

MOCK TEST

MAY 22/NOV 22

Volume-1 and GST

(Income Tax: 60 & GST: 40 Marks)

ATTEMPT ALL QUESTIONS

Roll No ...854687.....

Time allowed: 3 hours

Maximum Marks: 100

MCQ BOOKLET NO. 1234567

PAPER CODE- MKG

MULTIPLE CHOICE QUESTION

(MCQ) (30 MARKS)

INCOME TAX (18 Marks)

1. Mr. Ajay Sahu, proprietor of M/s Blue Bird Enterprises having turnover of ₹ 65 lakhs and Turnover is less than 100 lakhs during P.Y. 2020-21, has received two bills for payment. The first bill is for ₹ 42,00,000 from Vijay Associates, an advocate and property dealer firm, for his daughter's hearing and ₹ 21,00,000 from same Vijay Associates for brokerage service provided in relation to purchase of one property. Both bills were raised on 21-12-2021 but payment were made in instalments. 1st Instalment of ₹5,00,000 as advance was payment on 15-11-2021, 2nd Instalment of ₹45,00,000 on 25-03-2022 and balance amount ₹13,00,000 on 31-03-2022. Determine the TDS liability for Mr. Ajay Sahu, if any, for A.Y. 2022-23?

- (a) ₹ 2,50,000
- (b) ₹ 3,15,000
- (c) ₹ 65,000
- (d) Nil

(1 Marks)

2. Where the total income of an artificial juridical person is ₹3,10,000, the income-tax before cess payable is ₹..... and surcharge payable is ₹.....

- (a) ₹3,000; surcharge – nil.
- (b) ₹6,000; surcharge – nil.
- (c) ₹500; surcharge – nil
- (d) ₹93,000; surcharge – ₹4650

(1 Marks)

3. Which of the following benefits are not allowable to Ms. Geetha, a non-resident, while computing her total income and tax liability for A.Y.2022-23 under the Income-tax Act, 1961?

- (a) Deduction of 30% of gross annual value while computing her income from house property in Bangalore, India
- (b) Tax rebate of ₹12,500 from tax payable on her total income of ₹3,40,000
- (c) Deduction for donation made by her to Prime Minister's National Relief Fund
- (d) Deduction for interest earned by her on NRO savings account.

(1 Marks)

4. Mr. A has two bank accounts maintained with ICICI Bank and HDFC Bank. From 01.09.2021 till 31.03.2022, Mr. A withdrew the following amounts as cash from both the said accounts;

HDFC Bank: ₹50 Lakh

ICICI Bank: ₹120 Lakh

Compute the amount of tax to be deducted at source u/s 194N by HDFC Bank and ICICI Bank, respectively, while making payment in cash to Mr. A.

- (a) ₹1,00,000 and ₹2,40,000
- (b) Nil and ₹40,000
- (c) Nil and ₹2,40,000
- (d) ₹50,000 and ₹1,20,000

(1 Marks)

5. M/S Mohan & Sons (liable to audit) paid ₹35,000 to Mr. Goel on 01.05.2021 towards fee for legal advisory services without deduction of tax at source. Another payment of ₹47,000 was due to Mr. Goel on 31.07.2021 and TDS on entire amount (i.e. ₹35,000 plus ₹47,000) was deducted and then the net amount was paid. However, the total tax deducted was deposited on 15.11.2021. The interest chargeable under section 201 will be:

- (a) ₹650
- (b) ₹433
- (c) ₹486
- (d) ₹597

(1 Marks)

6. ₹2 lakh is paid to Mr. Vallish, a resident individual on 15.3.2022 by the State of Haryana on compulsory acquisition of his urban agricultural land.

- (a) No tax is deductible at source
- (b) Tax is deductible @ 1%
- (c) Tax is deductible @ 5%
- (d) Tax is deductible @ 10%

(1 Marks)

7.

An amount of ₹ 40,000 was paid to Mr. X on 1.7.2021 towards fees for professional services without deduction of tax at source. Subsequently, another payment of ₹ 50,000 was due to Mr. X on 28.2.2022, from which tax @ 10% (amounting to ₹ 9,000) on the entire amount of ₹ 90,000 was deducted. However, this tax of ₹ 9,000 was deposited only on 22.6.2022. The interest, chargeable under section 201(1A) would be:

- (a) ₹ 1,080
- (b) ₹ 860
- (c) ₹ 1,620
- (d) ₹ 840

(1 Marks)

8.

