

MOCK TEST 3

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.

Question 1. Mr. A (aged 52 years), is a CEO of XYZ Enterprise Limited. During the previous year 2020-21, he earned salary of ₹ 1,65,00,000 and longterm capital gain on sale of listed equity shares amounting to ₹ 1,06,500. He earned interest of ₹ 4,82,778 on saving bank account.

Further, he has provided the following other information for filing his return of income:

He does not receive house rent allowance from his employer. Mr. A took a loan from State Bank of India on 27th October 2018 for repairing his house (self-occupied) at Delhi and paid interest on such borrowings of ₹ 80,000 and ₹ 1,50,000 towards principal amount during the previous year 2020-21.

Mr. A has made the following payments towards medical insurance premium for health policies taken for his family members:

Medical premium for his brother: ₹ 13,500 (by cheque)

Medical premium for his parents: ₹ 17,670 (by cheque)

Medical premium for self and his wife: ₹ 21,000 (by cheque).

He also incurred ₹ 6,400 towards preventive health check-up of his wife in cash. He deposited ₹ 1,00,000 towards PPF. He also deposited ₹ 50,000 and 2,50,000 towards Tier I and Tier II NPS A/c, respectively.

He has paid ₹ 5,30,000 as advance tax. His employer has deducted tax at source of ₹ 51,89,000. He is of the opinion the balance amount of tax, if any he will pay on 27th July 2021 (i.e. before the due date for filing of return of income).

Mr. A does not want to opt for section 115BAC.

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 amount of deduction available to Mr. A under Chapter VI-A for the assessment year 2021-22?

(a) ₹ 2,04,070

(b) ₹ 2,42,670

(c) ₹ 2,52,670

(d) ₹ 2,02,670

1.2. Assume that, for the purpose of answering this question alone, that Mr. A pays rent of ₹ 65,000 per month for his rented house at Mumbai to Mr. C, a resident individual, is Mr. A liable to deduct TDS on such rent. If so, what would be the rate and amount of TDS?

(a) Yes, Mr. A is liable to deduct TDS @ 3.75% amounting to ₹ 2,438 every month i.e., at the time of payment of such rent

(b) Yes, Mr. A is liable to deduct TDS @5% amounting to ₹ 3,250 every month i.e., at the time of payment of such rent

(c) Yes, Mr. A is liable to deduct TDS @3.75% amounting to ₹ 29,250 in the month of March 2021

(d) No, Mr. A is not liable to deduct TDS, since he is a salaried person

1.3. What would be the amount of net tax payable for the assessment year 2021-22 in the hands of Mr. A?

(a) Tax payable of ₹ 78,230

(b) Tax payable of ₹ 60,290

(c) Tax payable of ₹ 49,530

(d) Tax payable of ₹ 67,470

1.4. What would be the amount of interest chargeable under section 234B on account of short payment of advance tax?

(a) ₹ 1,980

(b) Nil

(c) ₹ 3,130

(d) ₹ 2,410

Question 2: ABC & Co. is a partnership firm engaged in the business of sale of footwear. The partnership firm consist of three partners – A, B & C. A & B are working partners and C is a sleeping partner. The firm is liable to tax audit under section 44AB of the Act. It has a book profit of ₹ 11,50,000.

Following payments were made to partners as authorised by the partnership deed:

- Remuneration to A & B - ₹ 32,000 p. m. to each partner
- Remuneration to C - ₹ 10,000 p. m.
- Interest on capital @ 19.5% to A & B - ₹ 18,500 p. a. to each partner
- Interest on capital @ 17% to C - ₹ 10,540 p. a.

The firm has following brought forward losses of past years:

A.Y.	Business Loss	Unabsorbed Depreciation	Long-term Capital Loss
2018-19	26,000	17,600	5,300
2019-20	78,000	29,860	-
2020-21	1,05,670	54,180	13,470

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

2.1 What amount of interest is allowable as deduction in the hands of firm while computing profits and gains from business or profession?

- (a) ₹ 29,040
- (b) ₹ 22,769
- (c) ₹ 47,540
- (d) ₹ 30,209

2.2. What amount of remuneration not allowable as deduction in the hands of firm while computing profits and gains from business or profession?

