

Q.P. Code : 60589

**Fourth Semester M.Com. Degree Examination,
September/October 2020**

(CBCS Scheme - 2014-15)

Commerce

Paper 4.4 — GOODS AND SERVICE TAXES AND CUSTOMS DUTY

Time : 3 Hours

[Max. Marks : 70]

Instructions to Candidates : Answer all the Sections.

SECTION - A

1. Answer any **SEVEN** questions out of Ten. Each question carries **2** marks :
(7 × 2 = 14)
- (a) What is GST?
 - (b) How do you treat Air freight and insurance in determination of Assessable value under Customs Act?
 - (c) Give the meaning of goods.
 - (d) What is IGST?
 - (e) What is dual GST module?
 - (f) Give the meaning of exempted supply.
 - (g) Give the meaning of inward supply.
 - (h) What do you mean by reverse charge?
 - (i) Give the meaning of taxable event.
 - (j) What is Indian Territorial Waters?

SECTION - B

Answer any **FOUR** questions out of Six. Each question carries **5** marks :
(4 × 5 = 20)

- 2. Distinguish between direct and indirect taxes.
- 3. Explain the advantages and limitations, if any of GST.

Q.P. Code : 60589

4. What is input tax credit? Discuss in brief, utilization of input tax credit in payment of GST.
5. Mr. X of Bengaluru supplies 100 units of Blankets to Mr. Y of Mumbai, at Rs. 5,900/- each including applicable GST @ 18%. The buyer has requested Mr. X to arrange for transporting the goods for which he has reimbursed the cost of Rs. 8,000/- separately you are required to determine the taxable value and GST. Assume both the parties are registered.
6. From the following information, determine the time of supply of goods.

Sl.No.	Date of Removal of goods	Date of Invoice	Date when goods made available	Date when payment received
1	10-10-19	10-10-19	12-10-19	20-10-19
2	8-10-19	11-10-19	9-10-19	05-11-19
3	21-10-19	14-10-19	16-10-19	14-12-19
4	11-11-19	10-11-19	8-11-19	10-10-19 for part 20-12-19 for balance

7. From the following particulars calculate the amount of Input tax credit.
- (a) Purchase of inputs from composition dealer and GST paid Rs. 10,000/-
- (b) Purchase of inputs from interstate and applicable GST thereon Rs. 15,000/-
- (c) GST paid @ 18% on purchase of inputs of Rs. 10,00,000 within state.
- (d) Inputs purchased from within state including GST @ 28% worth Rs. 12,80,000.
- (e) GST paid on reverse charge Rs. 25,000.

SECTION – C

Answer any **THREE** questions. Each question carries **12** marks : **(3 × 12 = 36)**

8. What is GST council? Discuss the functions of GST council.
9. Explain the Registration under GST.
10. The following details are furnished by ABC Ltd Bangalore for the manufacture of heavy machine.
- > Inputs required for the machine are imported from Germany for Rs. 15,00,000 excluding BCD @ 10% and IGST @ 18%

Q.P. Code : 60589

- > Raw-material purchased from Pune for Rs. 11,20,000 including GST @ 12%
- > Raw-material purchased from Mysore for 1500000 excluding GST @ 18%
- > Inputs purchased from composition dealer for Rs. 7,50,000. GST thereon is Rs. 37,500.
- > Inputs imported from Japan including BCD @ 10% and IGST @ 28% Rs. 12,80,000.
- > Manufacturing cost Rs. 9,50,000.

The machine was supplied at 20% profit as cost rate of GST @ 28%.

Compute transaction value and GST.

11. XYZ Ltd furnishes the following details of GST payable and Input Tax for the month of August 2019. You are required to compute the tax payable for the month by utilizing input tax credit.

Output tax payable for the month :

CGST	Rs. 2,59,567.00
SGST (Karnataka)	Rs. 2,59,567.00
IGST	Rs. 4,25,000.00

Input tax details are :

- > Balance as on 1-8-2019 in the electronic ledger :

CGST	Rs. 25,500
SGST	Rs. 29,000
IGST	Rs. 48,750
- > Purchased input A from Bengaluru including GST @ 18% Rs. 1,18,000
- > Input B bought from Chennai at the rate of 12% (excluding tax) Rs. 2,00,000
- > Input C bought from Bidar excluding tax @ 28% Rs. 3,00,000
- > Input D bought from Mysore at 12% GST (utilized in manufacture of exempted goods) Rs. 1,50,000
- > Imported raw-material from Malaysia including BCD @ 10% and IGST @ 18% Rs. 1,29,800
- > Inputs purchased from composition dealer @ 5% tax (tax included) Rs. 1,05,000
- > GST paid as Reverse charge Rs. 20,000

Q.P. Code : 60589

12. Diamond Ltd., an actual user imports certain goods from USA, at Chennai port, at cost of \$ 1,00,000 FOB. The other details are as follows :

- (a) Packing charges : \$ 22,000
- (b) Sea freight to Indian port : \$ 8,000
- (c) Transit insurance : \$ 1000
- (d) Design and development charges paid to a consultant in USA by importer : \$ 9,000
- (e) Selling commission to be paid by the Indian Importer : 2% of FOB
- (f) Rate of exchange announced by RBI : Rs. 75.60/\$
- (g) Rate of exchange notified by the Central Board of Excise and Customs Rs. 75.70/\$
- (h) Rate of basic custom duty : 15%
- (i) GST on similar goods in India 18%
- (j) Health and Education Cess 4%

Compute the assessable value of the imported goods and the duty payable. How much ITCs can availed by importer, if he is manufacturer.