

- **It is advised to complete test within the time allowed**
- **Take Test Seriously**

Division A – Multiple Choice Questions

Write the most appropriate answer to each of the following multiple choice questions

Question No. 1 (2 Marks)

M/s. Jolly Electronics (P) Ltd., is an authorized dealer of M/s. GG Micro Ltd., located and registered in Lucknow, Uttar Pradesh. It has sold following items to Mr. Alla Rakha (a consumer):

Product	Amount (Rs.)
Refrigerator (500 litres) taxable @ 18%	40,000/-
Stabilizer for refrigerator taxable @ 12%	5,000/-
LED television (42 inches) taxable @ 12%	30,000/-
Split air conditioner (2 Tons) taxable @ 28%	35,000/-
Stabilizer for air conditioner taxable @12%.	5,000/-
Total value	1,15,000/-

M/s. Jolly Electronics (P) Ltd. has given a single invoice, indicating price of each item separately to Mr. Alla Rakha. Mr. Alla Rakha, has given a single cheque of Rs. 1,00,000/- for all the items as a composite discounted price. State the type of supply and the tax rate applicable on the same.

- a) Composite supply; Highest tax rate applicable to split air conditioner, i.e. 28%
- b) Mixed supply; Highest tax rate applicable to split air conditioner, i.e. 28%
- c) Supply other than composite and mixed supply; Highest tax rate applicable to split air conditioner i.e. 28%
- d) Supply other than composite and mixed supply; respective tax rate applicable to each item

Question No. 2 (2 Mark)

Mr. Palliwal Desai, a registered practicing Chartered Accountant, located in Jaipur, in the State of Rajasthan, is providing professional and consultancy services to its various clients from his firm. He has taken some professional consultancy services from another establishment of its firm in UK. He has not paid any consideration for the same. Such services would have been taxable @ 18% (9% under CGST + 9% under SGST and 18% under IGST), had they been received in India. Also, Mr. Palliwal Desai would have paid Rs. 4.00 Lakh, had he not received the said services from the UK establishment. State the liability of Mr. Palliwal Desai, under CGST/ IGST Act, 2017, out of the following options-

- a) Rs. 72,000/- as Integrated Tax
- b) CGST Rs. 36,000/- & SGST Rs. 36,000/-, since POS is in India
- c) Nil, since no foreign exchange was paid
- d) Nil, since such services are exempt

Question No. 3 (2 Marks)

Mrs Reena is a consultant. She has provided the following details relating to services provided and received by her:

- I. Supply of management consultancy services for Rs.500,000/- p.a.
- II. Supply of accounting services for Rs.200,000/- p.a.
- III. Renting of immovable property for residential purposes for Rs.10,000/- p.m.
- IV. Management consultancy services provided to a hospital for Rs.50,000/- one time
- V. Services provided to a client outside India for Rs.50,000/- p.m.
- VI. Services received from a lawyer for Rs.100,000/-

Calculate her aggregate turnover for a year under GST.

- a) Rs. 9,10,000
- b) Rs.15,70,000
- c) Rs. 14,70,000
- d) Rs. 8,20,000.

Division B – Descriptive Questions

Question No. 1 (6 Marks)

Manas Ltd. is located in Ludhiana. It is in the business of manufacture of cast glass. It has received the following services from different persons during August, 2019 –

1. Service by Department of Posts by way of express parcel post (value of service: Rs. 5,000).
2. Manas Ltd. owns an aircraft. This aircraft is used by directors/officers of the company for business purposes. Aircraft maintenance service is provided by the Government of India. Payment of Rs. 7,50,000 is made for this purpose.
3. For transportation of goods, Manas Ltd. pays Rs. 60,000 to Indian Railways.
4. Manas Ltd. has taken a commercial property on rent from the Punjab Government for which company pays rent of Rs. 1,20,000.
5. Manas Ltd. has taken security services for factory complex from the Punjab Government for which payment of Rs. 30,000 is made.
6. Manas Ltd. has taken security services for office from Labour Power Security Ltd. (a private sector company) for which payment of Rs. 95,000 is made.

The above figures are before GST. Turnover of Manas Ltd. for the financial year 2018-19 was more than Rs. 20,00,000. Discuss the following- - Whether GST is applicable. - Whether GST is payable under reverse charge mechanism.

Question No. 2 (4 Marks)

Roshan of Bengaluru owns 7 properties in different parts of Karnataka. From the information given below, find out GST for the quarter ending on 31st March, 2020. GST rate is 18 per cent (i.e., CGST 9 per cent + SGST 9 per cent) Municipal tax pertaining to these properties is Rs. 44,000. Expenditure on repair is Rs. 1,32,000. Fire insurance premium paid by Roshan is Rs. 48,000 –

Particular	Rs.
Rent of residential Building I (given to salaried employee for his residence)	10,00,000
Rent of residential Building II (given to a bank for residence of a manager)	15,00,000
Rent of vacant plot of Land III (given on rent to a manufacturing company)	8,00,000
Rent of vacant plot of Land IV (given on rent for agriculture purposes)	4,50,000
Rent of residential Building V (given to B Ltd. for residence of employees)	3,00,000
Rent of commercial Building VI (given to C, who has a proprietary business)	1,50,000
Rent of residential building VII (it is situated in residential area but used for commercial purposes and it is given on rent on the understanding that the tenant can use it for commercial purposes if there is no objection by the municipal corporation)	6,50,000

Question 3 (2 Marks)

Mr. X is supplied goods to Mr. Y on 28th January 2019. The GST rate on goods is changed from 12% to 5% w.e.f. 1st January 2019. Mr. X issued invoice on 28th August 2018 and payment is credited in his bank account on 30th December 2018.

- (i) What is the time of supply in this case?
- (ii) What is the effective rate of GST?

Question No. 4 (2 Marks)

Discuss whether the following services are chargeable to GST –

- a) Dev is a well-known singer. For giving a performance in a musical event (organised by Filmfare), he charges Rs. 1,50,000. Dev is not a brand ambassador of Filmfare or any other person participating in the musical event.
- b) Renting of open land in a Gurudwara for marriage function. Rent for this purpose is Rs. 9,800 per day (before GST). Gurudwara is managed by a charitable trust which is registered under section 12AA of the Income-tax Act.
- c) Suppose in the above case, rent is Rs. 10,000 per day (before GST).
- d) Suppose in the above case, rent is less than Rs. 10,000 per day but the charitable trust (which manages Gurudwara) is not registered under section 12AA of the Income-tax Act.