Which of the following statements is/are true in respect of taxability of agricultural income under the Income-tax Act, 1961?

- (i) Any income derived from saplings or seedlings grown in a nursery is agricultural income exempt from tax u/s 10(1).
- (ii) 60% of dividend received from shares held in a tea company is agricultural income exempt from tax u/s 10(1).
- (iii) While computing income tax liability of an Assessee aged 50 years, agricultural income is required to be added to total income only if net agricultural income for the P.Y. exceeds ₹5,000 and the total income (including net agricultural income) exceeds ₹2,50,000.
- (iv) While computing income tax liability of an Assessee aged 50 years, agricultural income is required to be added to total income only if net agricultural income for the P.Y. exceeds ₹5,000 and the total income (excluding net agricultural income) exceeds ₹2,50,000.

Choose from the following options:

- (a) (i) and (iii)
- (b) (ii) and (iii)
- (c) (i) and (iv)
- (d) (i), (ii) and (iv)

(1 Marks)

9.

The proportion of agricultural and business income in case of income derived from the sale of coffee grown and cured by the assessee in India is -

- (a) 65% and 35%, respectively
- (b) 75% and 25%, respectively
- (c) 60% and 40%, respectively
- (d) 70% and 30%, respectively

(1 Marks)

10.

Mr. Ram acquired a house property at Chennai from Mr. Satyam, a resident, for a consideration of ₹85 lakhs, on 23.8.2021. On the same day, Mr. Ram made two separate transactions, thereby acquiring an urban plot in Gwalior from Mr. Vipun for a sum of ₹50 lakhs and rural agricultural land from Mr. Danish for a consideration of ₹75 lakhs. Which of the following statements are correct?

- (a) No tax deduction at source is required in respect of any of the three payments.
- (b) TDS @ 1% is attracted on all the three payments.
- (c) TDS @ 1% on ₹85 lakhs and ₹50 lakhs are attracted. No TDS on payment of ₹75 lakhs for acquisition of rural agricultural land
- (d) TDS @ 1% on ₹85 lakhs is attracted. No TDS on payments of ₹50 lakhs and ₹75 lakhs.

(1 Marks)

11.

In case of an individual aged 61 years, partial integration of agricultural income is not required if his—

- (a) Net agricultural income does not exceed ₹5,000.
- (b) Non-agricultural income does not exceed ₹2,50,000.
- (c) Non-agricultural income does not exceed ₹3,00,000.
- (d) Either (a) or (c) above.

(1 Marks)

12.

Mrs. Shivani, wife of Mr. Anurag, is a partner in a firm. Her capital contribution of ₹5 lakhs to the firm as on 1.4.2021 included ₹3.5 lakhs contributed out of gift received from Anurag. On 10.4.2021, she further invested ₹2 lakh out of gift received from Anurag. The firm paid interest on capital of ₹50,000 and share of profit of ₹60,000 during the F.Y.2021-22. The entire interest has been allowed as deduction in the hands of the firm. Which of the following statements is correct?

- (a) Share of profit is exempt but interest on capital is taxable in the hands of Mrs. Shivani.
- (b) Share of profit is exempt but interest of ₹39,286 is includible in the income of Mr. Anurag and interest of ₹10,714 is includible in the income of Mrs. Shivani.
- (c) Share of profit is exempt but interest of ₹35,000 is includible in the income of Mr. Anurag and interest of Rs.15,000 is includible in the income of Mrs. Shivani.
- (d) Share of profit to the extent of ₹42,000 and interest on capital to the extent of ₹35,000 is includible in the hands of Mr. Anurag.

(1 Marks)

13. Vidya received ₹90,000 in May, 2021 towards recovery of unrealised rent, which was deducted from actual rent during the P.Y. 2019-20 for determining annual value. Legal expense incurred in relation to unrealised rent is ₹20,000. The amount taxable under section 25A for A.Y.2022-23 would be -

- (a) ₹70,000
- (b) ₹63,000
- (c) ₹60,000
- (d) ₹49,000

(1 Marks)

14. Mr. Arjun, aged 53 years, has a total income of ₹51 lakhs for A.Y.2022-23. His total income comprises of salary, income from house property and interest on savings bank account. His tax liability for A.Y.2022-23 would be –

- (a) ₹13,96,200
- (b) ₹14,82,000
- (c) ₹15,35,820
- (d) ₹14,69,000

(1 Marks)

