

MOCK TEST

NOV 22

FULL SYLLABUS

(Income Tax: 60 & GST: 40 Marks)

ATTEMPT ALL QUESTIONS

Roll No ...965412.....

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. In case of a Member of Parliament –

- (a) Daily allowance is exempt but constituency allowance received as per applicable Rules is taxable.
- (b) Constituency allowance received as per applicable Rules is exempt but daily allowance is taxable.
- (c) Both daily allowance and constituency allowance received as per applicable Rules are taxable.
- (d) Both daily allowance and constituency allowance received as per applicable Rules are exempt.

(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. The quantum of deduction available under section 10AA in respect of profits and gains derived by a SEZ unit from export of articles is –

- (a) 100% of export profits for first 10 consecutive AYs and 50% for next 5 consecutive AYs
- (b) 100% of export profits for first 5 consecutive AYs and 50% for next 10 consecutive AYs
- (c) 100% of export profits for first 15 consecutive AYs
- (d) 100% of export profits for first 5 consecutive AYs, 50% for export profits for next 5 consecutive AYs and upto 50% of export profits for next 5 consecutive AYs, as is credited to Special Reserve Account

(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)

Question. 07 to 10 (Marks 2 x 4 = 8 Marks)

Mr. Rajesh Sharma, aged 54 years, an Indian citizen, is working as Assistant Manager in ABC India Ltd. He is getting basic salary of ₹58,000 per month. He used to travel frequently out of India for his office work. He left India from Delhi Airport on 5th Oct, 2021 and returned to India on 2nd April, 2022.

For previous year 2021-22, following information are relevant;

- (a) Dearness Allowance - 10% of Basic Pay (considered for retirement purposes)
- (b) Bonus - ₹ 98,000
- (c) Medical allowance paid during P.Y. 2021-22 amounting to ₹60,000
- (d) He was also reimbursed medical bill of his mother amounting to ₹15,000.
- (e) He was also transferred a laptop by company for ₹15,000 on 31st Dec 2021. The laptop was acquired by company on 1st Oct, 2018 for ₹1,00,000. Company was charging depreciation at 31.666% assuming useful life of laptop as 3 years.
- (f) He was also reimbursed salary of house servant of ₹ 4,000 per month during P.Y. 2021-22.
- (g) Professional Tax paid by employer during P.Y. 2021-22 amounting to ₹ 2,400.

- (h) 400 equity shares allotted by ABC India Ltd. during P.Y. 2021-22 at the rate of ₹250 per share against fair market value of share of ₹ 350 on the date of exercise of option.
- (i) Short-term capital gain on sale of shares of listed company on which STT is paid amounting to ₹94,000.
- (j) Mr. Rajesh was also found owner of ₹5 lakh worth jewellery, of which he could not provide any satisfactory explanation.

Based on the above information, choose the most appropriate option of the following Multiple Choice Questions (MCQs) for A.Y. 2022-23:

7 What is Mr. Rajesh Sharma's residential status for the A.Y. 2022 -23?

- (a) Resident but can't determine resident and ordinarily resident or resident but not ordinarily resident from the given information
- (b) Non-Resident
- (c) Resident but not ordinarily resident
- (d) Resident and ordinarily resident

8. What is his taxable perquisite for A.Y. 2022-23?

- (a) ₹ 55,000
- (b) ₹ 90,400
- (c) ₹1,05,400
- (d) ₹1,90,400

9. What is the income chargeable under the head "Salaries" in the hands of Mr. Rajesh Sharma for A.Y. 2022-23?

- (a) ₹ 9,76,600
- (b) ₹ 9,86,600
- (c) ₹ 9,71,600
- (d) ₹ 9,61,600

10. The total tax liability of Mr. Rajesh Sharma for A.Y. 2022-23 is _____

- (a) ₹ 5,16,800
- (b) ₹ 5,18,880
- (c) ₹ 4,38,800
- (d) ₹ 4,40,880

11. 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)

12. 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)

13. 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)

14. 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)

GST (12 Marks)

15. 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

16. 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 17 to 21. (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 –

17. 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)

(1 Marks)

18. 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

(1 Marks)

19. 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

(1 Marks)

20. 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

(1 Marks)

21. 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)

(1 Marks)

22. 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)

23. 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)

24. 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)

25. 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)

26. 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)

Mr. Rajan provides you the following details with regard to sale of certain securities by him during F.Y. 2021-22:

(i) Sold 10000 shares of A Ltd. on 05-04-2021 @ ₹ 650 per share

A Ltd. is a listed company. These shares were acquired by Mr. Rajan on 05-04-2016 @ ₹ 100 per share. STT was paid both at the time of acquisition as well as at the time of transfer of such shares which was affected through a recognized stock exchange. On 31-01-2018, the shares of A Ltd. were traded on a recognized stock exchange as under:

Highest price - ₹ 300 per share

Average price - ₹ 290 per share

Lowest price - ₹ 280 per share

(ii) Sold 1000 units of B Mutual Fund on 20-04-2021 @ ₹ 50 unit

B Mutual Fund is an equity oriented fund. These units were acquired by Mr. Rajan on 15-04-2017 @ ₹ 10 per unit. STT was paid only at the time of transfer of such units. On 31-01-2018, the Net Asset Value of the units of B Mutual Fund was ₹ 55 per unit.

(iii) Sold 100 shares of C Ltd. on 25-04-2021 @ ₹ 200 per share

C Ltd. is an un-listed company. These shares were issued by the company as bonus shares on 30-09-1997. The Fair Value of these shares as on 01-04-2001 was ₹ 50 per share.

Cost Inflation Index for various financial year are as under:

2001-02 - 100

2016-17 - 264

2017-18 - 272

2021-22 - 317

Calculate the amount chargeable to tax under the head 'Capital Gains' and also calculate tax on such gains for A.Y. 2022-23 assuming that the other incomes of Mr. Rajan exceeds the maximum amount not chargeable to tax. (Ignore surcharges and cess).

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)**

Mr. Prakash is in the business of operating goods vehicles. As on 1st April, 2021, he had the following vehicles:

Vehicle	Gross Vehicle Weighted (in Kgs.)	Date of Purchase	Put to use during F.Y. 2020-21
A	8500	02-04-2020	Yes
B	13000	15-05-2020	Yes
C	12000	04-08-2020	No (as under repairs)

During P.Y. 2021-22, he purchased the following vehicles:

Vehicle	Gross Vehicle Weight (in Kgs.)	Date of Purchase	Date on which put to use
D	11000	30-4-2021	10-5-2021
E	15000	15-5-2021	18-5-2021

Compute his income under Section 44AE of the Income Tax Act, 1961 for A.Y. 2022-23.

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 went to Shrinagar on a holiday on 15.11.2021 with his wife and three children (one son – age 6 years; twin daughters – age 3 years). They went by aeroplane (economy class) and the total cost of tickets by his employer was ₹58,000 (₹43,000 for adults and ₹15,000 for the three minor children). Compute the amount of Leave Travel Concession exempt.

Will the answer be different if among his three children the twins are 6 years old and son 3 years old? Discuss.

Question 4**(10 Marks)**

Mr. Hari, aged 55 years, a resident individual and practicing Chartered Accountant, furnishes you the receipts and payments account for the financial year 2021-22.

Receipts and Payments Account

Receipts	₹	Payments	₹
Opening Balances (01-04-2021) Cash & Bank	20,000	Staff salary, bonus and stipend to articled Clerks Other general and administrative expenses	20,50,000 12,00,000
Fee from professional Services	39,60,000	Office rent Life insurance premium	48,000 23,000
Motor car loan from SBI @10% interest per annum	2,00,000	Motor car (Acquired in January 2022 by way of online payment)	4,00,000
		Books bought (annual publication by credit card) Computer acquired on 1-11-2021 for professional use Domestic drawings Motor car maintenance Public Provident fund subscription Closing balances (31-03-2022) Cash & Bank	22,000 25,000 2,50,000 12,000 1,40,000 10,000
	41,80,000		41,80,000

Other information:

- Motor car was put to use for both official and personal purposes. 1/4th of the motor car is for personal. No interest on car loan was paid during the year.
- Mr. Hari purchased a flat in Jaipur for ₹15,00,000 in July 2018 cost of which was partly financed by a loan from State Bank of India of ₹10,00,000 @ 10% interest, his own savings ₹1,00,000 and a deposit from Bank of Baroda for ₹4,00,000 on lease for 10 years @ ₹40,000 per month. The following particulars are relevant:
 - Municipal taxes paid by Mr. Hari ₹4,200 per annum
 - House insurance ₹1,000
- He earned ₹1,00,000 in share speculation business and lost ₹1,50,000 in commodity speculation business.
- Mr. Hari received a gift of ₹15,000 each from four of his family friends.
- He contributed ₹1,11,000 to Prime Minister's Draught Relief Fund by way of bank draft.
- He donated to a registered political party ₹3,00,000 by way of cheque.

Compute the total income of Mr. Hari and the tax payable for the assessment year 2022-23.

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. (Anatomy means study of the structure of human or animal bodies)	30
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