

# MOCK TEST 2

## MCQS ON CASE SCENARIOS

### (Full Syllabus)

**Time allowed : 1 Hours**

**Total Marks: 100**

**All 10 Questions are Compulsory and each question contains 10 marks each. Students simply mention answer and detailed calculation is not required.**

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**Question. 01** Ananya Gupta, a citizen of India, lives with her family in New York since the year 2000. She visited India from 21st March, 2020 to 28<sup>th</sup> September, 2020 to take care of her ailing mother. In the last four years, she has been visiting India for 100 days every year to be with her mother. She owns an apartment at New York, which is used as her residence. The expected rent of the house is \$ 32,000 p.a. The value of one USD (\$) may be taken as ₹ 75. Municipal taxes paid in New York in January, 2020 are \$ 2,000.

She took ownership and possession of her house in New Delhi on 25<sup>th</sup> March, 2020, for self-occupation, while she is in India. The municipal valuation is 4,20,000 p.a. and the fair rent is ₹ 4,50,000 p.a. She paid property tax of ₹ 22,000 to Delhi Municipal Corporation on 21st March, 2021. She had taken a loan of ₹ 16 lakhs @ 10% p.a. from IDBI Bank on 1<sup>st</sup> April, 2016 for constructing this house and the construction got completed on 20th March, 2020. No amount has been paid towards principal repayment so far. The house is vacant for the rest of the year i.e., from October 2020 to March 2021.

She had a house property in Mumbai, which was sold on 28th March, 2020. In respect of this house, she received arrears of rent of ₹ 3,00,000 on 4th February, 2021. This amount has not been charged to tax earlier.

She does not have any income under any other source in India during previous year in 2020-21.

Ananya Gupta does not want to opt for the new tax regime under section 115BAC for A.Y. 2021-22.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

1.1. What would be the residential status of Ananya Gupta for A.Y. 2021-22?

- (a) Resident and ordinarily resident
- (b) Resident but not ordinarily resident
- (c) Deemed resident but not ordinarily resident in India
- (d) Non-resident

1.2. Ms. Ananya Gupta can claim benefit of “Nil” Annual Value under section 23(2) in respect of -

- (a) Her Delhi house

(b) Her New York house, since it is more beneficial; her Delhi house will be deemed to be let out and expected rent would be the annual value.

(c) Her Delhi house alone; her New York house will be deemed to be let out and expected rent would be the annual value.

(d) Both her Delhi house and New York house, since benefit of Nil Annual value u/s 23(2) is available in respect of two house properties.

1.3. What is the income chargeable under the head “Income from house property” of Ananya Gupta for A.Y. 2021-22?

(a) ₹ 15,65,000

(b) ₹ 3,09,600

(c) ₹ 1,00,000

(d) ₹ 10,000

1.4. Assuming that, for the purpose of this question alone, Ananya Gupta has let out her flat in New York during the six months (April to September) when she is in India, for a sum of \$ 6,000 p.m. Such rent was received in a bank account in New York and then remitted to India through approved banking channels. What would be the income from house property chargeable to tax in her hands in India for A.Y. 2021-22?

(a) ₹ 10,000

(b) ₹ 17,85,000

(c) ₹ 17,95,000

(d) ₹ 18,85,000

**Question 02.** Ram Builders & Developers is the sole-proprietorship concern of Mr. Ram. The main business of the concern is the construction, development and sale of residential and commercial units. Ram Builders & Developers developed a project named Luxuria Heaven, which has both residential and commercial units with its own funds. It obtained certificate of completion for the said project with effect from 31/03/2020. Ram sold majority of its residential units and commercial units in the F.Y.2020-21. However, around 30 residential units and 15 commercial units were held by him as stock in trade as on 31.3.2021. During this period, there was a slump in the real estate sector. In order to earn some income from these units, Ram incidentally lets out some of the units held as stock-in-trade. The details of units constructed, sold and held as stock-in-trade are given hereunder:

Particulars	Total Units constructed	Units sold	Units held as stock-in-Trade as on 31.3.2021 [(2) – (3)]	Units let out During P.Y.2020-21 out of (4)	Units vacant During the whole of P.Y.2020- 21 [(4) – (5)]	Actual rent per unit per month [in respect of let out units mentioned in (5)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Residential	100	70	30	10	20	10,000 p.m.