15. Exemption of a certain amount (not exceeding the income clubbed) is available under section 10(32), where a minor's income is clubbed with the income of the parent. The maximum exemption available is -

- (a) upto ₹1,500 in respect of each minor child
- (b) upto ₹1,500 in respect of each minor child maximum of two children
- (c) upto ₹2,000 in respect of each minor child
- (d) upto ₹2000 in respect of each minor child maximum of two children

(1 Marks)

16. Mr. A gifts a sum of ₹ 1,00,000 to his brother's wife Mrs. B. Mr. B gifts a sum of ₹ 1,00,000 to Mrs. A. From the sum gifted to her, Mrs. B invests in a fixed deposit, income therefrom is ₹10,000. Aforesaid ₹10,000 will be included in the total income of

- (a) Mr. A
- (b) Mrs. A
- (c) Mrs. B
- (d) Mr. B

(1 Marks)

17. Mr. Aarav gifted a house property valued at ₹50 lakhs to his wife, Geetha, who in turn has gifted the same to her daughter-in-law Deepa. The house was let out at ₹25,000 per month throughout the P.Y.2021-22. Compute income from house property for A.Y.2022-23.

In whose hands is the income from house property chargeable to tax?

- (a) ₹3,00,000 in the hands of Mr. Aarav
- (b) ₹2,10,000 in the hands of Mr. Aarav
- (c) ₹2,10,000 in the hands of Geetha
- (d) ₹2,10,000 in the hands of Deepa

(1 Marks)

18. In case of default in payment of self assessment tax after last date of filing of ROI, interest shall be charged

- (a) 2% p.m. u/s 234C
- (b) 1% p.m. u/s 234B
- (c) 1% p.m. u/s 234A + 1% p.m. u/s 234B
- (d) 1% p.m. u/s 234C

(1 Marks)

GST (12 Marks)

19. Mr. X is a dealer registered in GST and has purchased goods for ₹7,60,000 and paid CGST @ 9% & SGST @ 9% and sold the goods at a profit of 40% on cost and charged output CGST @ 9% and Output SGST @ 9%. Tax Payable shall be (1 marks)

- (a) CGST – ₹27,360 & SGST - ₹27,360
- (b) CGST – ₹27,360 & SGST - Nil
- (c) CGST – Nil & SGST - ₹27,360
- (d) CGST – Nil & SGST - Nil
- (e) CGST – ₹95,760 & SGST - ₹95,760

20. The maximum amount of late fee payable by any registered person under GST on failure to furnish return under section 39 by the due date is ₹ _____. (1 marks)

- (a) 1,000
- (b) 5,000
- (c) 10,000
- (d) 25,000

Question 21 to 25. (Marks 1 x 5 =5)

Ms. Adisha, a Doctor having in-patient facility in her hospital is a registered person under GST. She availed interior decoration services from her spouse without any consideration being paid. She also availed IT related services from her sister-in-law without any consideration. Both services were for the purpose of her profession.

Ms. Adisha provided treatment of various diseases in her hospital and apart from that she also provided the following services in her hospital-

- (a) Plastic surgery to enhance the beauty of the face
- (b) Ambulance service for transportation of patients
- (c) Renting of space to run medical store in hospital premises

She is also a consultant in other hospitals and received ₹ 40,00,000 as consultancy fee from the other hospitals. Further, she also provides canteen facility and received ₹ 55,000 from in-patients, ₹ 35,000 from patients who are not admitted and ₹ 25,000 from visitors for the same facility.

She filed GSTR-3B for the month of June with some errors. She filed the Annual return for the said financial year on 31st October of the next year, whereas due date for the said Annual return is 31st December of the next year.

Proper Officer of the department cancelled the registration certificate of Ms. Adisha suo-motu on 31st July. Order of cancellation was served on 5th August. However, she applied for revocation of the same and got her registration certificate revoked.