- (a) ₹ 1,20,000
- (b) Nil
- (c) ₹ 1,08,000
- (d) ₹ 78,000

2.3. What is the due date of filing of return of income for Mr. A and Mr. C for the A.Y. 2021-22?

- (a) 31st July 2021 for Mr. C and 30th September 2021 for Mr. A
- (b) 31st July 2021 for Mr. C and 31st October 2021 for Mr. A
- (c) 31st October 2021 for both Mr. A and Mr. C
- (d) 31st October 2021 for Mr. C and 31st July 2021 for Mr. A

2.4. What would be the income under the head “Profits and gains from business or profession” in the hands of ABC & Co. for the A.Y. 2021-22?

- (a) ₹ 70,690
- (b) ₹ 1,72,330
- (c) ₹ 51,920
- (d) ₹ 1,53,560

Question 3. Mr. Sarthak (age 37 years) a share broker, sold a building to his friend Anay, who is a dealer in automobile spare parts, for ₹120 lakh on 10.11.2020, when the stamp duty value was ₹150 lakh. The agreement was, however, entered into on 1.9.2020 when the stamp duty value was ₹140 lakh. Mr. Sarthak had received a down payment of ₹15 lakh by a crossed cheque from Anay on the date of agreement. Mr. Sarthak purchased the building for ₹ 95 lakh on 10.5.2017. Further, Mr. Sarthak also sold an agricultural land (situated in a village which has a population of 5,800) for ₹ 60 lakhs to Mr. Vivek on 01.03.2021, which he acquired on 15.06.2014 for ₹ 45 lakhs. Stamp duty value of agricultural land as on 1.3.2021 is ₹65 lakhs

CII for F.Y. 2014-15: 240; F.Y. 2017-18: 272; F.Y. 2020-21: 301.

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

3.1. Is there any requirement to deduct tax at source on consideration paid or payable for transfer of building and agricultural land?

- (a) Yes; Mr. Anay and Mr. Vivek both required to deduct tax at source under section 194-IA
- (b) Yes; Mr. Anay is required to deduct tax at source under section 194-IA.
- (c) Yes; Mr. Vivek is required to deduct tax at source under section 194-IA.
- (d) Yes; Mr. Sarthak is required to deduct tax at source under section 194-IA.

3.2. What amount of capital gains are chargeable to tax in the hands of Mr. Sarthak in respect of transfer of building?

- (a) long-term capital gains of ₹ 44,87,132
- (b) long-term capital gains of ₹ 34,87,132
- (c) long-term capital gains of ₹ 14,87,132
- (d) short-term capital gains of ₹ 55,00,000

3.3. Assuming that Mr. Sarthak has other income exceeding basic exemption limit, the tax payable (excluding surcharge and health and education cess) on transfer of building and agricultural land, would be -

- (a) ₹ 6,97,430
- (b) ₹ 2,97,430
- (c) ₹ 8,97,430
- (d) ₹ 11,01,470

3.4. What amount of income is chargeable to tax in the hands of Mr. Anay in respect of transfer of building?

- (a) ₹ 20 lakh
- (b) ₹ 30 lakhs
- (c) ₹ 15 lakhs
- (d) Nil

Question 4. Mr. Narendra Sharma, aged 54 years, an Indian citizen, carrying on retail business in Dubai. He frequently visits India for business purpose. Details of his visits in India are as follows:

- 1) Came to India on 03.12.2015 and left India on 26.04.2016
- 2) Again came to India on 09.09.2018 and left India on 10.01.2019
- 3) Again came to India on 27.12.2019 and left India on 20.02.2020

Afterwards he decided to shift permanently in India and closed his business in Dubai. So, he came to India on 27.11.2020 and joined Indian Company “Cosmos Heritage India Limited” at registered office in Mumbai from 01.12.2020. From December 2020, he has taken a flat on rent for ₹ 60,000 per month from Mr. Sarthak, an Indian resident, and Mr. Sarthak has provided his PAN No. to Mr. Narendra Sharma.

