

MOCK TEST

GST

TIME OF SUPPLY/ VALUE OF SUPPLY/ MEANING OF SUPPLY

Time allowed: 3 hours

Maximum Marks: 100

DESCRIPTIVE TYPE QUESTION (70 Marks)

Question 1 (a) (10 Marks)

Define the followings terms as per GST Act:

- (i) Meaning of Business
- (ii) Consideration
- (iii) Goods
- (iv) Voucher

Question 2 (a) (5 Marks)

Explain the meaning of the term "recipient of supply of goods and/or services" under the CGST Act, 2017.

Question 2 (b) (5 Marks)

Explain activities to be considered as supply of goods or services under schedule II.

Question 3 (a) (4 Marks)

Examine whether the following activities would amount to supply under section 7 of the CGST Act.

(a) Damodar Charitable Trust, a trust who gets the eye treatment of needy people done free of cost, donates clothes and toys to children living in slum area.

(b) Sulekha Manufacturers have a factory in Delhi and a depot in Mumbai. Both these establishments are registered in respective States. Finished goods are sent from factory in Delhi to the Mumbai depot without consideration so that the same can be sold.

Question 3 (b) (4 Marks)

Determine the Time of Supply.

Date of completion	Date of Invoice	Date of Payment
01.08.2020	20.08.2020	18.08.2020
01.07.2020	20.08.2020	18.08.2020
01.07.2020	20.07.2020	01.05.2020
03.08.2020	31.08.2020	01.09.2020

Question 3 (c)**(2 Marks)**

Explain taxability if GST in case of Import of Services

Question 4 (a)**(10 Marks)**

ABC Ltd has submitted information as given below:

Delivered goods on 31/07/2020 to Mr. A ₹ 7,00,000 + CGST @ 9% + SGST @ 9% and issued invoice on 03/08/2020 and received payment on 01/09/2020.

Delivered goods to Mr. B on 10/09/2020 and issued invoice on 31/08/2020 ₹ 6,00,000 + CGST @ 9% + SGST @ 9% and received payment on 01/09/2020.

Delivered goods to Mr. C on 10/08/2020 and issued invoice on 01/09/2020 ₹7,00,000 + CGST @ 9% + SGST @ 9% and payment has not been received so far.

Delivered goods to Mr. D on 30/09/2020 and issued invoice on 31/08/2020 ₹12,00,000 + CGST @ 14% + SGST @ 14% and received payment on 16/08/2020.

Determine TOS and tax liability for each month and last date of payment of GST and if each payment was delayed by 10 days compute Interest also.

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

Explain Deemed supply under schedule I

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

State whether the following supplies would be treated as supply of goods or supply of services as per Schedule-II of CGST Act:

- (i) Renting of Immovable Property
- (ii) Transfer of right in goods without transfer of title in goods.
- (iii) Works Contract Services
- (iv) Temporary transfer of permitting use or enjoyment of any intellectual property right.
- (v) Sale of personal car to dealer.

Question 5 (c)**(2 Marks)**

Explain Time of Supply of goods under direct charge/normal charge/forward charge.

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

Shri Krishna Pvt. Ltd., a registered dealer, furnishes the following information relating to goods sold by it to Shri Balram Pvt. Ltd. in the course of Intra State.

S. No	Particulars	Amount (₹)
(i)	Price of the goods	1,00,000
(ii)	Municipal Tax	2,000
(iii)	Inspection charges	15,000
(iv)	Subsidies received from Shri Ram Trust (As the products is going to be used by blind association)	50,000
(v)	Late fees for delayed payment. (Though Shri Balram Pvt. Ltd, made late payment but these charges are waived by Shri Krishna Pvt. Ltd.)	1,000
(vi)	Shri Balram Pvt. Ltd. paid to Radhe Pvt. Ltd. (on behalf of Shri Krishna Pvt. Ltd.) weightment charges.	2,000

According to GST Law, determine the value of taxable supply made by Shri Krishna Pvt. Ltd .. Items given in Point (ii) to (vi) are not considered while arriving at the price of the goods given in point no. (i).