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 following questions -

21. Which of the following is a correct statement as per the provisions of CGST Act, 2017?

- (i) Service availed from her Spouse is a deemed supply
- (ii) Service availed from her Sister-in-Law is a deemed supply
- (i) Service availed from her Spouse is not a deemed supply
- (iv) Service availed from her Sister-in-Law is not a deemed supply
- (a) (i) and (iv)
- (b) (iii) and (iv)
- (c) (ii) and (iii)
- (d) (i) and (ii)

22. Compute the taxable value of supply of canteen service provided by Ms. Adisha?

- (a) ₹ 25,000
- (b) ₹ 35,000
- (c) ₹ 60,000

(d) ₹ 80,000

23. Ms. Adisha should have applied for revocation of cancellation of registration certificate by

- (a) 5th August
- (b) 20th August
- (c) 30th August
- (d) 4th September

24. Maximum time permissible for rectification of error committed in monthly return of June is _____

- (a) 20th July
- (b) 20th October of the next year
- (c) 31st October of the next year
- (d) 31st December of the next year

25. Determine which of the following services provided by Ms. Adisha and her hospital is exempt from GST?

- (i) Plastic surgery to enhance the beauty of the face
- (ii) Ambulance service for transportation of patients
- (iii) Renting of space to run medical store in hospital premises
- (iv) Consultancy service by Ms. Adisha in other hospitals
- (a) (i), (ii) & (iv)
- (b) (i), (ii)
- (c) (ii) & (iv)
- (d) (i) & (iii)

26. Mr. Raghu avails services of Mr. Raja, a Chartered Accountant, as under-

- (i) Audit of financial accounts ₹ 55,000
- (ii) Tax audit and annual filing ₹ 10,000
- (iii) Income-tax return filing of Mr. Raghu 's wife ₹ 5,000

All the above amounts are exclusive of taxes and the applicable rate of GST on these services is 18%.

The accountant of Mr. Raghu has booked the entire expenses of ₹70,000 plus GST in the books of account.

Mr. Raghu is eligible to take input tax credit of -

- (a) ₹ 13,500
- (b) ₹ 11,700
- (c) ₹ 9,900
- (d) ₹ 1,800

(1 marks)

27. Mr. A has started supply of goods in Delhi. He is required to obtain registration if his aggregate turnover exceeds _____ during a financial year.

- (a) ₹10 lakh
- (b) ₹20 lakh
- (c) ₹30 lakh
- (d) ₹40 lakh

(1 marks)

28. C & Co., a registered supplier in Delhi, opted for composition levy under sub-sections (1) and (2) of section 10 of the CGST Act, 2017. It sold goods in the fourth quarter of a financial year for ₹ 15,00,000 (exclusive of GST). The applicable GST rate on these goods is 12%. C & Co. purchased goods from Ramesh & Co., registered in Delhi, for ₹ 9,55,000 on which Ramesh & Co. had charged CGST of ₹ 57,300 and SGST of ₹ 57,300. C & Co. had also purchased goods from E & Co., registered in Haryana, for ₹ 2,46,000 on which E & Co. had charged IGST of ₹ 29,520. GST liability of C & Co. for the fourth quarter of the financial year is-

- (a) CGST ₹ 7,500 & SGST ₹ 7,500

- (b) CGST ₹ 3,180 & SGST ₹ 32,700
- (c) CGST ₹ 32,700 & SGST ₹ 3,180
- (d) Nil

(1 marks)

29. Kalim & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved on 14th September. In the given case, Kalim & Associates is:

- (a) required to file Final Return on or before 13th December
- (b) not required to file Final Return
- (c) required to file Final Return on or before 30th September
- (d) required to file Final Return on or before 14th December

(1 marks)

30. TT Pvt. Ltd., registered in Rajasthan, furnished following information for the month of June:

- (i) Inter-State sale of goods for ₹1,25,000 to JJ Enterprises registered in Haryana
 - (ii) Inter-State purchases of goods from XYZ company, registered in Punjab, for ₹ 40,000
 - (iii) Intra-State purchases of goods from RR Traders, registered in Rajasthan, for ₹ 65,000
- The applicable rate of GST is 18%. All the above amounts are exclusive of taxes. GST liability payable in cash is-
- (a) CGST ₹ 1,800 & SGST ₹ 1,800
 - (b) SGST ₹ 3,600
 - (c) IGST ₹ 3,600
 - (d) CGST ₹ 3,600

(1 marks)

INCOME TAX DESCRIPTIVE TYPE (42 Marks)

Question 1 (a)

(6 Marks)

Miss Charlie, an American national, got married to Mr. Radhey of India in USA on 02.03.2021 and came to India for the first time on 16.03.2021. She left for USA on 23.09.2021.

She returned to India again on 27.03.2022. While in India, she had purchased a show room in Mumbai on 22.04.2021, which was leased out to a company on a rent of ₹25,000 p.m. from 01.05.2021. She had taken loan from a bank for purchase of this show room on which bank had charged interest of ₹97,500 upto 31.03.2022.

