

From the information given above, choose the most appropriate Answer for the following Questions:

Question 1

What would be the nature of supply and the applicable rate of GST for the supply of package made by Ms. Riya (when not registered under composition scheme): -

- (a) composite Supply & applicable rate 12%
- (b) mixed Supply & applicable rate 18%
- (c) composite Supply & applicable rate 18%
- (d) mixed Supply & applicable rate 12%

Question 2

Ms. Riya can opt for composition scheme if she does not undertake the supply of

- (i) Aerated water
- (ii) Tobacco
- (iii) Pan masala
- (iv) Milk

- (a) I & ii
- (b) iii & iv
- (c) I, ii & iii
- (d) ii, iii & iv

Question 3

Out of payments received by Ms. Riya in month of May 20XX, exempt Supply amounts to ___

- (a) Rs. 50,000
- (b) Rs. 70,000
- (c) Rs. 1,20,000
- (d) Rs. 1,60,000

Question 4

In respect of supply made by Ms. Riya, the value of supply under section 15 of CGST Act, 2017 is

- (a) Rs. 45,000
- (b) Rs. 47,500
- (c) Rs. 48,500
- (d) Rs. 51,000

Question 5

Eligible amount of input tax credit that can be claimed by Ms. Riya in the month of July 20XX is,

- (a) Rs. 30,000
- (b) Rs. 37,000
- (c) Rs. 1,50,000
- (d) Rs. 1,57,000

1	2	3	4	5
b	c	b	a	c



Case VII

MTP March 22 & Oct '23

M/s. Harsimran & Co., a registered supplier under GST, is dealing in supply of taxable goods in the State of Karnataka.

The firm had opted for Composition Scheme from April month of last financial year. Its turnover crossed ₹ 1.50 Crores on 9th May of current financial year and had opted for withdrawal of composition scheme on the said date.

Harsimran & Co. removed goods on 10th June for delivery to Simran & Co. on 'Sale or Return Basis'. Simran & Co. accepted the goods vide its confirmation mail dated 15th December.

The firm has paid GST for various items during the month of August. It comprised of the following -

- (a) GST paid on input services intended to be used for personal purposes - ₹ 12,000
- (b) GST paid on purchase of Motor Vehicle for business use (being a two-wheeler having engine capacity of 25CC) - ₹ 9,000
- (c) GST paid on purchase of computer - ₹ 19,000

(GST portion was included as part of cost to claim depreciation under Income-tax Act, 1961)

During May, Harsimran and Co. had reversed ITC of ₹ 10,000 for not making payment to Vendors within the time prescribed under CGST Act, 2017. This pending payment was cleared in the month of August.

Out of purchases made and ITC availed during earlier months, the following information is made available as on September:

Supplier Name	Payment is due for (Number of days)	Related ITC Component
XYZ	165	₹ 13,000
ABC	199	₹ 15,000
PQR	99	₹ 20,000

Harsimran & Co received accounting services from Ekam & Co., an associated enterprise, located in Sri Lanka. Ekam & Co. issued invoice for the service on 1st September, which was entered by Harsimran & Co. in its book on 10th October. But payment was made on 30th September. All the supply referred above is intra-State unless specified otherwise. Conditions applicable for an ailment of ITC are fulfilled subject to the information given above. Based on the information provided above, choose the most appropriate Answer for the following Questions

Question 1

Harsimran & Co. needs to furnish a statement containing details of stock of inputs/ inputs held in semi-finished / finished goods on the withdrawal of composition scheme by

- (a) 9th May
- (b) 23rd May
- (c) 8th June
- (d) 7th July

Question 2

In respect of the goods sent on sale or return basis, Harsimran & Co. shall issue the invoice by

- (a) 10th June
- (b) 10th September
- (c) 10th December
- (d) 15th December

Question 3

Determine the amount of eligible input tax credit that can be availed by Harsimran & Co for the month of August?

- (a) Nil
- (b) ₹ 19,000
- (c) ₹ 22,000
- (d) ₹ 50,000

Question 4

Compute the amount of ITC to be reversed for the month of September? Ignore interest liability, if any.

