

next year.

Note - All the amounts given above are excluding taxes and all transactions are intra- State transactions. Rates of tax are CGST - 9% and SGST - 9%. However, for tempo traveller, the rates of taxes are CGST - 14% and SGST - 14%.

In relation to the above, Answer the following questions:

Question 1

With respect to "Buy One, Get One" offer, which of the following statements is true:

- It will not be considered as supply at all since no consideration is involved in one of the items.
- Supply of item for which consideration is charged is a supply under section 7 of the CGST Act, 2017 while supply of the other item supplied free of cost is not a supply.
- These are two individual supplies where a single price is charged for the entire supply. Since a single price is charged, the same will always be taxed as a mixed supply.
- These are two individual supplies where a single price is charged for the entire supply. Their taxability will depend upon as to whether the supply is a composite supply or a mixed supply.

Question 2

Eligible input tax credit for the month of May (i) on the purchase of tempo traveller and (ii) on health insurance premium paid (assuming that all other conditions, for availing input tax credit have been complied with) is:

- (i) CGST - Nil, SGST - Nil and (ii) CGST - Nil, SGST - Nil
- (i) CGST - ₹ 1,68,000, SGST - ₹ 1,68,000 and (ii) CGST - Nil, SGST - Nil
- (i) CGST - Nil, SGST - Nil and (ii) CGST - ₹ 18,000, SGST - ₹ 18,000
- (i) CGST - ₹ 1,68,000, SGST - ₹ 1,68,000 and (ii) CGST - ₹ 18,000, SGST - ₹ 18,000

Question 3

Which of the following statements is true in respect of the services of advocate availed by the company?

- CGST-₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by PTL Pvt Ltd. ITC availed thereon is to be added to its output tax liability with interest as consideration along with tax is not paid within 180 days of the issuance of invoice.
- CGST-₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by Mr. Ram. ITC availed thereon is to be added to output tax liability of PTL Pvt Ltd. with interest as consideration along with tax is not paid within 180 days of the issuance of invoice.
- CGST-₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by PTL Pvt. Ltd. The condition of payment of consideration along with tax within 180 days of the issuance of invoice does not apply in the given case.
- CGST-₹ 2,250 and SGST- ₹ 2,250 on advocate services are payable by Mr. Ram. The condition of payment of consideration along with tax within 180 days of the issuance of invoice does not apply in the given case.

1	2	3
d	b	c

Case XV

RTP May '21

M/s Aditi & Co, a partnership firm registered under GST, is undertaking various Government projects. The firm has let out on hire the following vehicles-

- A motor vehicle to carry more than 15 passengers to a State Government Electricity Department



(ii) An electric motor vehicle to carry more than 12 passengers to Local Municipal Corporation

(iii) An electric motor vehicle to carry upto 12 passengers to State Transport Undertaking

The firm provided the following additional information for the month of October:

(i) Works contract services were availed for construction of immovable property being plant and machinery, where value of GST component was ₹ 1,10,000.

(ii) GST amounting to ₹ 70,000 was paid on account of demand of the Department due to fraud in returns filed.

(iii) Goods valuing ₹ 10,00,000, (GST on the same ₹ 1,00,000) were received 180 days ago (invoice also issued on the date of receipt of supply) for which payment has been made till date to an extent of ₹ 4,00,000 towards value, ₹ 40,000 towards tax.

The firm made two independent outward supplies in which value of supply was understated in one case by ₹ 75,000 and overstated by ₹ 45,000 in the other case.

The firm received certain supply of goods from registered persons on which tax was payable under reverse charge basis.

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

From the information given above, choose the most appropriate Answer for Q. 1 to Q. 5 given below:

Question 1

In respect of vehicles let out on hire by the firm, services that are exempt from GST are

(i) Letting on hire a motor vehicle to State Electricity Department (>15 passengers)

(ii) Letting on hire an electric vehicle to Local Municipality (> 12 passengers)

(iii) Letting on hire an electric vehicle to State Transport Undertaking (<12 passengers)

(a) (i)

(b) (ii)

(c) (i) and (iii)

(d) (ii) and (iii)

Question 2

Determine the amount of eligible ITC to be claimed by the firm for the month of October.