She had received the following gifts from her relatives and friends during 01.04.2021 to 30.06.2021:

- From parents of husband	₹ 51,000
- From married sister of husband	₹ 11,000
- From two very close friends of her husband, ₹1,51,000 and ₹21,000	₹1,72,000

Determine her residential status and compute the total income chargeable to tax alongwith the amount of tax payable on such income for the Assessment Year 2022-23.

Question 1 (b)

(6 Marks)

Mr. X has income from business/profession ₹6,00,000 and long term capital gain ₹4,00,000 and short term capital gain u/s 111A ₹2,00,000 and casual income ₹1,00,000.

He has paid premium of a mediclaim policy amounting to ₹20,000 taken in the name of his dependant grand father who is senior citizen and payment was made by a cheque on 09.01.2022.

He has given premium of Jeevan Suraksha policy ₹7,000, has donated ₹12,000 to the National Defence Fund, ₹4,000 to Rajiv Gandhi Foundation and ₹3,00,000 to a charitable institution and ₹1,00,000 to a social organization and ₹4,00,000 to religious organization and all such organization are notified under section 80G. (all the donations was made by cheque)

Compute his total income and tax liability for A.Y. 2022-23.

Question 2 (a)

(5 Marks)

Examine & explain the TDS implications in the following cases along with reasons thereof, assuming that the deductees are residents and having a PAN which they have duly furnished to the respective deductors.

(i) Mr. Tandon received a sum of ₹1,75,000 as pre-mature withdrawal from Employees Provident Fund Scheme before continuous service of 5 years on account of termination of employment due to ill-health.

(ii) A sum of ₹42,000 has been credited as interest on recurring deposit by a banking company to the account of Mr. Hasan (aged 63 years).

(iii) Ms. Kaul won a lucky draw prize of ₹21,000. The lucky draw was organized by M/s. Maximus Retail Ltd. for its customer.

(iv) Finance Bank Ltd. sanctioned and disbursed a loan of ₹10 crores to Borrower Ltd. on 31-3-2022. Borrower Ltd. paid a sum of ₹1,00,000 as service fee to Finance Bank Ltd. for processing the loan application.

(v) Mr. Ashok, working in a private company, is on deputation for 3 months (from December, 2021 to February, 2022) at Hyderabad where he pays a monthly house rent of ₹52,000 for those three months, totaling to ₹1,56,000. Rent is paid by him on the first day of the relevant month.

Question 2 (b)

(5 Marks)

A partnership firm made the following payments of advance tax during the financial year 2022-23:

	₹
Upto June 15, 2021	4,15,000
Upto September 15, 2021	8,25,000
Upto December 15, 2021	16,64,000
Upto March 15, 2022	26,23,000

Return of income filed by the firm is ₹88,00,000 under the head “profits and gains of business or profession” and ₹9,50,000 by way of long term capital gains on sale of a property effected on December 1, 2021. What is the interest payable by the assessee under section 234B and section 234C for assessment year 2022-23?

Assume that the return of income was filed on 31.10.2022 i.e. the due date and tax was fully paid on self assessment.

Question 3 (a)**(5 Marks)**

Mr. X owns a residential house in Delhi. The house is having two identical units. First unit of the house is self-occupied by Mr. X and another unit is rented for ₹55,000 p.m. The rented unit was vacant for three months during the year. The particulars of the house for the previous year 2021-22 are as under:

Standard Rent	₹11,20,000 p.a.
Municipal Valuation	₹10,44,000 p.a.
Fair Rent	₹11,35,000 p.a.
Municipal tax paid by Mr. X	12% of the Municipal Valuation
Light and water charges	₹800 p.m.
Interest on borrowed capital	₹2,000 p.m.
Insurance charges	₹3,500 p.a.
Painting expenses	₹16,000 p.a.

Compute his income and tax liability of Mr. X for the assessment year 2022-23.

Question 3 (b)**(5 Marks)**

Mr. X earns the following incomes during the financial year 2021-22.