- (a) Nil
- (b) ₹ 28,000
- (c) ₹ 15,000
- (d) ₹ 13,000

Question 5

Time of supply in respect of service imported by Harsimran & Co from its Associated Enterprise is _____

- (a) 1st September
- (b) 30th September
- (c) 1st October
- (d) 10th October

1	2	3	4	5
c	c	b	c	b

Case VIII

MTP April' 22

Mr. Lala is engaged in supply of tiles and marbles in the State of Telangana. He is not registered under GST. He commenced his business from the month of July.

He availed godown construction services for business from his brother-in-law who was dependent on him. He also availed professional consultancy services for the purpose of business from his son who is a Company Secretary and his son is not dependent on him. Mr. Lala did not pay anything for both the services as both of them were his relative / family member respectively.

On the basis of advice of his son, Mr. Lala made the supply of tiles within his State only. His turnover reached to ₹ 7 lakh as on 31st October. However, he planned to expand his business to other States, since he has received decent orders from other States also.

During the month of December, he received a consignment of tiles from Rajasthan through Prompt Carriers, a goods transport agency based in the State of Rajasthan. Goods were dispatched by the supplier on 'to-pay' basis for freight. Freight charges were ₹ 50,000 and the said GTA pays GST @ 12%. Mr. Lala paid the invoice amount in the month of December itself. This was an inter-State transaction. During the month of January, Mr. Lala made his first inter-State supply to Tamil Nadu on 4th January. His turnover before making such supply was ₹ 15 lakh.

Value of such inter-state supply was ₹ 4,50,000, exclusive of taxes. Payment for the said inter-State supply was received on 28th February. Invoice was raised by Mr. Lala on 25th January.

All the figures given above are exclusive of taxes wherever applicable. Based on the information given above, choose the most appropriate Answer for the following Questions-



Question 1

In respect of services availed by Mr. Lala, which of the following is a correct statement?

- (a) Godown construction service availed from his brother-in-law free of cost is considered as a deemed supply
- (b) Professional service availed from his son free of cost is considered as a deemed supply
- (c) Neither of the services is a deemed supply
- (d) Both services are deemed supply

Question 2

Up to which limit of aggregate turnover, Mr. Lala can continue to supply goods without registration within his state, if he does not procure any goods/services on which tax is payable under reverse charge mechanism?

- (a) ₹ 20 lakh
- (b) ₹ 40 lakh
- (c) ₹ 10 lakh
- (d) ₹ 150 lakh

Question 3

What is the tax liability for the freight charges?

- (a) ₹ 6000 of IGST under reverse charge
- (b) ₹ 6000 of IGST under forward charge
- (c) ₹3000 each under CGST and SGST under reverse charge
- (d) Nil as it is exempt

Question 4

Which of the following statement is correct with respect to liability of Mr. Lala to register under GST?

- (a) Mr. Lala is liable to register in the month of December for receipt of GTA services.
- (b) Mr. Lala is liable to register in the month of January for effecting inter-State outward supply of goods.
- (c) Mr. Lala is liable to register only when his turnover exceeds the threshold limit irrespective of whether he is in receiving any GTA services or is affecting inter-State outward supply.
- (d) Mr. Lala is not required to register as it is his first year of business.

Question 5

What is the time of supply of goods made by Mr Lala during January?

- (a) 4th January
- (b) 25th January
- (c) 3rd February
- (d) 28th February

1	2	3	4	5
b	a	d	b	a

Case IX

MTP Sep'22

Purvi, registered under GST in the State of Madhya Pradesh, is engaged in supplying a bouquet of



taxable goods and services. She has undertaken following activities/transactions in the month of October in the current financial year:

- (i) Donated some money to Divya Prakash Charitable Trust, Madhya Pradesh, in the memory of her late father. The Divya Prakash Charitable Trust constructed a room in the school run by it from such donation and wrote "Donated by Miss. Purvi in the memory of her father" on the door of the room so constructed.
- (ii) Organized a seminar in Indore which was sponsored by WE-WIN Cricket Academy, an LLP. Purvi received a sponsorship fee of ₹1,50,000.
- (iii) Bindusar 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 Purvi 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 following payments during the month of October:
 - earned ₹ 160,000 by performing at a western music concert in Indore
 - earned ₹ 50,000 for renting of space for use as a Textile Emporium
 - received ₹ 70,000 for supply of farm labor
- (v) Supplied a 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 Green Foundation Pvt. Ltd for usage of green energy and the subsidy was linked to energy saved during the month.

