



QR - 232

IV Semester M.Com. Degree Examination, November 2022

(CBCS)

COMMERCE

AT-4.4 : Customs Duty and GST

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any seven** of the following sub-questions in about **3 – 4 lines each**.**Each** sub-question carries **two** marks.

(7×2=14)

1. a) What is GST Compensation Cess ?
- b) What is the meaning of 'consumption-based tax' ?
- c) Define capital goods in GST.
- d) Who is a 'person' according to CGST Act ?
- e) What is return in GST ?
- f) Who is liable to register under GST ?
- g) What is 'Exempt supply' under GST ?
- h) What is 'Transaction Value' ?
- i) Explain the term 'Indian Customs Waters'.
- j) What is 'High Seas' ?

SECTION – B

Answer **any four** of the following. **Each** question carries **5** marks.

(4×5=20)

2. What is GSTN ? Explain the functions performed by GSTN.
3. When shall the safeguard duty under Section 8 of the Customs Tariff Act, 1975 be not imposed ? Discuss briefly.
4. Discuss briefly provisions of CGST Act, 2017 regarding questions for which advance ruling can be sought.
5. Identify whether the following transactions qualify as 'supply' under Section 7(1)(c) :
 - a) Eshan Ltd., has donated furniture which have been used for over 3 years to an NGO. Company has claimed input-tax credit on the purchase of furniture.
 - b) Vroom, a car rental company has transferred cars, which are 5 years old, to its drivers free of cost. Company has not claimed Input Tax Credit on purchase of these cars.

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- c) A hospital provides free medical treatment to the family members of its employees.
- d) A garment dealer gives some ready-made garments to his sister's family members for their personal use.
- e) TVS Ltd., appoints Angur as its agent for sale of its 2-wheelers and sends 50 vehicles to his office. When the vehicles are sold, Angur issues invoices in his name to the buyer.
- f) Dell appoints Suraj as its agent for selling laptops. On sale of laptops, invoices are issued by Dell.
- g) AD Education, USA offers a free online training program on 'Sales and Marketing' to employees of AD Education, India.
- h) Anitha procured data-entry services from Sunitha, her sister working as a data-scientist in USA, for her business. Sunitha provided these services free of cost.
6. From the following information provided to you, determine, how would you utilize ITC on account of SGST available in the Electronic Credit Ledger.

Particulars	Amount (Rs.)
Amount of ITC on account of SGST available in the Electronic Credit Ledger for the month of June, 2020	2,00,000
CGST payable for the month of June, 2020	73,000
IGST payable for the month of June, 2020	96,000
SGST payable for the month of June, 2020	30,000

7. A consignment of 400 containers of ready-made garments was imported from Singapore by an NGO for free distribution among slum dwellers. Each container consisted of 10000 pieces of garments. The exporter had charged a nominal rate of 1 S\$ per item of garment to cover freight and insurance charges. The Customs House found out that at or about the time of import of this consignment, there were following imports of garments from Singapore :

Sl. No.	No. of containers imported (Each container consisting of 10000 pieces)	Rate per item of garment (S\$)
1	170	5
2	1000	8
3	390	6
4	410	5
5	500	7
6	800	3

The exchange rate notified by CBIC is 1 S\$ = Rs. 54.

Calculate the assessable value for this transaction.



SECTION - C

Answer **any three** questions out of five. **Each** question carries **twelve** marks. **(3x12=36)**

8. What were the highlights of Constitutional (101st Amendment) Act, 2016 with respect to Goods and Service Tax ?

9. a) Elaborate about cognizable and non-cognizable offences under the CGST Act, 2017. What is the difference between these two while exercising powers by the GST authorities ?

b) Who are the members of the GST Council ? Enumerate any two recommendations that can be made by the GST Council.

10. M/s. Pradyumn Corporation Pvt. Ltd., a registered dealer of Mumbai furnishes you following information for the month of October, 2021.

Sl. No.	Particulars	Amount (Rs.)
i)	Intra-State sale of taxable goods (out of above Rs. 50,000 was received as advance in September, 2021)	2,00,000
ii)	Goods purchased from unregistered dealer (purchase on 20 th October, 2021) (Rs. 10,000 in case of Inter-State and Balance Intra-State)	50,000
iii)	Received for services by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex (It is Intra-State transaction)	50,000
iv)	Professional fees paid to Ms. Udadhi located in a non-taxable territory (It amounts to Inter-State transaction)	50,000

Compute GST liability (CGST, SGST or IGST, as the case may be) of M/s Pradyumn Corporation Pvt. Ltd. for the month of October, 2021.

Assume the rates of GST are as under :

CGST	9%
SGST	9%
IGST	18%

Note : Turnover of M/s. Pradyumn Corporation Pvt. Ltd. was Rs. 2 crore in the previous financial year.

11. The following information is furnished by Ms. Bharathi on 7th December 2021, in respects of articles imported from USA in the month of December 2021.

FOB value	\$ 40,000
Exchange rate	\$ 1 = Rs. 72
Air freight	\$ 7000
Insurance charges	Not known
Commission and Brokerage paid to Indian Agent	\$ 400
Returnable container charges included in FOB	\$ 150
Landing charges	Rs. 10,000
Basic customs duty	10%
IGST Rate	12%
Social Welfare Surcharge	As applicable

Calculate the total customs duty payable by Ms. Bharathi



12. M/s. J and Co. Chartered Accountants, a partnership firm, having its registered and head office in Mumbai and registered under the GST Act in the State of Maharashtra only. It does not have any branches in other State. The gross receipts of the firm in the Financial Year 2020 – 21 was Rs. 60 lakh. Firm has submitted following information for the month of August, 2021 :

Particulars	Amount (Rs.) (Excluding GST)
1. Professional services provided and bills raised during the month for providing services of ITR filing and income tax consultancy	1,00,000
2. Internal Audit of X Pvt. Ltd. at their office in Mumbai (registered in the State of Maharashtra)	50,000
3. Statutory audit services provided to M/s Tirupati Trading Pvt. Ltd. at Ahmadabad (registered in the State of Gujarat)	70,000

The firm has also furnished following information in respect of input services availed from registered dealers for providing output services during the month August, 2021 :

Particulars	Amount	CGST	SGST	IGST
Services availed from courier agency	5,000	450	450	Nil
Railway travelling expenses from Mumbai to Ahmedabad and Return Ticket for conducting of audit of M/s Tirupati Trading Pvt. Ltd. for 3 Tier AC	12,000	Nil	Nil	600
Service availed from another professional firm at Mumbai (amount is paid without TDS u/s 194J of Income Tax Act)	20,000	3,600	Nil	Nil

Notes :

- Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively on outward supplies.
- All the conditions necessary for availing the ITC have been fulfilled.
- Opening balance of available input tax credit is Nil for CGST, SGST and IGST.

Compute the net GST payable by M/s J & Co. for the month August, 2021 after adjusting the GST credit. Brief reasoning should form part of your answer.