Units						
Commercial Units	40	25	15	5	10	18,000 p.m.
	140	95	45	15	30	

Out of the residential units sold, 5 residential units were sold to his friend, Mr. Gaurav, who is also a real estate developer, on 15.2.2021, for ₹ 20 lakhs each. The stamp duty value on the date of sale was ₹ 23 lakhs each. However, the agreement of sale was entered into on 1.11.2020, on which the date the stamp duty value was 22 lakhs. Mr. Ram received ₹ 1 lakh by way of account payee bank draft on 1.11.2020 from Mr. Gaurav.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

2.1. While computing the total income of Mr. Ram, the income from residential and commercial units let out during the P.Y.2020-21 will be taxed under head:

- (a) Income from house property
- (b) Profits and gains of business or profession
- (c) Income from let out residential units will be taxed under the head “Income from house property” and income from let out commercial units will be taxed under the head “Profits and gains of business or profession”
- (d) Income from other source.

2.2. What would be the tax treatment of vacant residential and commercial units held as stock in trade as on 31.3.2021?

- (a) The vacant residential units would be deemed to be let out and expected rent would be deemed as the annual value chargeable to tax under the head “Income from house property” for A.Y. 2021-22.
- (b) The vacant units, both residential and commercial, would be deemed to be let out and expected rent would be deemed as the annual value chargeable to tax under the head “Income from house property” for A.Y. 2021-22.
- (c) The annual value of both vacant residential and commercial units would be Nil for A.Y.2021-22. Hence, no income is chargeable for such units under the head “Income from house property” for A.Y. 2021-22.
- (d) Vacant units held as stock-in-trade can never be deemed as let out at any point of time

2.3. What would be the full value of consideration in respect of sale of units to Mr. Gaurav for the purpose of computing profits and gains from transfer of units?

- (a) ₹ 1,00,00,000
- (b) ₹ 1,15,00,000
- (c) ₹ 1,10,00,000
- (d) ₹ 99,00,000

2.4. Assume that ₹ 1 lakh was paid in cash by Mr. Gaurav to Mr. Ram on 1.11.2020 instead of by way of account payee bank draft, what would be the income chargeable under section 56(2)(x) in the hands of Mr. Gaurav?

- (a) ₹ 15 lakh
- (b) ₹ 10 lakh
- (c) Nil, since the stamp duty value is within the permissible deviation limit
- (d) Nil, since section 56(2)(x) is not applicable in this case

**Question 03.** For the assessment year 2021-22, Mr. Sonu submits the following information:

Particulars	Building at Chennai (₹ )	Building at Kochi (₹ )
Municipal valuation	35,000	80,000
Standard Rent	36,000	70,000
Fair Rent	31,000	82,000
Rent received	38,000	68,000
Municipal taxes paid by tenant Mr. Ramu for building at Chennai and paid by Mr. Sonu for Building at Kochi.	3,000	4,000
Repairs paid by tenant Mr. Ramu for Chennai building and Mr. Sonu paid for Kochi buildings	500	18,000
Land revenue paid	2,000	16,000
Insurance premium paid	500	2,000
Interest on loan borrowed for payment of municipal tax of house property	200	400
Nature of occupation	Let out for residence	Let out for Business
Date of completion of construction	1.4.1996	1.7.2008

Mr. Sonu is constructing one more building in Mumbai during the previous year. Mr. Raju, a film director, took on rent the building under construction in Mumbai at Rs 5,000 per month for his film shooting. The construction of the said building would be completed by April 2021.