(a) ₹ 70,000

(b) ₹ 1,10,000

(c) ₹ 1,80,000

(d) Nil

Question 3

Determine the amount of ITC to be added to the output tax liability.

(a) ₹ 40,000

(b) ₹ 60,000

(c) ₹ 1,00,000

(d) Nil

Question 4

Which of the following is correct in respect of document to be issued by the firm for understatement and overstatement of invoice value?

(i) Debit note is to be issued for ₹ 75,000.



- (ii) Credit note is to be issued for ₹ 75,000.
 (iii) Debit note is to be issued for ₹ 45,000.
 (iv) Credit note is to be issued for ₹ 45,000.

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

Question 5

Which of the following statements is correct in respect of supply of goods received by the firm which are taxable under reverse charge?

- (i) Firm shall issue a payment voucher at the time of making payment to supplier.
 (ii) Firm shall issue invoice for supply of goods.
 (iii) Firm shall issue receipt voucher at the time of making payment to supplier.
 (iv) Firm is not required to issue any document in respect of such supply.

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

1	2	3	4	5
b	b	b	c	a

Case XVI

RTP Nov '21

MM Charitable Trust is registered under section 12AA of the Income-tax Act, 1961.

The trust conducted a three-day residential yoga camp among people on the occasion of international yoga day for the advancement of yoga and charged ₹ 7,500 per person inclusive of stay and food. The trust also conducted programme for the advancement of education of persons aged above 65 years in metro cities. A nominal fee was charged for the same.

The trust received following donations during the month of September: -

- (i) Solid Steels Pvt. Ltd. donated a RO water plant to the trust costing ₹ 75,000 and displayed its company name in the RO system installed at the premises of the trust as "Donated by Solid Steels Private Limited-trusted by all".
 (ii) Mr. Prasanna, a lawyer donated chairs to the trust costing ₹ 25,000 and 'Love all' is printed on all chairs donated by him to the trust.

The following are the details of GST payment made by the firm-

- (i) GST of ₹ 1,75,000 was paid for the purchase of motor vehicle for transportation of needy persons (Seating capacity including driver is 13).
 (ii) GST of ₹ 2,45,000 was paid for works contract services availed from Super Builders for construction of Trust's office building.

MM Charitable Trust also owns and manages a gurudwara. It rented the community hall located in the precincts of the gurudwara for a rent of ₹ 8,500 per day for a marriage function. It also rented the commercial shop located in the precincts of the gurudwara for a rent of ₹ 10,000 per month per shop.

You can assume that the Trust is registered under GST and all the transactions are intra-State only. Conditions for availing ITC are fulfilled subject to the above-mentioned information.

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



Question 1

Which of the following activities conducted by trust is exempt from GST?

- (a) Advancement of Yoga
- (b) Advancement of education
- (c) Both (a) and (b)
- (d) Neither of the activities

Question 2

Determine the value of taxable supply in respect of donations received by the Trust?

- (a) ₹ 25,000
- (b) ₹ 75,000
- (c) ₹ 1,00,000
- (d) Nil

Question 3

Compute the amount of input tax credit that can be claimed by the Trust?

- (a) ₹ 1,75,000
- (b) ₹ 2,45,000
- (c) ₹ 4,20,000
- (d) Nil

Question 4

Which of the following statements is/are correct under GST law in respect of gurudwara managed by MM Charitable Trust?

- (a) Renting of community hall is taxable while renting of commercial shop is exempt.
- (b) Renting of community hall is exempt while renting of commercial shop is taxable.
- (c) Both renting of community hall and renting of commercial shop are taxable.
- (d) Both renting of community hall and renting of commercial shop are exempt.

1	2	3	4
a	b	d	b

