

The WAY CA test series

CA FINAL

P5: INDIRECT TAX LAWS
[PRE FINAL – FULL SYLLABUS]

18.08.2025

TIME : 3 hr 00 min

Maximum Marks : 100

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GENERAL INSTRUCTIONS TO CANDIDATES

1. Write your name and subject name at the top of the first page of your answer sheet
2. The question paper comprises of two parts, Part I and Part II.
3. Part I comprises of MCQs and Part II comprises of descriptive questions.
4. Answers should be written only in English.
5. Duration of the examination is 3 hours only.
6. Students who want to get their paper evaluated follow the instructions given in the channel link above.

PART I

1. Answer all MCQs
2. After each MCQ, four options are given. Choose the correct and most appropriate option, and write the letter corresponding to that option on the first page of your answer sheet.

PART II

1. Question paper comprises 6 questions. Question no. 1 is compulsory.
2. Answer any 4 questions out of the remaining 5 questions.

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PART I

30 Marks

Case Study 1:

KLM Ltd. is a large publishing and printing house registered under GST under a single GSTIN in Maharashtra. It is engaged in supply of books, letter cards, envelopes, guides and reference materials.

KLM Ltd. has front offices in Mumbai & Nagpur (Mumbai office being declared as principal place of business and Nagpur office and workshop located at Nagpur as additional place of business in Maharashtra) for receiving the orders; orders are supplied to front office or supplied to recipient directly, from the workshop located at Nagpur, depending on order. To save the time, workshop has in-house mess for the employees working in the workshop, where lunch is provided free of cost as per the employer-employee agreement.

During April, KLM Ltd. received a proposal for printing of 5,000 copies of taxation book from a renowned author where only content was to be supplied by the author. KLM Ltd. agreed to supply the books. As per the requirement of the author, 2500 copies were supplied from workshop to Nagpur front office and 2500 copies to Mumbai front office from where the author collected books. Satisfied with the quality of books, the author placed another order of 10,000 pieces of letterhead during May, the design and logo was supplied by the author for printing.

Due to these orders, KLM Ltd. earned a handsome amount of profit and decided to gift employees for their performance. Accordingly, KLM Ltd. gifted mobile phone worth ` 36,500 each to all its 45 employees.

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Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 4 below:-

1. Supply of taxation books by KLM Ltd. is: (2 Marks)
 - a) composite supply, principal supply being “supply of service”.
 - b) composite supply, principal supply being “supply of goods”.
 - c) mixed supply.
 - d) supply of goods or service or mixed supply, at the choice of the KLM Ltd. and it may pay the tax accordingly.

2. Supply of letterheads by KLM Ltd. will be treated as: (2 Marks)
 - a) composite supply, principal supply being “supply of service”.
 - b) composite supply, principal supply being “supply of goods”.
 - c) mixed supply.
 - d) supply of goods or service or mixed supply, at the choice of the KLM Ltd. and it may pay the tax accordingly.

3. Distribution of mobile phones to employees free of cost by KLM Ltd. will: (2 Marks)
 - a) be treated as deemed supply as per para 2 of Schedule I of the CGST Act, 2017 because the aggregate value of mobile phones is more than ` 50,000.
 - b) not to be treated as deemed supply as per para 2 of Schedule I of the CGST Act, 2017 because value of the mobile phone is less than ` 50,000 per employee.

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- c) be treated as deemed supply as per para 2 of Schedule I of the CGST Act, 2017 because the value of mobile phone is more than ` 25,000 per employee.
- d) be treated as deemed supply as per para 2 of Schedule I of the CGST Act, 2017 because the value of mobile phone is more than ` 35,000 per employee.

4. In relation to taxability of supplies of copies from workshop to front office:

(2 Marks)

- a) transfer from workshop to Nagpur front office will be treated as inter-branch transfer, but is not liable to GST; however, transfer from workshop to the Mumbai front office will be treated as inter-branch transfer between distinct persons and is liable to GST.
- b) transfer from the workshop to Nagpur front office and Mumbai Front office will be treated as inter-branch transfer between distinct persons and are liable to GST.
- c) transfer from the workshop to Nagpur front office and Mumbai Front office will be treated as inter-branch transfer, but are not liable to GST.
- d) transfer from workshop to the Mumbai front office will be treated as inter-branch transfer, but is not liable to GST, however, transfer from workshop to the Nagpur front office will be treated as inter branch transfer between distinct persons and is liable to GST.