Following details of his salary income earned in India:

- Basic Salary – ₹ 2,75,675 per month
- COLA (Cost of Living Allowance) (forms part of retirement benefits) – ₹ 1,20,200 per month
- HRA – ₹ 1,37,838 per month

- Other Allowances – ₹ 1,56,000 per month

For the period from April 2020 to November 2020, his business income arising in Dubai is ₹ 26,00,000. He is not liable to pay any tax in Dubai. Such business is controlled from Dubai. He is active in equity share trading after coming to India. Following are the details of his portfolio:

S.NO	Sale/Purchase	Company	Date of Purchase/Sale	Qty.	Price Per Share (₹)	Brokerage
1.	Purchase	First Smile Ltd	10.12.2020	250	203	1.5%
2.	Purchase	Rainbow Ltd.	10.12.2020	50	503	1.5%
3.	Purchase	Mega Service Ltd.	12.12.2020	150	82	1.5%
4.	Sale	First Smile Ltd	18.12.2020	100	325	1.8%
5.	Purchase	Mega Service Ltd.	15.12.2020	110	110	1.5%
6.	Sale	Mega Service Ltd.	26.12.2020	150	100	1.8%
7.	Purchase	Rainbow Ltd.	28.12.2020	200	385	1.5%
8.	Purchase	Rainbow Ltd	03.01.2021	100	465	1.5%
9.	Sale	First Smile Ltd	23.03.2021	200	150	1.8%
10.	Sale	Mega Service Ltd.	26.03.2021	110	110	1.8%

Following additional details is also given by Mr. Narendra:

- First Smile Limited issued bonus shares 1:1 on 01.02.2021 and credited the shares in his account on 10.02.2021.

- Rainbow Limited declared an interim dividend of 200% on 28.02.2021 (face value of each share is ₹ 10). The record date was 31.1.2021.

He does not opt to pay tax as per section 115BAC.

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

4.1. What is the residential status of Mr. Narendra for the previous year 2020-21?

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

4.2. Which of the following statement is correct, in respect of dividend paid by Rainbow Ltd. to Mr. Narendra?

- (a) Dividend received from Rainbow Ltd is exempt in the hands of Mr. Narendra. Hence, no tax is required to be deducted at source.
- (b) Dividend received from Rainbow Ltd is taxable in the hands of Mr. Narendra but, since the dividend is less than ₹ 10,000, no tax is required to be deducted at source.
- (c) Dividend received from Rainbow Ltd is taxable in the hands of Mr. Narendra. Tax of ₹ 525 is required to be deducted at source.
- (d) Dividend received from Rainbow Ltd is taxable in the hands of Mr. Narendra. Tax of ₹ 700 is required to be deducted at source.

4.3. What shall be the TDS liability of Mr. Narendra for rent paid to Mr. Sarthak?

- (a) There is no TDS liability of Mr. Narendra, since he is a salaried individual.
- (b) Mr. Narendra is liable to deduct TDS u/s 194-I of ₹ 6,000 for each month.
- (c) Mr. Narendra is liable to deduct TDS u/s 194IB of ₹ 3,000 for each month
- (d) Mr. Narendra is liable to deduct TDS u/s 194IB of ₹ 9,000 in the month of March 2021

4.4. What would be income chargeable to tax under the head “Income from Salaries” in the hands of Mr. Narendra for the A.Y. 2021-22:

- (a) ₹ 26,27,202
- (b) ₹ 26,77,202
- (c) ₹ 27,08,852
- (d) ₹ 26,58,852

4.5. What is the amount of short-term capital gain chargeable to tax in the hands of Mr. Narendra on sale of shares for the P.Y. 2020-21:

- (a) ₹ 21,860
- (b) ₹ 13,556
- (c) ₹ 8,018
- (d) ₹ 11,708

Question 5. Mr. Akshaya Biyani celebrated his 26th birthday on 15th May 2020 and arranged a grand party at Radisson Blu hotel. On this occasion, he invited his friends, blood relatives and distant relatives to attend the party. The ceremony was very grand, the feast was also very spectacular. All the arrangements and decorations were absolutely wonderful. At the end of party, Mr. Akshaya was awarded by gifts and flower’s bouquet as infra:

Gifts received from	Type of Gift	Remarks
Mother	One 22K Gold Chain	She purchased on the same day for ₹ 37,822
Father	One 22K Gold Bracelet	He purchased on the same day for ₹ 56,075
Wife	4 Gold Rings	She purchased these rings on 15.5.2019 for ₹ 35,500 each. Fair market value on 15th May 2020 is ₹ 37,429 each.
Sister	Painting	This painting is made by her. Fair market value is ₹ 45,000.
Cousin brother (Father’s brother’s son)	One Gold chain	He purchased it on the same day for ₹ 18,200.
Closest cousins (mother’s sister’s sons/daughters)	I-20 Car	Value of ₹ 4,10,000
Friends and other distant relatives	Cash	₹ 1,51,000