Question 6 (b) (4 Marks)

M/s XYZ & Co., a firm of Chartered Accountants, issued invoice for services rendered to Mr. A on 7th September, 2020. Determine the Time of Supply in the following independent cases:

- (1) The provision of service was completed on 1st August, 2020.
- (2) The provisions of service was completed on 14th August, 2020.
- (3) Mr. A made the payment on 3rd August, 2020 where provisions of service was remaining to be completed.
- (4) Mr. A made the payment on 15th September, 2020 where provision of service was remaining to be completed.

Question 6 (c) (2 Marks)

Explain Payments in excess of amount of invoice.

Question 7 (a) (4 Marks)

Black and White Pvt. Ltd. has provided the following particulars relating to goods sold by it to Colourful Pvt. Ltd.

Particulars	₹
List price of the goods (exclusive of taxes and discounts)	50,000
Tax levied by Municipal Authority on the sale of such goods	5,000
Packing charges (not included in price above)	1,000

Black and White Pvt. Ltd. received ₹2000 as a subsidy from a NGO on sale of such goods. The price of ₹50,000 of the goods is after considering such subsidy. Black and White Ltd. offers 2% discount on the list price of the goods which is recorded in the invoice for the goods.

Determine the value of taxable supply made by Black and White Pvt. Ltd. and also amount of GST payable if Rate of CGST @ 10% and SGST @ 10%.

Question 7 (b) (4 Marks)

Mr. X is a dealer registered in GST in Delhi and he has submitted information as given below:

- Purchased goods A on 10/07/2020 ₹4,00,000 plus CGST @ 10% and SGST @ 10% and goods were sold on 31/08/2020 ₹ 6,00,000 + CGST @ 10% and SGST @ 10% but invoice was issued on 01/09/2020 and payment was received on 01/10/2020.
- Purchased goods B on 10/09/2020 ₹5,00,000 plus CGST @ 10% and SGST @ 10% and goods were exported on 12/12/2020 and profit taken is 30% on cost.
- Purchased goods C on 10/09/2020 ₹7,00,000 plus CGST @ 10% and SGST @ 10% and goods were sold to our own branch in some other State on 31/12/2020 for ₹7,00,000 + IGST @ 20%. No Invoice has been issued and no payment has been received.

Determine TOS in each case and ITC and Net tax Payable for each month and ITC to be carried forward.

Question 7 (c) (2 Marks)

A machine has to be supplied at site. It is done by sourcing various components from vendors and assembling the machine at site. The details of the various events are:

17.09.2020	Purchase order with advance of ₹50,000 is received for goods worth ₹12 lakh and entry duly made in the seller's books of account
20.10.2020	The machine is assembled, tested at site, and accepted by buyer
23.10.2020	Invoice raised
04.11.2020	Balance payment of ₹11,50,000 received

Determine the time of supply in the above scenario.

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 :

Mr. Kumar started interior designing practice from the month of January. His turnover up to the month of March was ₹12,50,000. On 30th June, his turnover exceeded ₹20,00,000 & reached to ₹ 20,05,000. Mr. Kumar applied for GST registration (as regular taxpayer) on 15th July and registration was granted to him on 25th July.

On 16th July, he entered into a contract for designing the flat of Mr. Shyam. The service was completed on 22nd July and Mr. Kumar issued invoice on the same day for ₹ 6,00,000. On 5th July, Mr. Kumar purchased capital goods amounting to ₹ 4,50,000 and from 25th July to 31st July, he availed services amounting to ₹1,75,000 for the purpose of completing the service.

On 1st August, Mr. Kumar got another contract for interior designing from Mr. Ram, which he accepted on 2nd August. The service was completed on 6th August and invoice was issued on 7th August for ₹ 5,00,000. Payment was received on 29th August.

Note: All values are excluding taxes, unless specifically mentioned. Mr. Kumar makes only intra-State outward supplies and all purchases are also intra-State. Rates of tax are CGST - 9% and SGST – 9%.