Mr. Sonu is a real estate developer and letting out properties is not the business of Mr. Sonu.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

3.1. Which of the building's income is chargeable to tax under the head "Income from house property" in the hands of Mr. Son?

- (a) Building at Chennai only
- (b) Building at Kochi only
- (c) Both buildings at Chennai and Kochi

(d) All the three buildings at Chennai, Kochi and Mumbai

3.2. Which of the following payments/expenditure is allowable as deduction while computing income under the head "Income from house property" incurred in respect of the building at Chennai and Kochi?

(a) Municipal taxes paid by Mr. Sonu and Mr. Ramu

(b) Municipal tax, land revenue, insurance premium, interest on loan borrowed for payment of Municipal tax paid by Mr. Sonu

(c) Only municipal tax paid by Mr. Sonu

(d) Both Municipal tax and repairs paid by Mr. Sonu

3.3. Under which head of income, the amount received from Mr. Raju would be chargeable to tax?

(a) Income from house property

(b) Profits and gains from business or profession

(c) Income from other sources

(d) Income from house property or Income from other sources, at the option of Mr. Sonu

3.4. What is the amount chargeable to tax under the Income from house property in the hands of Mr. Sonu for the P.Y. 2020-21?

(a) ₹ 72,800

(b) ₹ 81,200

(c) ₹ 1,14,800

(d) ₹ 70,700

**Question 04.** Mr. Ganesh (a salaried person) has three houses. One in Thane (Maharashtra), second in Jaipur (Rajasthan) and third in Ratlam (Madhya Pradesh). Details of the flats/houses are as follows:

- **Thane flat:** 3 BHK flat purchased in April, 2002 for ₹ 90 lakhs. Afterwards, interior work done in 2005 of ₹ 15 lakhs. Mr. Ganesh took loan of ₹ 65 Lakhs for purchase of this flat in 2001 and settled full loan in 2018.

- **Jaipur house:** Purchased in July, 2018 of ₹ 62 Lakhs and interior work done in September, 2019 of ₹ 15 Lakhs. Loan taken for purchase of this house of ₹ 15 Lakhs in June, 2018. As per interest certificate, he paid ₹ 12,00,500 and ₹ 43,500 towards principal and interest, respectively.

- **Ratlam House:** Purchased in December 2019 for ₹ 70 lakhs (stamp duty value of ₹ 65 lakhs). For acquiring this house, he took loan of ₹ 40 Lakhs from Canara Bank. Loan was sanctioned on 1.8.2019. He pays EMI of ₹ 38,100 per month. As per interest certificate, for the previous year 2020-21, he paid ₹ 60,900 and ₹ 3,96,300 towards principal and interest, respectively.

Particulars	Thane House	Jaipur House (Apr-20 to Dec-20)	Ratlam House
Municipal Taxes paid	18,574	8,090	6,909
Municipal value (per month)	30,500	6,800	7,200

Fair Rent (per month)	33,000	7,000	7,500
Standard Rent (per month)	32,000	8,000	7,300

Other details are as follows:

- He has sold Jaipur house on 5th January 2021 for ₹ 90 Lakhs and invested ₹ 15 Lakh in RECL bonds issued by the Central Government on 10th August 2021.
- Mr. Ganesha is working in WinDoor Exports Pvt Ltd, Mumbai and self-occupied Thane flat. He earned salary of ₹ 22,50,350 for the previous year 2020-21.
- He has no other income from any source for the P.Y. 2020-21.
- He has given Ratlam house on rent for F.Y. 2020-21 to Mr. Pratap on a monthly rent of ₹ 8,500.
- He has given Jaipur house on rent for the period of April,2020 to June, 2020 to Mrs. Madhura Mahto on monthly rent of ₹ 7,100 and vacant for remaining period from July, 2020 to December,2020.