Mr. Akshaya desires to set up a new manufacturing unit with his friend in partnership on 1.12.2020. For making investment in the firm, he sold following jewellery which he has received on his 26th birthday celebration as gifts:

- Mother’s gifted Gold Chain for ₹ 42,150

- Father's gifted Gold Bracelet for ₹ 60,180
- Cousin brother's gifted Gold Chain for ₹ 20,600

His wife gave him ₹ 1 lakh as a gift so that he could invest sufficient money in the unit.

On 1st December 2020, he invested ₹ 6,00,000 (including the amount received on sale of above gifts and amount received from his wife) and his friend invested ₹ 4,00,000 in the firm.

On 1st February 2021, his wife again gave him ₹ 1 lakh as a gift to invest such money in the firm and apart from that he invested ₹ 50,000 more from his individual savings. On this day, his friend also invested ₹ 1,00,000 in the firm.

Since the firm is a manufacturing unit and at initial stage, the firm requires sufficient fund so Mr. Akshaya sold his wife's gifted Gold Rings for ₹ 40,250 each as on 31st March 2021 and he deployed the funds as partner's capital in the firm on 01st April, 2021.

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

5.1. What is the amount of capital gain taxable in the hand of Mr. Akshaya for P.Y. 2020-21?

- (a) Short term capital gains ₹ 10,833
- (b) Short term capital gains ₹ 29,833
- (c) Short term capital gains ₹ 22,117
- (d) No, capital gains is taxable in his hands, since he received the capital assets as gift.

5.2. What is the gift amount not considered as income under section 56(2)(x) for P.Y. 2020-21?

- (a) ₹ 8,98,613
- (b) ₹ 3,06,813
- (c) ₹ 9,16,813
- (d) ₹ 7,16,813

5.3. What is the gift amount taxable in the hands of Mr. Akshaya for P.Y. 2020-21?

- (a) ₹ 1,51,000
- (b) ₹ 1,69,200
- (c) ₹ 5,79,200
- (d) ₹ 5,61,000

5.4. Is any amount taxable in the hands of Akshaya's wife in respect of sale of jewellery by Mr. Akshaya, if yes, what shall be the taxable amount in her hands for P.Y. 2020-21?

- (a) No
- (b) Yes; ₹ 15,284
- (c) Yes; ₹ 19,000
- (d) Yes; ₹ 11,284

Question 6: Ms. Neha is engaged in supply of services. She is registered under GST and has opted to pay tax under composition scheme for service provider under section 10(2A) of the CGST Act. The turnover for the quarter ending June was ₹ 12,00,000.

During July, she crossed the aggregate turnover of ₹ 50 lakh and opted out of composition scheme. She also started trading of goods in July.

She supplied an order to Breathe Well LLP on ex factory basis, the details of which are as follows

- i. Basic price of the product – ₹ 53,000
- ii. Outward freight – ₹ 12,000
- iii. Packing Charges – ₹ 5,000
- iv. Discount given on receiving payment – ₹ 2,000
(not included in invoice)

For supplies, provided to Breathe Well LLP, she received half of the amount in advance on 22nd July. The goods were dispatched from her factory on 25th July and delivered on 28th July. She raised the invoice on 30th July and the balance payment was also received on the same date.

Ms. Neha received 25 invoices from various suppliers involving GST of ₹ 1,50,000 for the month of July. While filing GSTR-3B for the said month on 20th August, she found that only 20 invoices involving GST of ₹ 1,00,000 were uploaded by the suppliers

Ms. Neha supplied goods to the following persons-

S.No	Recipient	Value of Supply
1	Mr. Pawan - an unregistered Person	₹ 150
2	Mr. Umesh, a registered person	₹ 110
3	Rains Trust, an unregistered entity	₹ 250

None of the above persons requires a tax invoice.

All the amounts given above are exclusive of taxes, wherever applicable. All the supply referred above is intra-State unless specified otherwise. Conditions applicable for availment of ITC are fulfilled subject to the information given above.