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Case Study 2:

Bhakti & Sons of Kolkata, a partnership firm registered under GST, deals in supply of electronic goods such as TV, refrigerator, washing machine etc. It also provides services of repair and maintenance of said goods. Its aggregate turnover during the preceding financial year was ` 4.2 crore. It furnishes following information for the month of December: Outward supplies during the month of December are as under:

Particulars	Amount (₹ in lakh)
Supply of goods to unregistered persons residing in & around Kolkata	12
Supply of goods to an unregistered dealer of Bihar	6
Supply of goods to registered dealers in West Bengal	28
Repair & maintenance services provided to unregistered persons	4

Inward supplies during the month of December are as under:

Particulars	Amount (₹ in lakh)
Purchase of TV sets from registered dealers (Inter-State supply) [During unloading of said TV sets, one LED TV costing ₹ 25,000 was damaged, but the dealer refused to replace the same.]	30
Purchase of refrigerators from registered dealers (Intra-State supply)	4
Purchase of washing machine from unregistered dealers (Intra-State supply)	2
Transportation charges paid to Om Logistics (unregistered GTA)	2

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Payment made to Star Security Services Pvt Ltd. (not registered under GST) for providing security services	0.50
Loading & unloading charges paid to labourer	0.10
Shop rent paid to Kolkata Municipal Corporation	0.30
Fee paid to Mr. Das, a Senior Advocate of Kolkata High Court for legal service	0.10

Following additional information is also provided:

- a) The Assistant Commissioner of Commercial Tax, Kolkata has issued a show cause notice (SCN), to Bhakti & Sons due to non-display of registration certificate in a prominent location & GSTIN on name board at the entry of its principal place of business. Bhakti & Sons' plea is that the display of GSTIN to general public is not mandatory as it is required for the knowledge of the customers only & the same is already mentioned in the tax invoice.
- b) Bhakti & Sons paid the sponsorship fee of ₹ 5,00,000 to Finmin Ltd., registered in Kolkata, for an entertainment event organised by Finmin Ltd. in Assam, in the month of October.
- c) GST is applicable on all inward and outward supplies in the aforesaid case scenario @ 18%, except transportation of goods service which attracts GST @ 5%. Ignore CGST, SGST and IGST bifurcation for the sake of simplicity.
- d) There is no opening ITC available for the relevant tax period in the electronic credit ledger of Bhakti & Sons.
- e) All the goods purchased by Bhakti & Sons is ex-shop and it arranges its own transportation through GTA.

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Note: All the above amounts are exclusive of GST, wherever applicable. Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 5 to 10 below:

5. Which of the following statements is true in respect of the sponsorship fee paid by Bhakti & Sons to Finmin Ltd.? (2 Marks)
- a) Bhakti & Sons is liable to pay IGST of ` 90,000.
 - b) Finmin Ltd. is liable to pay IGST of ` 90,000.
 - c) Bhakti & Sons is liable to pay CGST and SGST of ` 45,000 each.
 - d) Finmin Ltd. is liable to pay CGST and SGST of ` 45,000 each.
6. Assuming that Bhakti & Sons has an SEZ unit also located in Uttar Pradesh apart from the regular Domestic Tariff Area (DTA) unit located in Kolkata (both having same PAN). Assume additional turnover of it's SEZ unit is ` 2 crore in the preceding financial year in addition to the aggregate turnover of DTA unit of Kolkata of ` 4.2 crore of the preceding financial year. Which of the following statements is correct in respect of e-invoicing requirements? (2 Marks)
- a) E-invoicing is not applicable to both SEZ and DTA units.
 - b) E-invoicing is applicable to both SEZ and DTA units.
 - c) E-invoicing is applicable to SEZ unit and DTA unit is exempt from e - invoicing.
 - d) E-invoicing is applicable to DTA unit and SEZ unit is exempt from e - invoicing.

