

MOCK TEST

GST

Time allowed: 3 hours

Maximum Marks: 100

DESCRIPTIVE TYPE QUESTION (70 Marks)

Question 1 (a)

(5 Marks)

Mr. Charlie, a registered supplier of goods at Bhatinda who pays GST under regular scheme, has made the following transactions (exclusive of tax) during April 2019:

Source	Purchases (₹)	Sales (₹)	Tax Rate
Rajasthan	5,00,000	10,00,000	18%
Punjab	2,50,000	8,00,000	9% each for SGST & CGST
Total	7,50,000	18,00,000	

He has complied with all the conditions for availing the input tax credit (ITC) and has the following ITC credit on 01-04-2019:

Source	CGST (₹)	SGST (₹)	IGST (₹)
Taxes	50,000	30,000	1,00,000

Compute the minimum net CGST, SGST and IGST payable by Mr. Charlie during April 2019 in cash?

Question 1 (b)

(5 Marks)

Kaashi Ltd. supplies machinery to Alisha Ltd. (Dealer in same State), provides following particulars regarding the same. Determine the value of taxable supply of machinery.

S. No.	Particulars	Amount (₹)
(i)	Price of Machinery (exclusive of taxes and discounts)	5,50,000
(ii)	One part is directly fitted in machinery at place of Alisha Ltd. (amount paid by Alisha Ltd. directly to supplier, as per contract this amount should be paid by Kaashi Ltd. and not included in price)	20,000
(iii)	Installation and testing charges for machinery, not included in price	25,000
(iv)	Discount @ 2% on machinery price (recorded in the invoice)	
(v)	Kaashi Ltd. provides additional 1% discount at year end, based on additional purchase of other machinery (discount is not linked to the relevant invoice and proportionate ITC has not been reversed by Alisha Ltd.)	

Question 2 (a)

(4 Marks)

- (i) "Richmondkidz" is a Play School located in Delhi. Richmond Kids has outsourced the catering services for supply of food and drink in the canteen of Play School to Ashoka Caterers, Delhi for a consideration of ₹ 8,00,000 per annum. Examine whether supply of food and drink/catering services from Ashoka Caterers to "Richmond kidz" is exempt from GST:
- (ii) Balaji Hospital, a clinical establishment located in Tirupati, is specialised in cardiac treatment. The hospital has its own canteen – Healthy Foods. The canteen serves the food and drink to the in-patients as advised by the doctors/nutritionists of the hospital. Apart from this, other patients (who are not admitted)

or attendants or visitors of the in-patients also take food and drink from the canteen. Examine whether supply of food and drink/catering services to the in-patients and other patients (who are not admitted) or attendants or visitors of the in-patients is exempt from GST.

Question 2 (b)**(4 Marks)**

Determine the effective date of registration in following cases:

- (i) Apsara Teleservices is an architect in Lucknow. Its aggregate turnover exceeds ₹ 20 lakh on 25th October. It submits the application for registration on 27th November. Registration certificate is granted to it on 5th December.
- (ii) The aggregate turnover of Prink Footwear Industries of Delhi has exceeded the applicable threshold limit of ₹ 40 lakh on 1st September. It submits the application for registration on 20th September. Registration certificate is granted to it on 25th September.

Question 2 (c)**(2 Marks)**

Mr. Aman, a registered supplier of taxable goods, filed GSTR 3B for the month of January, 2020 on 15th April, 2020. The prescribed due date to file the said GSTR 3B was 20th February, 2020. The amount of net GST payable on supplies made by him for the said month worked out to be ₹ 36,500 which was paid on the same date of filing the return. Briefly explain the related provisions and compute the amount of interest payable under the CGST Act, 2017 by Mr. Aman.

Question 3 (a)**(4 Marks)**

Explain the services provided by way of tolerating non-performance of a contract and its chargeability under the provisions of the CGST Act, 2017.

Question 3 (b)**(2 Marks)**

If a return has been filed, how can it be revised if some changes are required to be made?

Question 3 (c)**(4 Marks)**

Mr. X, a supplier of goods, pays GST under regular scheme. He has made the following outward taxable supplies in a tax period:

Particulars	(₹)
Intra-State supply of goods	8,00,000
Inter-State supply of goods	3,00,000

He has also furnished the following information in respect of purchases made by him in that tax period:

Particulars	₹
Intra-State purchases of goods	2,00,000
Inter-State purchases of goods	50,000

Mr. X has following ITCs with him at the beginning of the tax period:

Particulars	₹
CGST	57,000
SGST	Nil
IGST	70,000

Note:

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

Compute the minimum GST, payable in cash, by Mr. X during the tax period. Make suitable assumptions as required.