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

6.1 Compute the tax liability for the quarter ending June under CGST and SGST?

- (a) ₹ 30,000 each
- (b) ₹ 12,000 each
- (c) ₹ 6,000 each
- (d) ₹ 36,000 each

6.2 Compute the value of Supply made by Ms. Neha to Breathe Wall LLP?

- (a) ₹ 56,000
- (b) ₹ 58,000
- (c) ₹ 68,000
- (d) ₹ 75,000

6.3 Determine the amount of ITC that can be claimed by Ms. Neha for the month of July?

- (a) ₹ 1,00,000

- (b) ₹ 1,10,000
- (c) ₹ 1,20,000
- (d) ₹ 1,50,000

6.4 Determine the time of supply made to Breathe Wall LLP?

- (a) 22nd July
- (b) 25th July
- (c) 28th July
- (d) 30th July

6.5 Ms. Neha need not issue invoice to which of the following persons?

- (a) Mr. Pawan
- (b) Mr. Pawan and Umesh
- (c) Mr. Pawan and Rains Trust
- (d) Need not issue invoice to all the three persons

Question 7. Poorva Logistics is a Goods Transport Agency registered under GST.

It provided GTA services (taxable @ 5%) to the following persons-

- (a) Kunal Traders, an unregistered Partnership firm
- (b) Mr. Amar, a casual taxable person, who is not registered under GST
- (c) Small Traders co-operative society registered under Societies Registration Act

In a particular consignment, Poorva Logistics transported the following-

- (a) Defence Equipments
- (b) Railway Equipments
- (c) Organic Manure

Poorva Logistics opted to charge GST @ 12% from October. It provided GTA Services to Bama Steels Pvt. Ltd. on 1st October and issued an invoice dated 5th November. Payment was received on 6th November.

It provided both inter-State and intra-State service to various registered as well as unregistered persons.

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

7.1 Which of the following persons are liable to pay GST on reverse charge in respect of the GTA services (taxable @ 5%) provided by Poorva Logistics

- (i) Kunal Traders
 - (ii) Mr. Amar
 - (iii) Small Traders Co-operative society
- (a) i & ii
 - (b) ii & iii
 - (c) i & iii
 - (d) i, ii & iii

7.2 Out of items transported by Poorva Logistics, which of the following is/ are exempt from GST?

- i. Defence Equipments
- ii. Railway Equipments
- iii. Organic Manure

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

7.3 What will be the time of supply in respect of the services provided by Poorva Logistics to Bama Steels Pvt. Ltd.?

- (a) 6th November
- (b) 5th November
- (c) 30th November
- (d) 1st October

7.4 Which of the following statements is correct in respect of services provided by Poorva Logistics to Bama Steels Pvt. Ltd.

- (a) Bama Steels Pvt. Ltd. is liable to pay GST
- (b) Poorva Logistics is liable to pay GST
- (c) Service provided by Poorva Logistics to Bama Steels Pvt. Ltd. is exempt under GST
- (d) Bama Steels Pvt. Ltd. is liable to pay 50% GST and remaining 50% will be paid by Poorva Logistics

7.5 In respect of which of the following supplies, Poorva Logistics has to provide invoice-wise details in GSTR-1?

- i. Inter-State supplies to registered person with invoice value not exceeding ₹ 250,000
 - ii. Inter-State supplies to unregistered person with invoice value not exceeding ₹ 250,000
 - iii. Inter-State supplies to unregistered person with invoice value exceeding ₹ 250,000
 - iv. Intra-State supplies to registered person with invoice value not exceeding ₹ 2,50,000
- (a) i & iv
 - (b) i & ii
 - (c) ii & iii
 - (d) i, iii & iv

Question 8. Vedanshi & Co., a partnership firm, is engaged in retail trade since 1st April. The firm became liable for registration on 1st October. However, it applied for registration on 10th October. It had inputs held in stock, semi finished and finished goods. The firm was granted certificate of registration on 5th November.

Vedanshi & Co. needs to transport one consignment to the transporter and then to the consignee. The distance between godown of the firm and the transporter is 20 kms and from the place of transporter to consignee is 99 kms.