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7. The total value of inward supplies on which GST is payable by Bhakti & Sons under reverse charge for December is _____ (2 Marks)

- a) ` 2.40 lakh
- b) ` 2.10 lakh
- c) ` 2.90 lakh
- d) ` 3.00 lakh

8. The total input tax credit that can be availed by Bhakti & Sons for December is _____ (2 Marks)

- a) ₹ 6,97,500
- b) ₹ 6,24,700
- c) ₹ 6,86,700
- d) ₹ 6,95,700

9. Total GST payable in cash by Bhakti & Sons for the month of December, assuming that no ITC is claimed/availed by it is _____ (2 Marks)

- a) ` 9,17,200
- b) ` 9,43,200
- c) ` 9,26,200
- d) ` 9,20,800

10. The penalty that may be leviable for failure to display registration certificate in a prominent location & GSTIN on name board at the entry of its principal place of business by Bhakti & Sons is _____. (2 Marks)

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- a) ` 5000
- b) ` 10,000
- c) ` 25,000
- d) Nil

11. M/s Pioneer Electronics, a manufacturer-exporter holding a valid Advance Authorisation, imports inputs duty-free which are physically incorporated into the export product. Due to a drop in foreign demand, the firm is unable to export the full quantity of goods and decides to sell part of the imported inputs in the domestic market (DTA) after completing 60% of the export obligation. As per the provisions of the Foreign Trade Policy, which of the following consequences will arise due to this action? (2 Marks)

- a) M/s Pioneer Electronics can freely transfer the unutilized inputs in the DTA after paying IGST only.
- b) M/s Pioneer Electronics can dispose of the inputs in DTA by paying applicable duties and without any permission.
- c) M/s Pioneer Electronics is prohibited from transferring the unutilized inputs in DTA and must either export the remaining quantity or destroy the inputs.
- d) M/s Pioneer Electronics can sell inputs in DTA only after paying duty and obtaining permission from the DGFT.

12. Determine the total duties payable under the customs law if Mr. Aditya imported rubber from Singapore at landed price (exclusive of duties) of ` 50 lakh. It has been notified by the Central Government that share of imports

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of rubber from the developing country against total imports to India exceeds 5%. Safeguard duty notified on this product is 30% and basic customs duty is 10%. Ignore integrated tax and agriculture infrastructure and development cess. (2 Marks)

- a) ` 20,50,000
- b) ` 20,00,000
- c) ` 23,50,000
- d) ` 18,00,000

Case Study 3

Rishi is a registered supplier of goods and services under GST in the State of Karnataka. During the month of April, Rishi provided the following outward supplies:

Particulars	Amount (₹)
Taxable supply of goods	4,00,000
Insurance agent service to Suraksha Insurance Company, registered under GST	30,000
Interest received for late payment from various customers	10,000
Recovery agent service to ABC Limited, a trader of goods	40,000
Security and housekeeping service provided to Bachpan School (upto higher secondary), an unregistered person under GST, at its Annual Day function held at Vallabh Convention centre being outside the school campus.	50,000
Renting of motor vehicle designed to carry passengers provided to M Sea Limited wherein cost of fuel is included (applicable rate of tax - CGST @ 2.50% and SGST 2.50%)	80,000
Amount received for a contract for taxable supplies of goods awarded by a public sector undertaking (PSU), registered under section 51 in the State of Tamil Nadu. PSU instructed Rishi to make the supply in the State of Karnataka. Value of contract is ₹ 5,00,000	1,50,000

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All the amounts mentioned above are excluding GST, wherever applicable (unless otherwise specified). Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 13 to 15 below:

13. What is the taxable value of supply for the month of April on which tax is payable by Rishi? (2 Marks)

- a) ` 6,50,000
- b) ` 6,10,000
- c) ` 6 00,000
- d) ` 5,60,000

14. Amount of TDS require to be deducted under section 51 by the PSU is _____ (2 Marks)

- a) CGST ` 750 and SGST ` 750
- b) IGST ` 3,000
- c) GST ` 1,500 and SGST ` 1,500
- d) No TDS required to be deducted under section 51.

15. Which of following outward supplies provided by Mr. Rishi are NOT subject to payment of tax under reverse charge? (i) Insurance agent service (ii) Recovery agent service (iii) Renting of motor vehicle service (2 Marks)

- a) Only (ii) and (iii)
- b) Only (ii)
- c) Only (i) and (iii)
- d) Only (iii)

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PART – II

70 Marks

Question : 1(a)

14 Marks

Adwatt Pvt. Ltd. is a manufacturing company registered under GST in the State of Uttar Pradesh. It manufactures two taxable products 'Delta' and 'Omega' and one exempt product 'Theta'. On 1st October, while product 'Omega' got exempted through an exemption notification, exemption available on 'Theta' got withdrawn on the same date. The turnover (exclusive of taxes) of 'Delta', 'Omega' and 'Theta' in the month of October was ` 9,00,000, ` 10,00,000 and ` 6,00,000 respectively.