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

Determine taxable value of supply under GST law with respect to each of the following independent services provided by the registered persons:

Particulars	Gross amount charged (₹)
Fees charged for yoga camp conducted by a charitable trust registered under section 12AA of the Income-tax Act, 1961	50,000
Amount charged by business correspondent from 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 commentator to a recognized sports body	5,20,000

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

Raman is an architect in Chennai. His brother who is settled in London is a well-known lawyer. Raman has taken legal advice from him free of cost with regard to his family dispute. Examine whether the said activity would amount to supply under section 7 read with Schedule I of the CGST Act

Would your answer be different if in the above case, Raman has taken advice in respect of his business unit in Chennai?

Question 4 (c)**(2 Marks)**

Determine the effective date of registration in following cases:

- The aggregate turnover of Dhampur Footwear Industries of Delhi has exceeded the applicable threshold limit of ₹ 40 lakh on 1st September. It submits the application for registration on 20th September. Registration certificate is granted to it on 25th September.
- Mehta Teleservices is an architect in Lucknow. Its aggregate turnover exceeds ₹ 20 lakh on 25th October. It submits the application for registration on 27th November. Registration certificate is granted to it on 5th December.

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

The aggregate turnover of Sangri Services Ltd., Delhi, exceeded ₹ 20 lakh on 12th August. He applied for registration on 3rd September and was granted the registration certificate on 6th September. You are required to advise Sangri Services Ltd. as to what is the effective date of registration in its case. It has also sought your advice regarding period for issuance of Revised Tax Invoices.

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

Discuss the correctness of the following statements:-

- Once generated, an e-way bill cannot be cancelled.
- E-way bill generated in one State is valid in another State.

Question 5 (c)**(3 Marks)**

Mr. X, a regular tax payer, did not make any taxable supply during the month of July. Is he required to file any goods and service tax return?

Question 6 (a)**(4 Marks)**

Mr. Vicky Frankyn, an unregistered famous author, received ₹ 3 crore of consideration from Shiv Bhawan Publications (SBP) located in Indore for supply of services by way of temporary transfer of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original literary works of his new book. He finished his work & made available the book to the publisher, but has yet not raised the invoice.

Mr. Vicky Frankyn is of the view that SBP is liable to pay tax under reverse charge on services provided by him. SBP does not concur with his view and is not ready to deposit the tax under any circumstances.

Examine whether the view of Mr. Vicky Frankyn is correct. Further, if the view of Mr. Vicky Frankyn is correct, what is the recourse available with Mr. Vicky Frankyn to comply with the requirements of GST law as SBP has completely refused to deposit the tax.

Question 6 (b)**(4 Marks)**

(a) Chanchal started providing beauty and grooming services and inaugurated “Care & Care Beauty Centre” in Janak Puri, Delhi on 01st April, 2019. She opted to pay tax under composition scheme in the said financial year. The aggregate turnover of Care & Care Beauty Centre for the quarter ending 30th June, 2019 was ₹ 20 lakh. Further, for the half year ending 30th September, 2019, the turnover reached ₹ 50 lakh. Care & Care Beauty Centre recorded a rapid growth and the turnover reached ₹ 70 lakh by the end of October, 2019. Determine the total tax liability of Care & Care Beauty Centre by the end of October, 2019.

(b) Care & Care Beauty Centre wishes to opt for composition scheme from the next financial year. You are required to advise it whether it can do so?

Note: Rate of GST applicable on such services is 18%.

Question 6 (c)**(2 Marks)**

Mr. Ram Narayan, a registered supplier under GST, wants to first discharge his self assessed tax liability for the current period before settling the dues for the previous tax period. Examine briefly whether he can do so?

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

The temple of ancestral deity of Mr. Aman goel and his family is located at Beri, Haryana. The temple is run by a charitable organisation registered under section 12AA of the Income Tax Act, 1961. The family has got unshakeable faith in their ancestral deity. Mr. Aman is a big entrepreneur having flourishing business of tiles in Gurugram. Upon the birth of their first child, he donated ₹10 lakh to the said temple for construction of a sitting hall in the temple. On the main door of the sitting hall, a name plate was placed stating “Donated by Mr. Aman Goel upon birth of his first child”.

You are required to examine the levability of GST on the donation received from Mr. Aman Goel?

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

(a) Holiday Guest House, situated at Shimla, provides boarding & lodging services to tourists at economical cost. The charges of a single deluxe room per day are ₹ 999. Mr. X has booked one deluxe room for two days during Christmas holidays. You are required to determine whether GST is payable by Holiday Guest House on the above booking. If yes, determine the amount of GST so payable.

Will your answer change, if the charges of a single deluxe room per day charged by Holiday Guest House are ₹ 1,000?