In relation to the above, answer the following questions:

Q 1: The effective date of registration for Mr. Kumar is-

- (a) 30th June
- (b) 15th July
- (c) 25th July
- (d) 16th July

Q 2: Mr. Shyam can issue a revised tax invoice till-

- (a) 23rd October
- (b) 8th September
- (c) 25th September
- (d) 25th August

Q 3: Eligible input tax credit available with Mr. Kumar for the month of July is-

- (a) CGST ₹ 40,500 & SGST ₹ 40,500
- (b) CGST ₹ 15,750 & SGST ₹ 15,750
- (c) CGST ₹ 56,250 & SGST ₹ 56,250
- (d) CGST ₹ 36,000 & SGST ₹ 36,000

Q 4: The time of supply of services provided by Mr. Kumar to Mr. Ram is-

- (a) 7th August
- (b) 1st August
- (c) 29th August
- (d) 06th August

Q 5: If instead of opting for regular scheme, Mr. Kumar opts to pay tax under section 10(2A) of the CGST Act, 2017, the tax liability for the month of July will be-

- (a) Nil
- (b) CGST ₹ 54,000 & SGST ₹ 54,000
- (c) CGST ₹ 18,000 & SGST ₹ 18,000
- (d) CGST ₹ 78,150 & SGST ₹ 78,150

Q 6: Which of the following is not covered under Schedule III of CGST Act, 2017?

- (a) Director's monthly salary under employment agreement
- (b) Sitting fees to independent directors for attending AGMs
- (c) Payment to employee for providing broking services to the employer for purchase of commercial property. Such services do not form part of the employment contract entered into by the employer with the employee.
- (d) Both (b) and (c)

Q 7. What is the time of supply of vouchers when the supply with respect to the voucher is not identifiable?

- (a) Date of issue of voucher
- (b) Date of redemption of voucher
- (c) Date of entry in books of accounts
- (d) Earlier of (a) or (b) or (c)

Q 8. What is the time of supply of service if the invoice is issued within 30 days from the date of provision of service?

- (a) Date of issue of invoice
- (b) Date on which the supplier receives payment
- (c) Date of provision of service
- (d) Earlier of (a) & (b)

Q 9. Mr. X has rendered services on 10.09.2020 issued invoice 07.10.2020 received payment by cheque on 06.10.2020 and entered in the books of accounts on the same date and amount was credited in the bank account on 11.10.2020, in this case TOS shall be

- (a) 10.09.2020
- (b) 07.10.2020
- (c) 06.10.2020
- (d) 11.10.2020
- (e) none of these

Q 10. Mr. X has taken advance of ₹ 30,000 on 01.01.2021 for rendering services and services were rendered on 10.01.2021 and issued invoice on 12.01.2021 and balance amount of ₹ 70,000 was received on 31.01.2021, in this case TOS shall be

- (a) For ₹ 30,000, 01.01.2021 and for ₹ 70,000, 31.01.2021
- (b) For ₹ 30,000, 10.01.2021 and for ₹ 70,000, 12.01.2021
- (c) For ₹ 30,000, 01.01.2021 and for ₹ 70,000, 12.01.2021
- (d) For ₹ 30,000, 31.01.2021 and for ₹ 70,000, 12.01.2021
- (e) none of these

Q 11. A machine has to be supplied at site. It is done by sourcing various components from vendors and assembling the machine at site. The details of the various events are:

- 10.09.2020 Purchase order with advance of ₹ 50,000 is received for goods worth ₹ 12 lakh and entry duly made in the seller's books of account
- 20.09.2020 The machine is assembled, tested at site, and accepted by buyer
- 30.09.2020 Invoice raised
- 10.10.2020 Balance payment of ₹ 11,50,000 received

Time of supply shall be

- (a) 10.09.2020
- (b) 20.09.2020
- (c) 30.09.2020
- (d) 10.10.2020

Q 12. ABC Ltd. has imported certain goods for ₹ 2,00,000 and paid custom duty ₹ 20,000, in this case IGST shall be charges on

- (a) 2,00,000 (b) 20,000 (c) 2,20,000 (d) none of these

Q 13. ABC Ltd. sold certain goods for ₹ 2,00,000 and charged ₹ 3,000 for packing and ₹ 5,000 for weightment, in this case value of supply shall be

- (a) 2,00,000 (b) 2,03,000 (c) 2,05,000 (d) 2,08,000 (e) none of these

Q 14. ABC Ltd. sold certain goods for ₹ 3,00,000 and received subsidy from the Govt. ₹ 1,00,000 hence charged from customer ₹ 2,00,000, in this case value of supply shall be

- (a) 3,00,000 (b) 2,00,000 (c) 4,00,000 (d) 5,00,000
(e) none of these

Q 15. While computing transaction value, discount allowed shall be deducted provided such discount was given

- (a) at or before the time of supply
(b) after making the supply
(c) after making supply but it has been established in term of agreement entered into at or before the time of supply
(d) option (a) or (c)
(e) none of these

Q16. Discount given after the supply is deducted from the value of supply, if –

- (a) such discount is given as per the agreement entered into at/or before the supply
(b) such discount is linked to the relevant invoices
(c) proportionate input tax credit is reversed by the recipient of supply
(d) all of the above

Q17. Mr. Avishkar is a painter registered under GST in Delhi. He sends his artwork for exhibition in Mumbai. At what point of time, supply is considered to have been made under GST?