In the month of November, the firm received 80 invoices for various inward supplies on which total GST paid was ₹8 lakh. However, only 60 invoices involving GST of ₹7.50 lakh was uploaded in GSTR-1 by the respective supplier

Also, while filing return for the month of November, the firm generated E-Challan on 5th December for making payment of GST through RTGS of their bank. All the supply referred above is intra-State unless specified otherwise. Conditions applicable for availment of ITC are fulfilled subject to the information given above. From the information provided above, choose the most appropriate answer for the following questions-

8.1 Determine the effective date of registration of Vedanshi & Co.?

- (a) 1st April
- (b) 1st October
- (c) 10th October
- (d) 5th November

8.2 Vedanshi & Co. is eligible to claim ITC in respect of inputs held in stock as on-

- (a) 30th September
- (b) 1st October
- (c) 10th October
- (d) Not eligible to claim ITC

8.3 Which of the following statements is true in respect of furnishing of details of conveyance in Part B of e way bill?

- (a) Part B need not be filed in respect of transport of consignment from Godown to transporter location.
- (b) Part B need not be filed in respect of transport of consignment from transporter location to consignee's location.
- (c) Information in Part-B is neither required in transport of consignment from Godown to transporter location nor from transporter location to consignee's location.
- (d) Information in Part-B is mandatory in in transport of consignment from Godown to transporter location and from transporter location to consignee's location.

8.4 Compute the amount of ITC that can be claimed by Vedanshi & Co for the month of November?

- (a) ₹7,50,000
- (b) ₹8,00,000
- (c) ₹8,25,000
- (d) ₹6,75,000

8.5 Determine the validity of E-Challan generated by Vedanshi & Co. for payment of taxes for the month of November?

- (a) 5th December
- (b) 15th December

(c) 20th December

(d) 31st December

Question 9. M/s. Safe Bank Ltd., a small finance bank, was incorporated in April this year. The bank got registered under GST immediately on its incorporation as a banking company.

M/s. Safe Bank Ltd. received software support service from its Head office (HO) located in United Kingdom. No amount was charged by HO for the said service. Value of the said service was ₹4,10,000. M/s. Safe Bank Ltd. provided one high end laptop worth ₹50,000 to its new Managing Director as a gift for discharge of his duties.

Initially the bank opened 125 branches across India covering various States. In order to secure business, the bank appointed 'Quick Loan Providers LLP,' a direct selling agent, on PAN India basis. The bank was in need of services of recovery agents for various retail and personal loans granted by its branches. For this purpose, the bank appointed 'Fast Recovery Services Pvt. Ltd.', a recovery agent, on PAN India basis.

M/s. Safe Bank Ltd. provided the following details for the month of May-

Sl.No	Nature of receipt	Amount in ₹
i	Interest received on Term Loan	10,75,000
ii	Interest received on credit card transactions	6,20,000
iii	Interest received on Fixed Deposit held with SBI, Mumbai	25,00,000
iv	Commission received on Letter of Credit issued	3,00,000
v	Documentation charges collected from Borrowers	1,25,000
vi	Sale of foreign exchange to Authorized dealers of Bank of Rajasthan	15,60,000

M/s. Safe Bank Ltd. had opted for optional method, under section 17(4) of CGST Act, 2017, for claiming input tax credit in respect of its operations. For the month of May, the relevant details are as follows-

- i. GST paid on eligible input services – ₹12,00,000
- ii. GST paid on eligible capital goods – ₹6,00,000
- iii. GST paid on items whose credit is blocked under section 17(5) of CGST Act – ₹4,00,000
- iv. GST paid on services availed from within the same Bank having distinct registration – ₹2,00,000

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-

9.1 Determine the value of deemed supply in the case study given above?

- (a) Nil
- (b) ₹ 50,000
- (c) ₹ 4,10,000
- (d) ₹ 4,60,000

9.2 In respect of services availed by M/s. Safe Bank Ltd., the bank shall pay tax under reverse charge for which of the following services?

- (a) Service availed from 'Quick Loan Providers LLP'

(b) Service availed from 'Fast Recovery Services Pvt. Ltd.'