	₹
(1) Profits from a business in Japan, controlled from India, (half of the profits received in India)	40,000
(2) Income from property in Bombay, received in UK	70,000
(3) Income from a property in USA, received there but subsequently remitted to India	2,00,000
(4) Income from property in USA, received there (₹50,000 remitted in India)	80,000
(5) Salary received in India for services rendered in USA	50,000
(6) Income from profession in Paris, which was set up in India, received in Paris	80,000
(7) Interest from deposit with an Indian company, received in Japan	9,000
(8) Income from profession in Bombay received in Paris	30,000
(9) Profits of business in Iran, deposited in a bank there, business controlled from India (out of ₹4,00,000, ₹ 1,00,000 is remitted in India)	4,00,000
(10) Interest on German development bonds, half of which is received in India	10,000
(11) Income from property in Canada, one-fifth is received in India	50,000

(Presume all the above incomes are computed income i.e. all the exemptions and deductions have already been allowed)

Determine the gross total income of Mr. X if he is (i) resident and ordinarily resident, (ii) resident but not ordinarily resident, (iii) non-resident in India during the financial year 2021-22.

Question 4 (a)**(5 Marks)**

Examine the tax implications of the following transactions for the assessment year 2022-23: (Give brief reason)

- Government of India has appointed Mr. Rahul as an ambassador in Japan. He received salary of ₹7,50,000 and allowances of ₹2,40,000 during the previous year 2021-22 for rendering his services in Japan. He is an Indian citizen having status of non-resident in India for the previous year 2021-22.
- Ms. Juhi, a non-resident in India is engaged in operations which are confined to purchase of goods in India for the purpose of export. She has earned ₹2,50,000 during the previous year 2021-22.
- Mr. Naveen, a non-resident in India, has earned ₹3,00,000 as royalty for a patent right made available to Mr. Rakesh who is also a non-resident. Mr. Rakesh has utilized patent rights for development of a product in India and 50% royalty is received in India and 50% outside India.
- Mr. James, a NRI, borrowed ₹10,00,000 on 01.04.2021 from Mr. Akash who is also non-resident and invested such money in the shares of an Indian Company. Mr. Akash has received interest @ 12% per annum.

Question 4 (b)**(5 Marks)**

Examine the following transactions with reference to applicability of the provision of tax collected at source and the rate and amount of the TCS for the Assessment year 2022-23.

- (i) Mr. Kalpit bought an overseas tour programme package for Singapore for himself and his family of ₹5 lakhs on 01.11.2021 from an agent who is engaged in organising foreign tours in course of his business. He made the payment by an account payee cheque and provided the permanent account number to the seller. Assuming Kalpit is not liable to deduct tax at source under any other provisions of the Act.
- (ii) Mr. Anu doing business of textile as a proprietor. His turnover in the business is ₹11 crores in the previous year 2020-21. He received payment against sale of textile goods from Mr. Ram ₹75 lakhs against the sales made to him in the previous year and proceeding previous years. (Assuming all the sales are domestic sales and Mr. Ram is neither liable to deduct tax on the purchase from Mr. Anu nor he deducted any tax at source).

GST DESCRIPTIVE TYPE (28 MARKS)

Question 5 (a)

(5 Marks)

(i) There is a dairy farm selling milk and milk products in Delhi. The turnover of his dairy farm is as below:

Milk (Exempted): ₹39,90,000

Butter (Taxable): ₹50,000

What is the registration liability under GST for the above mentioned person assuming he has same PAN ?

(ii) Answer the following questions with respect to casual taxable person under the CGST Act, 2017:

- a. Who is a casual taxable person?
- b. Can a casual taxable person opt for the composition scheme?
- c. When is the casual taxable person liable to get registered?
- d. What is the validity period of the registration certificate issued to a casual taxable person?
- e. Can the validity of registration certificate issued to a casual taxable person be extended? If yes, what will be the period of extension?

Question 5 (b)

(5 Marks)

Dina Ltd., a registered supplier from Maharashtra is engaged in the manufacturing of passenger auto. The company provides the following details of purchase made/services availed by it during the month of March 2022:

Sl. No.	Particulars	GST Paid ₹
i.	Purchase of iron which is used as a raw material (Goods were received in two instalments, first on in March 2022 and the second instalment was received in April)	2,50,000
ii.	Purchase of accessories which were delivered directly to the Dealers of the company. Only invoice was received by Dina Ltd.	90,000
iii.	Purchase of Bus (seating capacity 15) for the transportation of employees from their residence to company and back	1,97,000
iv.	Input tax credit on general insurance taken on a car used by Executives of the company for official purposes.	5,200
v	Payment made to M/s Tasty Caterers for providing daily breakfast & lunch to the employees of the company, as voluntary staff welfare measure.	54,700

You are required to determine the eligible input Tax Credit available to M/s Dina Ltd. for the month of March 2022, by giving brief explanations for treatment of various items. Subject to the information given above, all the other conditions necessary for availing input tax credit have been fulfilled.