- (a) When painting is completed.
(b) When painting is sent for exhibition in Mumbai.
(c) When painting is displayed at the exhibition in Mumbai.
(d) When painting is purchased by one of the visitors in the exhibition.

Q18. Which of the following is not covered under Schedule III of CGST Act, 2017?

- (a) Director's monthly salary under employment agreement
(b) Sitting fees to independent directors for attending AGMs
(c) Payment to employee for providing broking services to the employer for purchase of commercial property. Such services do not form part of the employment contract entered into by the employer with the employee.
(d) Both (b) and (c)

Q19. A _____ supply comprising of two or more supplies shall be treated as the supply of that particular supply that attracts highest rate of tax.

- (a) Composite
(b) Mixed
(c) Both (a) and (b)
(d) None of the above

Q20. Which of the following activities is a supply of services?

- (a) Transfer of right in goods/ undivided share in goods without transfer of title in goods
(b) Transfer of title in goods

- (c) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date.
- (d) All of the above

Q21. Which of the following activity shall be treated neither as a supply of goods nor a supply of services?

- (i) Permanent transfer of business assets where input tax credit has been availed on such assets
 - (ii) temporary transfer of intellectual property right
 - (iii) transportation of deceased
 - (iv) services by an employee to the employer in the course of employment
- (a) (i) & (iii)
 - (b) (ii) & (iv)
 - (c) (i) & (ii)
 - (d) (iii) & (iv)

Q22. As per section 7(1)(a) supply includes

- (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made with or without consideration by a person in the course or furtherance of business
- (b) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person whether or not in the course or furtherance of business
- (c) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business
- (d) none of these

Q23. As per section 7(1)(b) Supply includes

- (a) import of services with or without consideration whether or not in the course or furtherance of business
- (b) import of services for a consideration in the course or furtherance of business
- (c) import of services for a consideration whether or not in the course or furtherance of business
- (d) none of these

Q24. As per schedule I, activity to be treated as supply even if made without consideration shall include

- (a) Supply of goods or services or both between related persons or between distinct persons as specified in section 25, whether or not made in the course or furtherance of business
- (b) Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business
- (c) Supply of goods or services or both between unrelated persons as specified in section 25, when made in the course or furtherance of business
- (d) none of these

Q25. As per schedule I, activity to be treated as supply even if made without consideration shall include

Supply of goods—

- (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
- (b) by a principal to his agent where the agent undertakes to supply such goods on his own behalf or by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
- (c) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or by an agent to his principal where the agent undertakes to receive such goods on his own behalf.
- (d) none of these

Q26. Which of the following transactions is not covered in schedule III

- (a) Services by an employee to the employer in the course of or in relation to his employment.
- (b) Services by any court or Tribunal established under any law for the time being in force.
- (c) Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- (d) Pre school education or education upto higher secondary school or equivalent
- (e) none of these

Q27. Which of the following transactions is not covered in schedule III

- (a) Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- (b) Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.
- (c) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;
- (d) Actionable claims, other than lottery, betting and gambling.
- (e) none of these

Q28. Which of the following shall not be included in value of supply?

- (a) GST
- (b) Interest
- (c) Late fee
- (d) Commission

Q29. When can the transaction value be rejected for computation of value of supply?

- (a) When the buyer and seller are related and price is not the sole consideration
- (b) When the buyer and seller are related or price is the sole consideration
- (c) It can never be rejected
- (d) When the goods are sold at very low margins

Q30. Which of the following statement(s) is/are correct?

- (a) Section 15 of CGST Act prescribes different provisions for valuation of goods and services
- (b) CGST Act and IGST Act have different provisions for valuation of supply
- (c) Section 15 of CGST Act prescribes same set of provisions for valuation of goods and services
- (d) (a) and (b)