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 Question

Question 1

Donation made by Purvi to Divya Prakash 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

Question 2

Which of the following statements is correct with respect to the sponsorship fee received by Purvi?

- (a) Tax on sponsorship services is payable by Purvi 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 Purvi under reverse charge.

Question 3

Determine the nature of supply and the applicable rate of GST for the packages supplied by Purvi to Bindusar 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%

Question 4

Out of all the payments received by Purvi 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

Question 5

The value of supply of machinery supplied by Purvi is ____.

- (a) ₹ 45,000
 (b) ₹ 47,500
 (c) ₹ 48,500
 (d) ₹ 51,000

1	2	3	4	5
b	b	b	b	a

Case X

MTP Oct'22

Sarabhai & Sarabhai Associates, a partnership firm registered under GST, is engaged in various types of business activities. It has provided the details of the following activities undertaken by it in the current financial year:

- (i) It supplies taxable goods to Dhanush Enterprises at a price of ₹ 8,00,000 in the month of April, with a credit period of 1 month for payment. Thereafter, interest @ 12% p.a. is chargeable on the consideration. The payment is received from Dhanush Enterprises after the lapse of two months from the date of supply.
- (ii) It enters into a contract for supply of 100 office chairs @ ₹ 15,000 with Ashoka Mart on 21st August. Chairs are removed from the warehouse of Sarabhai & Sarabhai Associates on 5th September along with the invoice of said date. Ashoka Mart has paid 30% of the total contract value on 21st August; balance 70% is paid after delivery of chairs on 10th September.
- (iii) In the month of October, it provides services by way of transportation of goods in a goods carriage by road to Fisheries Department of Government of India, registered under GST for the purpose of deducting tax at source and not for making any taxable supply. Sarabhai & Sarabhai Associates is a registered goods transport agency and charges ₹1,20,000 for the said services.
- (iv) It also provides services of Direct Selling Agent to an NBFC located in Mumbai in the month of December for ₹ 50,000.
- (v) It organizes a business exhibition in the month of December for which it receives a sponsorship fee of ₹ 3,00,000 from Dhara Ltd.
- (vi) It provides free gifts to each of its employees valuing ₹ 50,000 at the end of each financial year.
- (vii) It avails services of Dhruv Travel Agency for organizing a free vacation for its top performing employees in the month of December. GST of ₹ 50,000 is paid on the same. In the same month, it also pays GST of ₹ 20,000 on the membership of Rudraksh Fitness Centre taken for its CEO.

All the amounts given above are exclusive of taxes, wherever applicable. All conditions for availing ITC are fulfilled subject to the information given above.

Based on the information provided above, choose the most appropriate answer for the following questions-

Question 1

Value of supply made to Dhanush Enterprises, assuming the interest on delayed payment to be exclusive of GST, is__.



- (a) ₹ 8,00,000
- (b) ₹ 8,08,000
- (c) ₹ 7,92,000
- (d) ₹ 8,16,000

Question 2

The time of supply of advance money of ₹ 4,50,000 received for supply of office chairs to Ashoka Mart is _____. For balance payment of ₹ 10,50,000 received, the time of supply is_____

- (a) 21st August; 5th September
- (b) 5th September; 10th September
- (c) 21st August; 10th September
- (d) 5th September; 5th September

Question 3

Determine the value of outward supplies made by Sarabhai & Sarabhai Associates on which tax is payable under reverse charge.

- (a) ₹ 1,20,000
- (b) ₹ 50,000
- (c) ₹ 1,70,000
- (d) ₹ 3,00,000

Question 4

Free gifts of value of ₹ 50,000 provided by Sarabhai & Sarabhai Associates to each of its employee is:

- (a) considered as supply of goods.
- (b) considered as supply of services.
- (c) exempt from GST.
- (d) not a supply as per Schedule I of the CGST Act, 2017.

Question 5

Sarabhai & Sarabhai Associates is eligible to claim input tax credit of ____ in the month of December.