Adwatt Pvt. Ltd. has furnished the following details:

S. No.	Particulars	Price (₹)	GST (₹)
(a)	Machinery 'P' purchased on 1 st October for being used in manufacturing all the three products	2,00,000	36,000
(b)	Machinery 'Q' purchased on 1 st October for being used in manufacturing product 'Delta' and 'Theta'	1,00,000	18,000
(c)	Machinery 'R' purchased on 1 st October for being exclusively used in manufacturing product 'Omega'	3,00,000	54,000
(d)	Machinery 'S' purchased on 1 st October four years ago for being exclusively used in manufacturing product 'Omega'. From 1 st October, such machinery will also be used for manufacturing product 'Theta'.	4,00,000	72,000
(e)	Machinery 'T' purchased on 1 st October two years ago for being used in manufacturing all the three products	3,00,000	54,000
(f)	Raw Material used for manufacturing 'Delta' purchased on 5 th October	1,50,000	27,000
(g)	Raw Material used for manufacturing 'Omega' purchased on 10 th October	2,00,000	36,000
(h)	Raw Material used for manufacturing 'Theta' purchased on 15 th October	1,00,000	18,000

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Compute the following:

- i. Amount of ITC to be credited to Electronic Credit Ledger, for the month of October
- ii. Amount of aggregate value of common credit (Tc)
- iii. Common credit attributable to exempt supplies, for the month of October
- iv. GST liability of the company payable through Electronic Cash Ledger, for the month of October if opening balance of ITC is nil.

Note: Assume that all the procurements made by the company are from States other than Uttar Pradesh. Similarly, the company sells all its products in States other than Uttar Pradesh. Rate of IGST is 18%. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled. Ignore interest, if any and make suitable assumptions wherever required.

Question : 2(a)

8 Marks

Arnav Enterprises, a registered supplier located in Madhya Pradesh, has duly filed its monthly GST returns for the financial year 2024–25. During the scrutiny of its returns for the said financial year in August 2025, the proper officer noticed an inadvertent short payment of CGST and SGST totaling ₹ 4,60,000 in the month of October 2024, on account of a bonafide error. Before issuance of the show cause notice by the proper officer, Arnav Enterprises paid the tax of ₹ 1,00,000 (₹ 50,000 CGST and ₹ 50,000 SGST) on the basis of its own ascertainment along with applicable interest and with penalty, if any, on 15th September 2025 and informed the proper officer in writing of such payment. Based on the facts above, answer the following:

1. Ascertain the last date by which show cause notice can be issued by the proper officer for the amount of tax short paid by Arnav Enterprises.

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2. Determine the amount of penalty, if any, payable on the payment of tax of ` 1,00,000 by Arnav Enterprises on the basis of its own ascertainment along with applicable interest on 15th September 2025.
3. Assuming that the proper officer decides to issue a show cause notice under section 74A on 10th October 2025, determine the maximum amount of tax for which he can issue the show cause notice. Ascertain the last date by which the proper officer should issue order under section 74A assuming that show cause notice is issued by proper officer on said date.
4. In continuation of sub-part (3) above, if proper officer issues a show cause notice under section 74A on 10th October, 2025 for the amount of tax so allowed and Arnav Enterprises decides to pay said tax along with applicable interest, on 5th December, 2025, you are required to determine penalty, if any, payable by Arnav Enterprises.

In each of the above cases, will your answer be different if the short payment of tax is on account of fraud, other facts remain the same?

Note – Assume that the due date for furnishing annual return has not been extended and limitation period for issuance of order under section 74A has not been extended by the Commissioner. Ignore computation of interest in the above question.

Question : 2(b)

6 Marks

Heeralal & Sons, a prominent supplier operating in Maharashtra, has established three distinct branches located in Mumbai, Pune, and Mahabaleshwar. The Mumbai and Pune branches are primarily engaged in the supply of garments, while the Mahabaleshwar branch specializes in the

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supply of shoes. Heeralal & Sons opts to have separate registrations for all three branches and the Mumbai branch subsequently sends garments (which are liable to GST) for sale to the Pune branch.

You are required to address the requirement of raising a tax invoice and the taxability of such transfers between Mumbai and Pune branch.