Question 6 (a)

(5 Marks)

Examine whether the supplier is liable to get registered in the following independent cases:-

- (i) Happy Ltd. of Himachal Pradesh is exclusively engaged in intra-State supply of pan masala. It's aggregate turnover in the current financial year is ₹ 24 lakh.
- (ii) Akki Ltd. of Assam is exclusively engaged in intra-State supply of taxable services. It's aggregate turnover in the current financial year is ₹ 25 lakh.
- (iii) Aaru Ltd. of Assam is engaged in intra-State supply of both taxable goods and services. It's aggregate turnover in the current financial year is ₹ 30 lakh.

Question 6 (b)**(5 Marks)**

Well-Being Nursing Home has received the following amounts in the month of February, 2022 in lieu of various services rendered by it in the same month. You are required to determine its GST liability for February, 2022 from the details furnished below:-

Particulars	(₹)(in lakh)
i. Palliative care for terminally ill patients at patient's home (<i>Palliative care is given to improve the quality of life of patients who have a serious disease</i>)	30
ii. Services provided by cord blood bank unit of the nursing home	24
iii. Hair transplant services	100
iv. Ambulance services to transport critically ill patients from various locations to nursing home	12
v. Naturopathy treatments.	80
vi. Plastic surgery to restore anatomy of a child affected due to an accident.	30
(Anatomy means study of the structure of human or animal bodies)	
vii. Reiki healing treatments. <i>Such treatment is not a recognized system of medicine</i>	120
viii. Mortuary services	10

Note: All the amounts given above are exclusive of tax and Rate of Tax is CGST @ 9% and SGST @ 9%. Point of supply for the services rendered by Well-Being Nursing Home in the month of February, 2022 fall in the month of February itself.

Question 7 (a)**(4 Marks)**

Kamal Book Depot, a wholesaler of stationery items, registered in Mumbai, has received order for supply of stationery items worth ₹ 2,00,000/- on 12th November, 2021 from another local registered dealer, Mr. Mehta, Mumbai. Kamal Book Depot charged the following additional expenses from Mr. Mehta:-

	Particulars	Amount (₹)
(i)	Packing charges	5,000
(ii)	Freight & Cartage	2,000
(iii)	Transit insurance	1,500
(iv)	Extra designing charges	6,000
(v)	Taxes by Municipal Authority	500

The goods were delivered to Mr. Mehta on 14th November, 2021. Since Mr. Mehta was satisfied with the quality of the goods, he made the payment of goods the same day and simultaneously placed another order on Kamal Book Depot of stationery items amounting to ₹10,00,000 to be delivered in the month of December, 2021**. On receipt of second order, Kamal Book Depot allowed a discount of ₹ 20,000 on the first order placed by Mr. Mehta.

Compute the GST liability of Kamal Book Depot for the month of November, 2021 assuming the rates of GST on the goods supplied as under:

CGST 9%

SGST 9%

Would your answer be different if expenses (i) to (v) given in above table are already included in the price of ₹2,00,000?

Note:-

(i) All the amounts given above are exclusive of GST.

(ii) Kamal Book Depot and Mr. Mehta are not related persons and price is the sole consideration of the supply.

**Payment and invoice for the second order will also be made in the month of December, 2021 only.

Question 7 (b)**(4 Marks)**

Mr. Nimit, a supplier of goods, pays GST under regular scheme. He is not eligible for any threshold exemption. He has made the following outward taxable supplies in the month of August, 2021:-

Intra state supplies of goods ₹6,00,000

Inter state supplies of goods ₹2,00,000

He has also furnished following information in respect of purchases made by him from registered dealers during August, 2021:-

Intra state purchase of goods ₹4,00,000

Inter state purchase of goods ₹50,000

Balance of ITC available at the beginning of the August 2021:-

CGST ₹15,000

SGST ₹35,000

IGST ₹20,000

Note:

- (i) Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively, on both inward and outward supplies.
- (ii) Both inward and outward supplies given above are exclusive of taxes, wherever applicable.
- (iii) All the conditions necessary for availing the ITC have been fulfilled.

Compute the net GST payable by Mr. Nimit for the month of August, 2021.

SPACE FOR ROUGH WORK