- (a) ₹ 50,000
- (b) ₹ 20,000
- (c) ₹ 3,70,000
- (d) Nil

1	2	3	4	5
b	d	d	d	d

Case XI

MTP Oct'22

Poorva Logistics, a Goods Transport Agency, is registered under GST. It did not exercise the option to itself pay GST on the services supplied by it in the preceding financial year. It provided goods transport services (taxable @ 5%) to the following persons in February of preceding financial year-

- (a) Kunal Traders, an unregistered partnership firm
- (b) Mr. Amar, who is not registered under GST
- (c) Small Traders Co-Operative Society registered under Societies Registration Act



In a particular consignment in March of preceding financial year, Poorva Logistics transported the following-

- (a) Defence Equipments
- (b) Railway Equipments
- (c) Organic Manure

Poorva Logistics exercises the option to itself pay GST on services supplied by it @ 12% from April, of the current financial year. It provided goods transport services to Bama Steels Pvt. Ltd. on 1st April and issued an invoice dated 5th May. Payment was received on 6th May.

Based on the information provided above, choose the most appropriate answer for the following questions -

Question 1

Which of the following persons are liable to pay GST under reverse charge in respect of the GTA services provided by Poorva Logistics in February of the preceding financial year?

- (i) Kunal Traders
- (ii) Mr. Amar
- (iii) Small Traders Co-operative society

- (a) i & ii
- (b) ii & iii
- (c) i & iii
- (d) i, ii & iii

Question 2

Transportation of by Poorva Logistics is exempt from GST.

- (i) Defence Equipments
- (ii) Railway Equipments
- (iii) Organic Manure

- (a) i
- (b) i & ii
- (c) i & iii
- (d) i, ii & iii

Question 3

What will be the time of supply in respect of the services provided by Poorva Logistics to Bama Steels Pvt. Ltd.?

- (a) 6th May
- (b) 5th May
- (c) 30th May
- (d) 1st April

1	2	3
c	c	d

Case XII

MTP April'23

Ms. Riya is engaged in providing various goods and services. She got registered under GST in the month of April of the current financial year under regular scheme.

She supplied a package to Dhruv Traders consisting of stapler, calculator and charger at a single price



of ₹ 300 in the month of May. Rates of GST for stapler, calculator and charger are 5%, 12% and 18% respectively.

She received following payments during the month of May:

- earned ₹ 160,000 by performing western music in a cultural event at a Resort
- earned ₹ 50,000 by providing services by way of renting of residential dwelling for use as a boutique to Supriya, an unregistered person.
- received ₹ 70,000 by way of rent for letting of agro machinery Ms. Riya made a supply during June, details of which are as follows-
 - Basic price of the product before TCS under Income-tax Act, 1961- ₹ 45,000
 - Tax collected at source under Income-tax Act, 1961 - ₹ 2,500
 - She received a subsidy of ₹ 3,500 from Green Foundation Pvt. Ltd. for usage of green energy and the subsidy was linked to the units of energy and not aforesaid product.

Ms. Riya provides the following information regarding receipt of inward supplies during July-

- received invoice for goods having GST component of ₹ 30,000. Goods were to be delivered in 5 lots, out of which first three lots were received in the current month.
- purchased a car having GST component of ₹ 1,50,000 for imparting training on driving such motor vehicles.
- availed health insurance service for her employees and paid GST of ₹ 7,000 thereon. Health insurance service is being provided voluntarily by Ms. Riya and not mandated by any law.

All the amounts given above are exclusive of taxes, wherever applicable. Further, all the supplies referred above are intra-State supplies unless specified otherwise. Conditions necessary for claiming input tax credit (ITC) have been fulfilled subject to the information given above. The opening balance of input tax credit for the relevant tax period of Ms. Riya is Nil.

Based on the facts of the case scenario given above, choose the most appropriate answer to Question

Question 1

Supply of package made by Ms. Riya to Dhruv Traders is a _____ and is taxable under GST @ _____.

- (a) composite supply; 12%
- (b) mixed supply; 18%
- (c) composite supply; 18%
- (d) mixed supply; 12%

Question 2

Out of payments received by Ms. Riya in month of May, value of exempt supply is ____.

- (a) ₹ 50,000
- (b) ₹ 70,000
- (c) ₹ 1,20,000
- (d) ₹ 1,60,000

Question 3

Compute the value of supply under section 15 of the CGST Act, 2017 made by Ms Riya in the month of June.

- (a) ₹ 45,000
- (b) ₹ 47,500
- (c) ₹ 48,500
- (d) ₹ 51,000



Question 4

Compute the amount of input tax credit that can be claimed by Ms. Riya in July.

