

**Division A – Multiple Choice Questions**

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions in this division are compulsory.

**Question No. 1 (2 Marks)**

In which of the following cases, import of services is taxable under GST?

- (1) Import of service with consideration in course or furtherance of business.
  - (2) Import of service with consideration not in course or furtherance of business.
  - (3) Import of service without consideration from a related person in course or furtherance of business.
  - (4) Import of service without consideration from a related person not in course or furtherance of business.
- (a) (1) and (3)
  - (b) (2) and (4)
  - (c) (1), (2) and (3)
  - (d) (4)

**Question No. 2 (2 Marks)**

There is a difference in taxability of goods forming part of composite supply and mixed supply. Here are few examples from which you need to identify which is correct example of composite supply and mixed supply.

- i. Mr. A buys a car and purchases warranty and maintenance of the car by paying nominal amount. Car, warranty and maintenance here are a mixed supply.
- ii. Mr. A buys a car and purchases warranty and maintenance of the car by paying nominal amount. Car, warranty and maintenance here are a composite supply.
- iii. Mrs. A buys a microwave oven and some utensils for use in microwave oven. Both microwave oven and utensils are sold at a single price. Microwave oven and its utensils here are a mixed supply.
- iv. Mrs. A buys chocolates, juices and biscuits from a shop. All items have different prices. Chocolates, juices and biscuits are a mixed supply.

The correct examples of composite and mixed supply are: -

- a) i, iv
- b) ii, iii
- c) ii, iii, iv
- d) None of the above

**Question No. 3 (1 Marks)**

Which of the following services provided by Good Health Care Nursing home are not exempt?

- (1) Reiki healing treatment.
  - (2) Plastic surgery conducted to repair cleft lip of a new born baby.
  - (3) Air ambulance services to transport critically ill patients from distant locations to Ayushman Medical Centre.
  - (4) Palliative care for terminally ill patients. On request, such care is also provided to patients at their homes. (Palliative care is given to improve the quality of life of patients who have a serious or life-threatening disease but the goal of such care is not to cure the disease).
  - (5) Alternative medical treatments by way of Ayurveda.
- (a) (1) and (3)
  - (b) (2) and (4)
  - (c) (1)
  - (d) (1), (4) and (5)

**Question No. 4 (1 Marks)**

Which of the given activities does not amount to supply?

- (a) An architect in India seeks legal advice from his son settled in London free of cost with regard to his family dispute.
- (b) A Resident Welfare Association provides the service of depositing the electricity bills of the residents in lieu of some nominal charges.
- (c) A dealer of air-conditioners permanently transfers an air conditioner from his stock in trade, for personal use at his residence.
- (d) An electronic commerce operator in India seeks legal advice for its business from its head office in US free of cost.

**Division B – Descriptive Questions**

**Question No. 1 (2 Marks each)**

- (a) An individual acts as a referee in a football match organized by Sports Authority of India. He has also acted as a referee in another charity football match organized by a local sports club, in lieu of a lump sum payment. Discuss whether he is required to pay any GST?
- (b) RXL Pvt. Ltd. manufactures beauty soap with the brand name 'Forever Young'. RXL Pvt. Ltd. has organized a concert to promote its brand. Ms. Kapoor, who is a leading film actress, has given a Western dance performance in the said concert. The proceeds of the concert worth Rs. 1,20,000 will be donated to a charitable organization. Whether Ms. Ahana Kapoor will be required to pay any GST
- (c) "State Government has exclusive power to notify a transaction to be supply of goods or services." Discuss the correctness of the statement.

**Question 2 (5 Marks)**

Sarva Sugam Charitable Trust, a trust registered under section 12AA of the Income Tax Act, 1961 provides the following information relating to supply of its services for the month of August 2019:

Particulars	Rs.
Renting of residential dwelling for use as a residence	18,00,000
Renting rooms for Pilgrims (Charges per day Rs.1,200)	8,00,000
Renting of rooms for devotees (Charges per day Rs. 750)	6,00,000
Renting of Kalyana Mandapam (Charge per day Rs. 15,000)	12,00,000
Renting of Halls and open space (Charges per Day Rs. 7,500)	10,75,000
Renting of shops for business( Charges per month Rs. 9,500)	4,75,000
Renting of shops for business ( Charges per Month Rs. 12,000)	7,50,000

Compute the total taxable value of supply for the month of August 2019.

**Question No. 3 (3 Marks)**

ABC Consultancy, registered in Mumbai, supplies technical consultancy services to its clients. It has been providing technical services to XY Ltd., Mumbai since past two years. Consideration is settled by XY Ltd assignment wise. XY Ltd. paid Rs. 45 lakh to ABC Consultancy on 10th January, 20XX on ABC consultancy agreeing to not provide similar technical services to any other business entity in India or abroad for a period of 8 years. ABC Consultancy is of the view that Rs. 45 lakh is not chargeable to GST. You are required to examine whether the view taken by ABC Consultancy is valid in law. Calculate GST liability of ABC Consultancy, if any. The technical services provided by ABC consultancy is otherwise chargeable to GST at the rate of 18%. It may be noted that XY Ltd. is not ready to pay any further amount to ABC Consultancy in addition to the amount already agreed.