(b) M/s Damodar Ltd. provides services by way of storage of seasonal fruits and vegetables in Bhatinda, Punjab. The monthly rental for a godown is ₹ 15,000. Examine whether GST is payable by M/s Damodar Ltd.

Question 7 (c)**(2 Marks)**

M/s Siya Ram is a trader of decorative items in Hauz Khas, Delhi. His aggregate turnover exceeded ₹ 20 lakh in the month of October, 2019. He applied for registration on GST portal, but missed to submit the details of his bank account. His tax consultant advised him that prior submission of bank details is mandatory to obtain registration. Examine whether the advice of Mr. Siya Ram’s tax consultant is correct.

MULTIPLE CHOICE QUESTION

(MCQ) (30 Marks)

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

Question 1

(2 x 5 = 10 Marks)

Ms. Riya is a multi-faceted business personality. She is registered under GST from April, 2019.

She supplied a package consisting of stapler, calculator and charger at a single price of ₹ 300/-. Rate of GST for stapler, calculator and charger is 5%, 12% and 18% respectively.

She wants to opt for composition levy.

She received following payments during the month of May, 2019:

- earned ₹ 160,000 by performing in 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 boutique.
- received ₹ 70,000 by way of rent for letting of agro machinery

Ms. Riya made a supply during June, 2019, details of which are as follows:-

- Basic price of the product – ₹ 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 saving energy

Ms. Riya provides the following information regarding receipt of inward supply during July, 2019:

- received invoice for goods having GST Component of ₹ 30,000. Goods were to be delivered in 5 lots, out of which three lots were received in the current month.
- purchased a car having GST component of ₹ 1,50,000 for the usage in a driving school owned by her
- availed health insurance service for her employees on her own and paid GST of ₹ 7,000 thereon

Transactions referred above are intra-State only. Conditions necessary for claiming input tax credit (ITC) have been fulfilled subject to the information given above.

From the information given above, choose the most appropriate answer for the following questions:-

(i) 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%

(ii) 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

(iii) Out of payments received by Ms. Riya in month of May 2019, exempt Supply amounts to _____

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

- (iv) In respect of supply made by Ms. Riya, the value of supply under section 15 of CGST Act, 2017 is
- ₹ 45,000
 - ₹ 47,500
 - ₹ 48,500
 - ₹ 51,000
- (v) Eligible amount of input tax credit that can be claimed by Ms. Riya in the month of July 2019 is,
- ₹ 30,000
 - ₹ 37,000
 - ₹ 1,50,000
 - ₹ 1,57,000

Question 2.**(1 x 5 = 5 Marks)**

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 01.09.2019, payment date as per his books of account and as per his bank account was 15.11.2019 and 18.11.2019 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:-

- I. In respect of services imported by Mr. Mandeep, which of the following is a correct statement?
- Architect services for his business from his friend in London free of cost is considered as a supply
 - Designing services from his brother in London for ₹ 5 Lakh for his personal purposes is considered as a supply.
 - Architect services for his business from his friend in London free of cost is not considered as a supply
 - Designing services from his brother in London for ₹5 Lakh for his personal purposes is not considered as a supply.
- i & ii
 - i & iv
 - ii & iii
 - iii & iv
- II. The time of supply of services, received by him and taxable under reverse charge, is
- 01.09.2019
 - 01.11.2019
 - 15.11.2019
 - 18.11.2019
- III. Aggregate turnover of Mr. Mandeep for the given financial year will be,
- ₹ 63 Lakhs
 - ₹ 79 Lakhs
 - ₹ 71 Lakhs
 - ₹ 47 Lakhs
- IV. Mr. Mandeep will be eligible for composition scheme in the next financial year, but he can supply services only upto:
- ₹ 5.00 Lakhs
 - ₹ 6.3 Lakhs
 - ₹ 7.90 Lakhs

(d) ₹ 7.10 Lakhs

V. 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

Question 3

(1 Mark)

Alcoholic liquor for human consumption is subjected to

- (a) State excise duty
- (b) Central Sales Tax/Value Added Tax
- (c) Both (a) and (b)
- (d) GST

Question 4

(1 Mark)

Taxes subsumed in GST are

- (a) Service tax
- (b) Luxury tax
- (c) VAT
- (d) All of the Above

Question 5

(1 Marks)

GST is payable by recipient of services in the following cases:-

- (i) Services provided by way of sponsorship to ABC Ltd.
 - (ii) Services supplied by a director of Galaxy Ltd. to Mr. Krishna.
 - (iii) Services by Department of Posts by way of speed post to MNO Ltd.
 - (iv) Services supplied by a recovering agent to SNSP Bank
- (a) (i) & (iii)
 (b) (i) & (iv)
 (c) (ii) & (iii)
 (d) (ii) & (iv)

Question 6

(1 Marks)

Which of the following statements are correct?