(c) Both (a) and (b)

(d) None of the services availed attracts RCM

9.3 Compute the value of exempt supply provided by M/s. Safe Bank Ltd. for the month of May?

(a) ₹15,00,000

(b) ₹ 41,95,000

(c) ₹ 51,35,000

(d) ₹ 66,95,000

9.4 Compute the value of taxable supply made by M/s. Safe Bank Ltd. for the month of May?

(a) ₹10,45,000

(b) ₹ 21,20,000

(c) ₹ 36,80,000

(d) ₹ 61,80,000

9.5 Determine the amount of ITC that can be claimed by M/s. Safe Bank Ltd.?

(a) ₹11,00,000

(b) ₹18,00,000

(c) ₹20,00,000

(d) ₹24,00,000

Question 10. M/s. KBC Insurance Ltd., is an insurance company providing life and non-life products across India. The company is carrying on its business for the past three years with the approval of IRDA.

M/s. KBC Insurance Ltd. secure its business through various insurance agents spread across India. Those agents include individuals, firm, LLP and private limited company also. However, all of them are licensed under Insurance Act.

The company availed services of renting of motor vehicles for its employees in PAN India through 'RR Travels Private Limited', where cost of fuel is included in the consideration charged. The service provider charged 5% GST and informed the company that it is claiming ITC only in respect of the same line of business. M/s. KBC Insurance Ltd. provided the following details of insurance business for the month of May-

Sl.No.	Nature of receipt	Amount in ₹
i.	Premium received on Pradhan Mantri Jan Dhan Yojana	5,00,000
ii.	Premium received on Aam Aadmi Bima Yojana	3,00,000
iii.	Premium received on Life micro-insurance product having a sum assured of ` 2.50 lakh	4,00,000
iv.	Premium received on reinsurance of Group Personal Accident Policy for Self-Employed Women	1,00,000
v.	Premium received on Fire and Special perils policy of various business units	7,00,000
vi.	Premium received on Money-back policies issued	12,00,000

M/s. KBC Insurance Ltd. received a proposal for Pandemic Insurance for IPL matches from the franchisees. Sum assured for said insurance was ₹250 Crores with a premium of ₹50 lakh. The company issued the said policy on 1st July. Invoice for the same was issued on 5th August. Premium was received on 14th August.

Invoice dated 5th August issued by the company contained the following information,

- i. Serial Number
- ii. Name of the Recipient
- iii. Address of the recipient
- iv. Taxable value
- v. Date of its issue
- vi. Amount of tax charged

M/s. KBC Insurance Ltd. received the following supplies in the month of May and the details of GST paid on such supplies are as follows-

- i GST paid on purchase of car for use of Managing Director – ₹5,00,000
- ii GST paid on bus (seating capacity for 14 persons) purchased by the company for transportation of its employees from their residence to office and back – ₹3,00,000
- iii GST of ₹80,000 was paid on general insurance taken from Amity Insurance Ltd. for motor vehicles for transportation of persons with seating capacity ≤ 13 persons (including the driver) which were used in transportation of staff of the company.

All the amounts given above are exclusive of taxes wherever applicable. All the supply referred above is intra-State unless specified otherwise. Aggregate turnover of the company is not less than ₹10 crores for the past three year Conditions necessary for availment of ITC are fulfilled subject to the information given.

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

10.1 Determine the services on which the company is liable to pay tax under reverse charge?

- (a) Service availed from insurance agents
- (b) Service availed from RR Travels Private Limited
- (c) None of the services availed attracts RCM
- (d) Both (a) & (b)

10.2 Compute the value of exempt supply provided by M/s. KBC Insurance Ltd. for the month of May?

- (a) ₹9,00,000
- (b) ₹13,00,000
- (c) ₹20,00,000
- (d) ₹32,00,000

10.3 Compute the value of taxable Supply made by M/s. KBC Insurance Ltd. for the month of May?

- (a) ₹4,00,000
- (b) ₹ 12,00,000
- (c) ₹ 23,00,000
- (d) ₹ 32,00,000

10.4 Determine the amount of ITC that can be claimed by M/s. KBC Insurance Ltd?

- (a) ₹ 80,000
- (b) ₹ 3,00,000
- (c) ₹ 3,80,000
- (d) ₹ 8,80,000

10.5 Determine the time of supply of service provided to IPL franchisees?

- (a) 1st July
- (b) 16th August
- (c) 05th August
- (d) 14th August

10.6 Which of the following details are not mandatorily required to be mentioned in the invoice issued by the company?

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