempt from GST?
 - (a) Speed post
 - (b) Ordinary post (envelops weighing less than 10 grams)
 - (c) Life Insurance
 - (d) Express parcel post
- (iv) Value of supply under Section 15 of the CGST Act, 2017, is
 - (a) Transaction Value
 - (b) Market Value
 - (c) Maximum Retail Price
 - (d) Wholesale Price
- (v) Which of the following supply of services are exempt under GST?
 - (i) testing of agricultural produce
 - (ii) supply of farm labour
 - (iii) warehousing of agricultural produce



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- (a) (i)
(b) (i) & (ii)
(c) (ii) & (iii)
(d) (i), (ii) & (iii)
- (vi) The registration certificate granted to non-resident taxable person is valid for _____ days from the effective date of registration or period specified in registration application, whichever is earlier.
(a) 30
(b) 60
(c) 90
(d) 120
- (vii) Within how many days a person should apply for registration under GST, apart from provisions of voluntary registration?
(a) Within 60 days from the date he becomes liable for registration.
(b) Within 30 days from the date he becomes liable for registration.
(c) No time limit
(d) Within 90 days from the date he becomes liable for registration.

PART – II

(Answer all the questions)

2. (a) Mr. Jayesh, a registered supplier of Mumbai, received the following amounts in respect of the various activities undertaken by him during the month of October, 2022.

S. No.	Particulars	Amount (₹)
(i)	Commission received as a recovery agent from a Non-Banking Finance Company (NBFC)	80,000
(ii)	Actionable claim received from normal business debtors	10,50,000
(iii)	Amount received from ABC Ltd. for performance of classical dance in one program.	1,74,500
(iv)	Business assets (old computers) given to a friend free of cost, the market value of all the computers was ₹ 51,000. No input tax credit has been availed on such computers when used for business.	No Amount Charged
(v)	Consideration received for one month rent from a registered individual person for renting of residential dwelling for use as residence.	15,200

Details of Input services:

S. No.	Particulars	Amount (₹)
(i)	Paid to an unregistered Goods Transport agency for various consignments of transportation of goods by road. (Each individual consignment in a single carriage was of less than ₹ 1,450.)	15,100



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Notes:

- (i) All the amount stated above in both the tables are exclusive of GST, wherever applicable
- (ii) Aggregate turnover of Mr. Jayesh in previous year was ₹ 42,00,000

You are required to compute Gross value of supplies, on which GST to be paid by Mr. Jayesh for the month of October, 2022. [8 Marks]

(b) Mr. Shyam Das was admitted to Suraksha Hospital in Mumbai for 2 days in relation to diagnosis of removal of stones from his kidney. For the said services, Suraksha hospital charged following from Mr. Das:

- (i) Room rent ₹ 7,000 per day for 2 days
- (ii) Operation theatre charges ₹ 5,000
- (iii) Doctors Consultation Charges ₹ 8,000
- (iv) Other Services ₹ 4,000

In each of the above scenario explain whether Suraksha Hospital should levy GST or not in line with the relevant provisions of the GST laws [6 Marks]

3. **(a)** List any 5 (Five) activities/transactions specified under Schedule III of the CGST Act, 2017 which shall be neither treated as supply of goods nor as supply of services. Detailed explanations is not required. [5 Marks]

(b) State with brief reason, whether following supplies of taxable goods are required to register under the GST law:-

- (i) Ramesh is engaged in wholesale cum retail trading of footwear in the State of Tripura. His aggregate turnover during the financial year is ₹ 8 lakh which consists of ₹ 5 lakh Intra-State supply and ₹ 3 lakh Inter-State Supply.
- (ii) Kajal of Goa is exclusively engaged in Intra-State taxable supply of readymade garments. Her aggregate turnover in the current financial year is ₹ 22 lakh.

[4 Marks]

(c) Kamesh Services Ltd. registered under GST, is engaged in providing various services to the Government of Tamil Nadu. The company provides the following information in respect of services provided during the month of November, 2022:

SI No.	Description of Services provided
(i)	Supply of Manpower for cleanliness of roads not involving any supply of goods.
(ii)	Service of maintenance of street lights in a Municipal area involving replacement of defunct lights and other spares along with maintenance. Generally, replacement of defunct lights and other spares constitutes 35% of the supply of service.



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(iii)	Service of brochure distribution provided under a training program for which 70% of the total expenditure is borne by the Government
(iv)	Services rendered to water and sewage connection.

Comment on the taxability or otherwise of the above transactions under GST law. Also state the correct legal provisions for the same.

[5 Marks]

4. (a) Determine the time of supply for the purpose of payment of tax in the following independent cases as per the provisions of the CGST Act, 2017:-

- (i) Palak Ltd. sells goods to Sita Ltd. on 15th October, 2022. The Invoice for the same is issued on 17th October, 2022. Payment for the goods is received on 5th October, 2022.
- (ii) Mahadev Ltd. provides services to Raj Ltd. on 10th November, 2022. Mahadev Ltd. issues the invoice for the services on 14th November, 2022. Payment is received in the bank account of Mahadev Ltd. on 20th November, 2022 and is recorded in the books of account of Mahadev Ltd. on 30th November, 2022.

[7 Marks]

(b) Examine whether the following activities would amount to supply under section 7 of the CGST Act, 2017:-

- (i) Vishnu Ltd. has a factory in Kolkata and a depot in Delhi. Both these establishments are registered in respective States. Finished goods are sent from the Kolkata factory to the Delhi depot without consideration so that the same can be sold.
- (ii) Mahesh is a lawyer, (registered under GST) in Mumbai. His sister who is settled in France is a well-known architect. Mahesh has sought architect services from her free of cost with respect to his newly constructed residential house in Mumbai.

[7 Marks]

5. (a) Examine with brief reasons, which person is liable to pay GST in the following independent cases, where the supplier and the recipient both are located in the taxable territory.

Ignore the aggregate turnover and exemption available:

- (i) Ram is an insurance agent (registered under GST), received commission of ₹ 12,00,000 from Insurance Company (registered under GST).
- (ii) Shyam is a business facilitator (registered under GST), received commission of ₹ 1,95,000 for the services provided to the urban branch of a Nationalised Bank with respect to savings bank accounts.
- (iii) Mohan (registered under GST) is an independent director of XYZ Company Ltd, has received sitting fees amounting to ₹ 1,00,000 from XYZ Company Ltd for attending the board meetings.

[7 Marks]



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(b) Determine the GST payable @ 18% with respect to each of the following independent services provided by the registered persons:

Particulars	Gross amount charged (₹)
Fees charged for 'Swasthya Yoga Camp' conducted by Chandra Prakash Charitable Trust, registered under section 12AB of the Income-tax Act, 1961	98,000
Amount charged by business correspondent from Wealthy Banking Company for the services provided to the rural branch of a bank with respect to Savings Bank Accounts	1,00,000
Amount charged by cord blood bank for preservation of stem cells	5,00,000
Amount charged for service provided by selectors to a recognized sports body	5,20,000

[7 Marks]