Question : 3 (a)

5 Marks

Sanskar Nursing Home, a clinical establishment, offers the following services:

- (i) Rooms provided to the in-patients where the room charges per day are ₹ 6,500.
- (ii) Plastic surgery conducted to repair cleft lip of a new born baby.
- (iii) Air ambulance services to transport critically ill patients from distant locations to Sanskar Nursing Home.
- (iv) Supply of food to the in-patients as per the advice of the doctor/nutritionist from its restaurant – Annapurna Bhawan - located in the basement of Sanskar Nursing Home. The food is prepared by its employees and nothing is outsourced to any third-party vendors.
- (v) Homeopathic medical treatment.

Sanskar Nursing Home also operates a cord blood bank which provides services in relation to preservation of stem cells. Determine whether GST is payable in respect of each of the above services provided by Sanskar Nursing Home

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Question : 3 (b)

5 Marks

Briefly explain the procedure to be followed by the Authority for Advance Ruling on receipt of the application for Advance Ruling under section 98 of the CGST Act, 2017

Question : 3 (c)

4 Marks

Power Electricals Ltd., a registered supplier of air-conditioners, is required to send from Mumbai (Maharashtra), a consignment of parts of air-conditioner to be replaced under warranty at various client locations in Gujarat. The value of consignment declared in delivery challan accompanying the goods is Rs. 70,000. Power Electricals Ltd. claims that since movement of goods to Gujarat is caused due to reasons other than supply, e-way bill is not mandatorily required to be generated in this case.

You are required to examine the technical veracity of the claim made by Power Electricals Ltd.

Question : 4 (a)

10 Marks

Auralink Electronics Ltd. (hereinafter referred to as AEL) is engaged in manufacturing air purifiers. It is registered in the State of Haryana. It has appointed distributors across the country who sell the air purifiers manufactured by it.

The maximum retail price (MRP) printed on the package of a air purifier is ` 12,000. The applicable rate of GST on air purifiers is 18%. AEL dispatches the stock of air purifiers to its distributors ordered by them on a quarterly basis.

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In order to promote its sales, the Sales Head of AEL has formulated a sales promotion scheme on 1st April. Under this scheme, AEL offers a discount of 10% (per air purifier) on air purifiers supplied to the distributors if the distributors sell 500 air purifiers in a quarter.

The discount is offered on the price at which the air purifiers are sold to the distributors (excluding all charges and taxes).

It appoints Cygnatek Electronics (an unrelated party as per GST Law) as its distributor in Haryana on 1st April and dispatches 750 air purifiers on 8th April as stock for the quarter April-June.

AEL has sold the air purifiers to distributor - Cygnatek Electronics at ` 8,400 per air purifier (exclusive of applicable taxes). Cygnatek Electronics has requested AEL for a special packing of the air purifiers delivered to it for which AEL has charged ` 1,200 per air purifier.

Cygnatek Electronics places a purchase order of 1,000 air purifiers with BEL for the quarter July-September. The distributor reports sales of 700 air purifiers for the quarter April-June and 850 air purifiers for the quarter July-September.

Question : 4 (b)

4 Marks

PCB Limited has imported printed circuit boards for sale in India from Country X, which are liable for anti-dumping duty. You are provided with the following details.

(i) Country X does not sell these goods in its domestic market.

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However, it exports the same printed circuit boards at USD 200 per piece to another third country.

(ii) The printed circuit board is sold in domestic industry @ USD 175 per piece.

(iii) PCB Limited has imported the printed circuit boards at USD 100 per piece.

(iv) Landed value of the printed circuit boards is USD 125 per piece.

Compute the anti-dumping duty payable by PCB Limited for 1,000 pieces of printed circuit boards it has imported during the year assuming conversion rate @75 per USD.

Question : 5 (a)

8 Marks

Mr. Manmeet imported certain goods from his son, Mr. Harbhajan residing in US and transaction value has been rejected. Rules 4 and 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 are found inapplicable as no similar/ identical goods are imported in India. Mr. Manmeet furnishes cost-related data of imports and requests customs authorities to determine value accordingly as per rule 8. The relevant data are given below:-

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1.	Cost of materials incurred by Mr. Harbhajan	\$ 2000
2.	Fabrication charges incurred by Mr. Harbhajan	\$ 1000
3.	Other chargeable expenses incurred by Mr. Harbhajan	\$ 400
4.	Other indirect costs incurred by Mr. Harbhajan	\$ 250
5.	Freight from Mr. Harbhajan 's factory to US port	\$ 250
6.	Loading charges at US port	\$ 100
7.	Normal net profit margin of Mr. Harbhajan	20% of FOB
8.	Air freight from US port to Indian port	\$ 1,500
9.	Insurance from US port to Indian port	\$ 50
10.	Exchange rate	₹ 85 per \$

The customs authorities are of the opinion that since value as per rule 7 can be determined at ` 5,00,000, there is no need to apply rule 8.