- (a) ₹ 30,000
 (b) ₹ 37,000
 (c) ₹ 1,50,000
 (d) ₹ 1,57,000

1	2	3	4
b	b	a	c

Case XIII

RTP Nov '19

Mr. Mandeep, a registered dealer, is doing building material business in the State of Assam. He availed architect services for his business from his friend in London free of cost. He also availed designing services from his brother in London for ₹ 5 Lakhs for his personal purposes.

He availed services which are liable to tax under reverse charge for which date of invoice was 01.09.20XX, payment date as per his books of account and as per his bank account was 15.11.20XX and 18.11.20XX respectively.

His turnover for the current financial year is as follows:

Taxable supply of goods - ₹ 55 Lakhs Exempt supply of goods - ₹ 16 Lakhs

Inward supply liable to tax under reverse charge - ₹ 8 Lakh

He intends to start providing services also from the next financial year and also to avail composition scheme. He also wishes to make supplies to the Government.

Based on the information given above, choose the most appropriate Answer for the following questions: -

Question 1

In respect of services imported by Mr. Mandeep, which of the following is a correct statement?

- (i) Architect services for his business from his friend in London free of cost is considered as a supply
 (ii) Designing services from his brother in London for ₹ 5 Lakh for his personal purposes is considered as a supply.
 (iii) Architect services for his business from his friend in London free of cost is not considered as a supply
 (iv) Designing services from his brother in London for ₹ 5 Lakh for his personal purposes is not considered as a supply.

- (a) i & ii
 (b) i & iv
 (c) ii & iii
 (d) iii & iv

Question 2

The time of supply of services, received by him and taxable under reverse charge, is

- (a) 01.09.20XX
 (b) 01.11.20XX
 (c) 15.11.20XX
 (d) 18.11.20XX



Question 3

Aggregate turnover of Mr. Mandeep for the given financial year will be,

- (a) ₹ 63 Lakhs
- (b) ₹ 79 Lakhs
- (c) ₹ 71 Lakhs
- (d) ₹ 47 Lakhs

Question 4

Mr. Mandeep will be eligible for composition scheme in the next financial year, but he can supply services only up to:

- (a) ₹ 5.00 Lakhs
- (b) ₹ 6.3 Lakhs
- (c) ₹ 7.90 Lakhs
- (d) ₹ 7.10 Lakhs

Question 5

In case he supplies services to State Government by way of any activity in relation to any function entrusted to a Municipality under Article 243W of the Constitution, in the next financial year, which of the following will be exempt?

- (i) Pure Services
 - (ii) Composite supply of goods and services in which value of supply of goods constitutes not more than 25% of value of said composite supply
 - (iii) Composite supply of goods and services in which value of supply of service constitutes not more than 25% of value of said composite supply
- (a) i & iii
 - (b) ii & iii
 - (c) i, ii & iii
 - (d) i & ii

1	2	3	4	5
c	b	c	d	d

Case XIV

RTP Nov '20

PTL Pvt. Ltd. is a retail store of merchandise located in 25 States and/or UTs in the country. For the purpose of clearance of stock of merchandise and to attract consumers, PTL Pvt. Ltd. launched scheme of "Buy One Get One Free" for the same type of merchandise, for instance, one shirt to be given free with purchase of one shirt. For saving cost, PTL Pvt. Ltd. directly purchases merchandise from the manufacturers.

In the month of May, in order to save employee cost, PTL Pvt. Ltd. purchased a tempo traveler worth ₹ 12,00,000 with seating capacity of 25 persons (including driver) for transportation of its employees. Further, for ensuring the well-being of its employees, PTL Pvt. Ltd. voluntarily obtained the health insurance cover of ₹ 2,00,000 for each employee in the same month. The premium of ₹ 1,500 per employee has been paid by the company for 100 employees.

In the month of July, Mr. Raghav, a customer of the company, filed a law suit in the Court, against the company for not supplying goods of the value of ₹ 1,00,000. PTL Pvt Ltd. engaged Mr. Ram, an advocate, to represent it in Court for an agreed consideration of ₹ 25,000. As per the terms of the contract, Mr. Ram issued an invoice on 5th July. However, consideration was not paid till February