Mr. Ganesha would not like to opt concessional tax rates available under section 115BAC.

Cost inflation index (CII) for the Financial Year (F.Y.) 2018-19 is 280; 2019-20: 289; F.Y. 2020-21: 301.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions:

4.1. What would be Net Annual Value of each house for the previous year 2020-21?

- (a) Thane – Nil ; Jaipur – ₹ 13,210 ; Ratlam – ₹ 95,091
- (b) Thane – Nil ; Jaipur – ₹ 54,910 ; Ratlam – ₹ 95,091
- (c) Thane – Nil ; Jaipur – ₹ 21,300 ; Ratlam – ₹ 1,02,000
- (d) Thane – Nil ; Jaipur – ₹ 13,210 ; Ratlam – ₹ 80,691

4.2. What would be income/loss under the head “Income from house property” in the hands of Mr. Ganesha?

- (a) Loss of ₹ 1,67,689
- (b) Loss of ₹ 2,86,236
- (c) Loss of ₹ 3,20,489
- (d) Loss of ₹ 3,63,989

4.3. How much amount will be carried forward as loss from house property for the subsequent assessment year 2022-23?

- (a) ₹ 3,63,989
- (b) ₹ 1,63,989
- (c) ₹ 2,00,000
- (d) ₹ 1,50,000

4.4. What would the amount of capital gains chargeable to tax in the hands of Mr. Ganesha during the previous year 2020-21?

- (a) Short-term capital gains of 15,00,000  
 (b) Long-term capital gains of ₹ 23,35,000  
 (c) Long-term capital gain of ₹ 7,72,716  
 (d) Long-term capital gain of ₹ Nil, since he is eligible for deduction u/s 54EC in respect of amount invested in RECL bonds issued by Central Government

4.5. What would be the gross total income of Mr. Ganesh for the A.Y. 2021-22?

- (a) ₹ 28,23,070  
 (b) ₹ 26,23,070  
 (c) ₹ 27,73,070  
 (d) ₹ 43,85,350

**Question 05.** “LUX Enterprise” a proprietorship firm of Mr. Lucifer Mornigstar, a resident individual, in Maharashtra engaged in business of printing and publishing. The following details pertain to the assets of the business:

Particulars	Date of Purchase	Date of put to use	Amount
Office building superstructure constructed on leased land	30.09.2020	30.12.2020	1,85,00,000
BMW M4 convertible car	13.08.2019	25.08.2019	94,80,000
Machineries used in printing and publishing process	25.09.2020	15.10.2020	9,12,500

**Notes:**

- (1) Car is also used for personal purposes; disallowance for personal use may be taken at 20%.  
 (2) Written down value of Plant & Machinery (Depreciable @15%) as on 1.4.2020 is ₹ 1,45,00,000.

Based on the facts of the case scenario given above, choose the most appropriate answer to the following questions, assuming all the aforementioned assets are purchased through account payee cheque:

5.1. What would be the amount of depreciation allowable on plant and machinery (@15%) for the previous year 2020-21?

- (a) ₹ 24,25,938  
 (b) ₹ 23,34,688  
 (c) ₹ 24,94,376  
 (d) ₹ 24,03,126

5.2. What would be the WDV of plant and machinery (Depreciable@15%) as on 1.4.2021?

- (a) ₹ 1,29,86,562

- (b) ₹ 1,29,18,124
- (c) ₹ 1,30,77,812
- (d) ₹ 1,21,65,312

5.3. What would the WDV of Office building superstructure constructed on leased land as on 1.4.2021?

- (a) ₹ 1,85,00,000
- (b) ₹ 1,66,50,000
- (c) ₹ 1,75,75,000
- (d) ₹ 1,57,25,000

5.4. What would be the amount of depreciation allowable on BMW M4 convertible car for the previous year 2020-21?

- (a) ₹ 22,75,200
- (b) ₹ 11,37,600
- (c) ₹ 10,01,088
- (d) ₹ 17,29,152

**Question 06.** Mr Mandeep, a registered dealer, is engaged in the business of supplying construction material 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 lakh for his personal purposes.