Can the request of Mr. Manmeet be legally acceptable? If so, compute the assessable value under the Customs Act, 1962.

Question : 5 (b)

6 Marks

Rishabh intends to start selling certain goods in Delhi. However, he is not able to determine (i) the classification of the goods proposed to be supplied by him [as the classification of said goods has been contentious] and (ii) the place of supply if he supplies said goods from Delhi to buyers in U.S.

Rishabh's tax advisor has advised him to apply for the advance ruling in respect of these issues. He told Rishabh that the advance ruling would bring

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him certainty and transparency in respect of the said issues and would avoid litigation later. Rishabh agreed with his view, but has some apprehensions.

In view of the information given above, you are required to advise Rishabh with respect to following:

(i) Rishabh is apprehensive that if at all advance ruling is permitted to be sought, he has to seek it every year. Whether Rishabh's apprehension is correct?

(ii) The tax advisor is of the view that the order of Authority for Advance Ruling (AAR) is final and is not appealable. Whether the tax advisor's view is correct?

Question : 6 (a)

6 Marks

RMN Company Ltd., a registered supplier of Bengaluru (Karnataka), is a manufacturer of goods. The company provides the following information pertaining to GST paid on inward supplies during the month of April (current financial year):

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S. No.	Items	GST paid in (₹)
(i)	Life Insurance premium paid by the company for the life insurance of factory employees as per the policy of the company. There is no legal obligation for such insurance for employees.	1,50,000
(ii)	Raw materials purchased for which invoice is missing but delivery challan is available	38,000
(iii)	Raw materials purchased which are used for zero rated supply	50,000
(iv)	Works contractor's service used for repair of factory building which is debited in the profit and loss account of company	30,000
(v)	Company purchased the capital goods for ₹ 4,00,000 and claimed depreciation of ₹ 44,800 (@ 10%) on the full amount of ₹ 4,48,000 under Income Tax Act, 1961	48,000

Other information:

(1) In the month of September of previous financial year, RMN Company Ltd. availed ITC of ₹ 2,40,000 on purchase of raw material which was directly sent to job worker's premises under a challan on 25th September (previous financial year). The said raw material has not been received back from the job worker up to 30th April (current financial year).

(2) All the above inward supplies except at S. No. (iii) above have been used in the manufacture of taxable goods. Inward supplies at S. No. (iii) above have been used in the manufacture of exempt goods.

Compute the amount of net ITC that can be availed by RMN Company Ltd. for the month of April with necessary explanations for the treatment of various items as per the provisions of the CGST Act. Subject to the

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information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.

Question : 6 (b)

4 Marks

In January, 20XX, Rock & Rock India Ltd. imported a consignment from U.S.A (by sea). The value of consignment was 7,50,000 and total duty payable was 1,50,000.

Company filed bill of entry for home consumption but before inspection and clearance for home consumption it found that the goods were damaged.

On filing a representation to the Customs Department, proper officer refused the claim for abatement because goods were already unloaded. The proper officer is in agreement with the claim that the value of goods has come down to only ₹ 1,50,000.

Examine the issue with reference to the relevant statutory provisions and calculate the amount of total duty payable:

Would your answer be different in the above case if the goods get deteriorated after unloading and examination but before clearance for home consumption, and value comes down to ₹ 7,00,000?

Question : 6 (c)

4 Marks

With reference to the provisions relating to EOU, EHTP, STP, BTP & SEZ Schemes as contained in FTP, answer the following questions:

The WAY CA test series

CA FINAL

P5: INDIRECT TAX LAWS
[PRE FINAL – FULL SYLLABUS]

18.08.2025

TIME : 3 hr 00 min

Maximum Marks : 100

- (1) A unit intending to trade in handicrafts wants to set up an EOU. Is it allowed?
- (ii) An EOU has started production after 4 years 10 months from the date of grant of Letter of Permission (LoP)/Letter of Intent (LoI). Is it correct?
- (iii) A EOU wants to import a second hand capital goods which is prohibited under ITC (HS). Can it do so?

ALL THE BEST

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