- (i) Revocation of cancellation of registration under CGST/SGST Act shall be deemed to be a revocation of cancellation of registration under SGST/CGST Act.
- (ii) Cancellation of registration under CGST/SGST Act shall be deemed to be a cancellation of registration under SGST/CGST Act.

- (iii) Revocation of cancellation of registration under CGST/SGST Act shall not be deemed to be a revocation of cancellation of registration under SGST/CGST Act.
- (iv) Cancellation of registration under CGST/SGST Act shall not be deemed to be a cancellation of registration under SGST/CGST Act.
- (a) (i) and (ii)
- (b) (i) and (iv)
- (c) (ii) and (iii)
- (d) (iii) and (iv)

Question 7**(1 Mark)**

Which of the following is not eligible for opting composition scheme under GST?

- (a) M/s ABC, a firm selling garments having annual turnover of ₹ 78 lakh.
- (b) A startup company operating restaurant in Delhi having a annual turnover of ₹ 98 lakh.
- (c) A courier service company operating solely in Mumbai having annual turnover of ₹ 90 lakh.
- (d) A trader selling grocery items having an annual turnover of ₹ 95 lakh.

Question 8**(1 Marks)**

Which of the following is not a supply of services?

- (a) Renting of Commercial Office Complex
- (b) Payment of Non-Compete Fee by an ex-employee to his previous employer
- (c) Repairing of Mobile Phone
- (d) Permanent transfer of business assets on which ITC is availed

Question 9**(1 Mark)**

Which of the following services is exempt under health care services provided by clinical establishments?

- (a) Chemist shop in the hospital selling medicines to public at large
- (b) Food supplied from an outsourced canteen to in-patients as per diet prescribed by the hospital dietitian
- (c) Advertisement services provided by the hospital to a pharmaceutical company for their asthma pump by displaying it prominently in the hospital building
- (d) All of the above

Question 10**(1 Mark)**

Alcoholic liquor for human consumption is subjected to

- (a) State excise duty
- (b) Central Sales Tax/Value Added Tax
- (c) Both (a) and (b)
- (d) GST

Question 11**(1 Mark)**

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 ₹ 3,180 & SGST ₹ 32,700
- (b) CGST ₹ 32,700 & SGST ₹ 3,180
- (c) Nil
- (d) CGST ₹ 7,500 & SGST ₹ 7,500

Question 12**(1 Mark)**

Can a registered person opting for composition scheme collect GST on his outward supplies?

- (a) Yes, in all cases
- (b) Yes, only on such goods as may be notified by the Central Government
- (c) Yes, only on such services as may be notified by the Central Government
- (d) No

Question 13**(1 Mark)**

What is the due date for payment of tax for a normal taxpayer?

- (a) Last day of the month to which payment relates
- (b) Within 10 days of the subsequent month
- (c) Within 20 days of the subsequent month
- (d) Within 15 days of the subsequent month

Question 14**(1 Mark)**

An exempt supply includes-

- (a) Supply of goods or services or both which attracts Nil rate of tax
- (b) Non-taxable supply
- (c) Supply of goods or services or both which are wholly exempt from tax under section 11 of the CGST Act or under section 6 of IGST Act
- (d) All of the above

Question 15.**(1 Marks)**

Rama Ltd. has provided following information for the month of September:

- | | |
|--|---------------|
| (i) Intra-State outward supply | ₹ 8,00,000/- |
| (ii) Inter-State exempt outward supply | ₹ 5,00,000/- |
| (iii) Turnover of exported goods | ₹ 10,00,000/- |

- (i) Payment made for availing GTA services ₹ 80,000/-

Calculate the aggregate turnover of Rama Ltd.

- (a) ₹ 8,00,000/-
(b) ₹ 23,80,000/-
(c) ₹ 23,00,000/-
(d) ₹ 18,00,000/-

Question 16.

(1 Marks)

Which of the following services received without consideration amount to supply?

- (1) Import of services by a person in India from his son well-settled in USA
(2) Import of services by a person in India from his brother well-settled in Germany
(3) Import of services by a person in India from his brother (wholly dependent on such person in India) in France
(4) Import of services by a person in India from his daughter (wholly dependent on such person in India) in Russia
(a) (1), 3) and 4)
(b) (2), 3) and 4)
(c) (2) and 3)
(d) (1) and 2)

Question 17.

(1 Mark)

Services by way of admission to _____ are exempt from GST.

- (a) Museum
(b) National park
(c) Tiger reserve
(d) All of the above