He availed services which are liable to tax under reverse charge for which date of invoice was 1st September, payment date as per his books of account and as per his bank account was 15th November and 18th November respectively.

His turnover for the current financial year is as follows-

Taxable supply of goods – ₹ 55 lakh

Exempt supply of goods – ₹ 16 lakh

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 under section 10(1) of the CGST Act, 2017. He also wishes to make supplies to the Government.

All the amounts given above are exclusive of taxes, wherever applicable. All the supply referred above is intra State unless specified otherwise.

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

6.1 In respect of services imported by Mr. Mandeep, which of the following is a correct statement?

- i. Architect services for his business from his friend in London free of cost is considered as a supply
- ii. Designing services from his brother in London for ₹ 5 Lakh for his personal purposes is considered as a supply.
- iii. Architect services for his business from his friend in London free of cost is not considered as a supply

iv. Designing services from his brother in London for ₹ 5 Lakh for his personal purposes is not considered as a supply.

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

6.2 Determine the time of supply of services, received by Mr. Mandeep and taxable under reverse charge?

- (a) 1st September
- (b) 1st November
- (c) 15th November
- (d) 18th November

6.3 Compute the aggregate turnover of Mr. Mandeep for the given financial year?

- (a) ₹ 63 lakh
- (b) ₹ 79 lakh
- (c) ₹ 71 lakh
- (d) ₹ 55 lakh

6.4 Mr Mandeep will be eligible for composition scheme under section 10(1) of the CGST Act, 2017, in the next financial year, but he can supply services only upto \_\_\_\_\_

- (a) ₹ 5.00 lakh
- (b) ₹ 6.3 lakh
- (c) ₹ 7.90 lakh
- (d) ₹ 7.10 lakh

6.5 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 07.** Ms. Riya is a multi-faceted business personality. She is registered under GST from April, this year 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:

- earned ₹ 160,000 by performing a 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, details of which are as follows-

- Basic price of the product before TCS under Income Tax Act, 1961– ₹ 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-

- 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

All the amounts given above are exclusive of taxes, wherever applicable. All the supply referred above is intra-State unless specified otherwise. 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:-

7.1 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%

7.2 Ms. Riya can opt for composition scheme if she does not undertake the supply of

- (i) Aerated water
- (ii) Tobbaco

(iii) Pan masala

(iv) Milk

(a) i & ii

(b) iii & iv

(c) i, ii & iii

(d) ii, iii & iv

7.3 Out of payments received by Ms. Riya in month of May , exempt Supply amounts to\_\_\_\_\_

(a) ₹ 50,000

(b) ₹ 70,000

(c) ₹ 1,20,000

(d) ₹ 1,60,000

7.4 Compute the value of supply under section 15 of CGST Act, 2017 made by Ms Riya?

(a) ₹ 45,000

(b) ₹ 47,500

(c) ₹ 48,500

(d) ₹ 51,000

7.5 Compute the amount of input tax credit that can be claimed by Ms. Riya?

(a) ₹ 30,000

(b) ₹ 37,000

(c) ₹ 1,50,000

(d) ₹ 1,57,000

**Question 08.** M/s. Shanky Consultants, a partnership firm registered in Delhi, renders following services during the year:

(i) Security services: ₹ 2,00,00,000/ to registered business entities.

(ii) Manpower services (Accountants): ₹ 5,00,000/-

(iii) Auditing services: ₹ 1,00,00,000/-

Other Information:

(i) Shanky Consultants also paid sponsorship fees of ₹ 70,000/- at seminar organized by a private NGO (a partnership firm) in Delhi.

(ii) Shanky Consultant pays rent amounting to ₹ 6,00,000/- for a building owned by MCD.

