

2019

M.COM

4th Semester Examination

Corporate Indirect Taxes

PAPER – COM-403

Full Marks : 50

Time : 2 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

(Turn Over)

UNIT-I
(Marks : 20)

1. **Answer any TWO of the following question : 2x5**
- a) How does the indirect tax differ from direct tax ?
State the demerits of indirect taxes. **(2+3)**
 - b) State the documents that are required for GST registration for a sole proprietorship business. **5**
 - c) Write brief notes on electronic cash ledger and electronic credit ledger for payment of GST.
(2½ +2½)
 - d) Mention the particulars contain, frequency and due date of filing GST returns of GSTR-1, GSTR-2, GSTR-3, GSTR-8 and GSTR-9. **1x5**
2. **Answer any one of the following questions : 1x10**
- a) i) Write down the penalty clause applicable to a supplier in case of supply of goods to other states without valid papers.
 - ii) Mr. Mirza supplies goods to the different states of India. Mr. Mirza has registered himself under GST w.e.f. 1st JULY 2017 and has been paying GST under composition levy scheme. On 15th October 2017 he purchased a machine costing Rs.6,00,000/- (including GST 18%) from a vendor of other state, which he has been using in the business. On 11th April 2019, he shifted from composition levy scheme to the regular GST scheme. During the month of April 2019, he purchased input goods of '4,00,000/- (including GST) for which he has paid 6% CGST and 6% SGST. Compute the amount of input tax credit

(ITC) available in his electronic credit ledger at the end of April 2019, assuming that there was not opening balance in such ledger at the beginning of April 2019.

b) i) What do you understand by mixed and composite supply of goods ?

ii) Mr. Subir, a supplier of goods, pays GST under regular scheme. In the month of January 2019, he has made the following taxable supplies :

Inter - state supply of goods	Rs. 28, 00, 000
Intra - state supply of goods	Rs. 32,00,000

During the month Mr. Subir has also purchased some goods from the supplier of his own state And from the other states. The information of such purchases are as follows :

Purchase from other state	Rs.18,00, 000
Purchase from own state	Rs. 24, 00, 000

On 5th January 2019 he has purchased one capital goods from other state for Rs. 10,00,000 (excluding tax) on which he has paid GST @ 18% . Assume that the rate of CGST, SGST and IGST are 6%, 6%, and 12% respectively, and all the Inward and outward supplied are exclusive of taxes; compute the net GST payable by Mr. Subir for the month of January 2019.

5+5

UNIT - II
(Marks :20)

- 3. Answer any TWO questions from the following: 2x5**
- a) Define 'customs water' as per the customs Act.
What are its significance ? What is 'high sea' ?
1+3+1
- b) What is warehousing ? What are the advantages of availing warehousing ? What are the different types of warehousing ?
1+3+1
- c) What is notice for demand in customs duty ? What is the time limit for sending the notice?
How tax is recovered under the Customs Act?
1+1+3
- d) When IGST is applicable ? Who collects and who receives the amount of collected IGST ?
What is assessable value for imposing IGST ?
2+2+1
- 4. Answer any ONE question of the following : 1x10**
- a) An importer is in a dilemma whether to import through air or ship . On the basis of following information state with reason which mode of transport the importer should opt for. Further determine the assessable value and find out the basic customs duty and IGST .
- i) 50 Laptop are being imported from UK @£ 400/ unit
- ii) The packing cost for each laptop @£ 5/unit
- iii) Insurance charges @£ 10/unit
- iv) Air freight : £ 4500
- v) Shipping freight : £ 4400

vi) Carriage :

From Factory in UK to Port : £1400

From Port in India to showroom : '50,000/-

vii) Penalty for infringement of Customs Law in UK : £ 140

viii) Exchange Rate :

1 £=Rs.90 [CBEC Rate]

1 £ = Rs. 92 [RBI rate]

ix) Basic Customs Duty 20% and IGST 12% **2+6+2**

4. b) i) "All service providers should get themselves registered " Comment. **2**

ii) What in Composition scheme ? How composition scheme may help small service providers ? **1+2**

iii) Determine the taxable amount of services in the following cases :

I) You are Converting \$ 5000 in Indian rupees. Service charge 1% ; For customers

Buying Rate \$ 1= 72 & Selling Rate \$ 1=70 **1½**

II) You bought an air ticket to Delhi from Kolkata at a price of Rs.3,500/-
The travel agent charged Rs.250/- as service fees . **1½**

III) You paid (a) a premium of Life Insurance policy of your father worth Rs.2,000/- for the first year ; agent commission is 40% and (b) a premium of Life Insurance Policy of your uncle worth Rs.5000/- for the third year of the policy ; agent commission is 10% . **2**

[Internal Assessment 10 Marks]