(iii) Assume all services are taxable at 18% and all transactions to be intra-State supplies.

Based on the above information, answer the following questions:

8.1. What is the aggregate turnover of Shanky Consultants?

- (a) ₹ 3,05,00,000/-
- (b) ₹ 3,05,70,000/-
- (c) ₹ 1,05,00,000/-
- (d) ₹ 1,05,70,000/-

8.2. GST liability paid under reverse charge by Shanky Consultants is?

- (a) CGST: ₹ 60,300/-, SGST: ₹ 60,300/-
- (b) CGST: ₹ 6,300/-, SGST: ₹ 6,300/-
- (c) CGST: ₹ 54,000/-, SGST: ₹ 54,000/-
- (d) None of the above

8.3. State which of the following statement is true in respect of security services provided by Shanky Consultants to registered business entities:

- (a) Shanky Consultants shall issue GST compliant tax invoice.
- (b) Shanky Consultants shall issue bill of supply stating “Tax to be paid by service recipient under reverse charge”.
- (c) Shanky Consultants can issue any document in lieu of tax invoice.
- (d) Shanky Consultants shall issue receipt voucher every time Shanky Consultants receives payment.

**Question 09.** PTL Pvt. Ltd. is a retail store of merchandise located in 25 States and/or UTs in the country. For the purpose of clearance of stock of merchandise and to attract consumers, PTL Pvt. Ltd. launched scheme of “Buy One Get One Free” for the same type of merchandise, for instance, one shirt to be given free with purchase of one shirt. For saving cost, PTL Pvt. Ltd. directly purchases merchandise from the manufacturers.

In the month of May, in order to save employee cost, PTL Pvt. Ltd. purchased a tempo traveller worth ₹ 12,00,000 with seating capacity of 25 persons (including driver) for transportation of its employees. Further, for ensuring the well-being of its employees, PTL Pvt. Ltd. voluntarily obtained the health insurance cover of ₹ 2,00,000 for each employee in the same month. The premium of ₹ 1,500 per employee has been paid by the company for 100 employees.

In the month of July, Mr. Raghav, a customer of the company, filed a law suit in the Court, against the company for not supplying goods of the value of ₹ 1,00,000. PTL Pvt. Ltd. engaged Mr. Ram, an advocate, to represent it in Court for an agreed consideration of ₹ 25,000. As per the terms of the contract, Mr. Ram issued an invoice on 5th July. However, consideration was not paid till February next year.

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

and SGST – 14%.

In relation to the above, answer the following questions:

9.1 With respect to “Buy One, Get One free” offer, which of the following statements is true:

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

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

- (a) (i) CGST - Nil, SGST - Nil and (ii) CGST - Nil, SGST - Nil
- (b) (i) CGST - ₹ 1,68,000, SGST - ₹ 1,68,000 and (ii) CGST - Nil, SGST - Nil
- (c) (i) CGST - Nil, SGST - Nil and (ii) CGST - ₹ 18,000, SGST - ₹ 18,000
- (d) (i) CGST - ₹ 1,68,000, SGST - ₹ 1,68,000 and (ii) CGST - ₹ 18,000, SGST - ₹ 18,000

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

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

**Question 10.** 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 25<sup>th</sup> 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 2<sup>nd</sup> 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.

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:

10.1 The effective date of registration for Mr. Kumar is-

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

10.2 Mr. Kumar can issue a revised tax invoice till-

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

10.3 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

10.4 The time of supply of services provided by Mr. Kumar to Mr. Ram is-

- (a) 7th August
- (b) 1st August
- (c) 29th August
- (d) 6th August

10.5 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) CGST Nil and SGST Nil

(b) CGST ₹ 54,000 & SGST ₹ 54,000

(c) CGST ₹ 18,000 & SGST ₹ 18,000

(d) CGST ₹ 78,150 & SGST ₹ 78,150