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**BCMCMC 371**

**Credit Based Sixth Semester B.Com. Degree  
Examination, July/August 2023  
(2020 – 21 and Earlier Batches)  
BUSINESS TAXATION – IV (Elective)  
Goods and Services Tax and Customs Duty**

Time : 3 Hours

Max. Marks : 120

**Instruction :** Provide necessary working notes.

**SECTION – A**

Answer **any four** of the following questions.

**(4×6=24)**

1. What is G.S.T. ? State the types of G.S.T.
2. Give the meaning of HSN and SAC codes.
3. Who is Casual Taxable Person ?
4. Ashwin Private Ltd., having its manufacturing unit in Hassan and service unit in Mysore. From the following information, calculate the aggregate turnover of Ashwin for the year 2022-23 :
  - a) Supplied goods to Belgaum for ₹ 14 lakhs.
  - b) Exports supply to Japan for ₹ 23 lakhs which includes non-taxable services of ₹ 3 lakhs.
  - c) Supplied goods to his job/worker Mr. Aryan at Udupi for further processing ₹ 10 lakhs.
  - d) Purchased goods from NGO at New Delhi for ₹ 30 lakhs.
  - e) Job worker supplied all the goods to a dealer at U.K. for ₹ 15 lakhs.
  - f) A manufacturer in Mangaluru received services from Mysore unit ₹ 3 lakhs.

P.T.O.



- g) Office of the Central Government at Karwar received services from Mysore unit for ₹ 8 lakhs.
- h) A dealer in Jammu received goods from Hassan unit which are charged at Nil rate of GST for ₹ 3 lakhs.
- i) Total IGST, CGST and SGST paid by Ashwin Private Ltd., for the year ₹ 3,00,000.
- j) Zero rated supply made from Hassan Branch ₹ 5 lakhs.

5. Classify the following supplies into 'Composite Supply' and 'Mixed Supply' :

- a) Supply of cable and setting the connection.
- b) Supply of parcel of wheat powder, masala powder, coffee powder and sugar.
- c) Supply of juice in bottle.
- d) Supply of ceiling fan and regulator.
- e) Supply of furniture and mat.
- f) Supply of combo pack of tie, wallet, pen, writing pad together as a kit.

6. From the following information of Mr. Saurav, a registered dealer, determine the time of supply of goods in each of the following independent cases :

Case No.	Date of removal	Issue of invoice	Date of payment	Date of receipt
1	25-8-'22	25-8-'22	Bank credit 05-09-2022 Books 04-09-'22	01-9-2022
2	25-08-'22	21-08-'22	Bank credit 05-09-'22 Books 04-09-'22	01-09-2022
3	25-08-'22	24-08-'22	Bank credit 19-08-'22 Books 16-08-'22	01-09-2022
4	25-08-'22	23-08-'22	Bank credit 05-09-'22 Books 04-09-'22	23-08-2022

## SECTION – B

Answer any four of the following questions.

(4×12=48)

7. Explain the benefits of GST.
8. From the following information, state the type of tax payable under GST Law by registered person :
  - a) Sale of goods from Mangaluru to Cochin.
  - b) Goods sold within Bombay.
  - c) Goods sold from Bombay to Nagpur.
  - d) Sale of goods from Karnataka to Gujarat.
  - e) Sale of goods from Mysore to Dharwad.
  - f) Sale of goods from Udupi to Shimla.
  - g) Export of goods from Karkala to U.S.A.
  - h) Provision of services by an Indian Company to its wholly owned subsidiary in Australia.
  - i) Royalty paid to a company outside India for its brand name in India.
  - j) Mr. Vasudev purchased machinery from China.
  - k) Supplied goods to SEZ developer.
  - l) Purchased goods from EOU.
9. Mr. Arun a dealer in Mangaluru entered a contract with a supplier in Mysore to deliver machinery along with essential accessories. From the following information, determine the total amount of GST payable U/S 15 of the GST Act, 2017 (Composite Supply) :
  - a) Price of machinery (excluding GST) ₹ 5,00,000.
  - b) Cost of installation charged separately in invoice ₹ 25,000.
  - c) Cost of insurance charged separately in invoice ₹ 17,500.
  - d) Warranty charges, charged separately in invoice ₹ 24,000.
  - e) Cost of transportation charged separately in invoice ₹ 2,000.

**Other information :**

- a) Cash discount @5% on price of the machinery was allowed as per terms of contracts, since full payment was received before dispatch of machinery.
- b) Accessories were supplied (essential) along with machinery for ₹ 10,000 and accessories are charged for tax at the rate of 5%.
- c) Applicable GST rate on machinery @18%.

10. Explain the procedure for registration under GST.

11. XYZ Ltd., has its H.O. based at Chennai and has 5 branch offices in Bengaluru, Indore, Hyderabad, Bhopal and Ahmedabad. It seeks the services of Expert Security Solutions based at Chennai for cyber security for its H.O. and its branches. Expert security solutions raises a bill which includes GST amounting to ₹ 2,50,000 on the H.O. The turnover of H.O. and branches during quarter ending 31-12-22 were as follows :

Chennai H.O. ₹ 2,30,000, Indore ₹ 2,80,000, Bengaluru ₹ 1,80,000, Bhopal ₹ 3,25,000, Hyderabad ₹ 1,50,000 and Ahmedabad ₹ 1,25,000.

Compute the distribution of Input Tax by the Chennai H.O. to its branches if it takes ISD registration in Chennai.

12. Compute customs duty payable : AV ₹ 10,00,000. Basic customs duty 10%. Safeguard duty 25%. Anti dumping duty ₹ 10 per kg on imported goods. Total imported goods 10,000 KGs. IGST tariff on similar goods in India is 12%. What is the cost of imported goods ?



SECTION – C

Answer **any two** of the following questions.

(2×24=48)

13. Explain the constitution, powers, functions and provisions of GST Council in India.

14. From the following information you are required to calculate Assessable Value and CGST and SGST payable at 6% each.

The sale price of ₹ 1,50,000 does not include the following :

Particulars	Amount in ₹
Pre-delivery inspection charges	10,000
Publicity expenses	25,000
Packing cost	15,000
Cost of special packing	5,000
Materials purchased exclusive of GST	10,000
Design and development charges	5,000
Royalty charges	4,000
Advertisement charges	14,000
Servicing charges	5,000
Weighing charges	25,000
Freight charges	30,000
Installation and erection charges	6,000
Insurance cost	5,000
Transportation charges	6,000
Taxes, duties, cesses, fees and charges	4,000
Incentives paid to sales personnel	5,000
Warranty expenses	3,000
Materials imported from UK (including BCD but excluding IGST)	10,000

But the selling price includes the following :

- a) Trade discount (it is allowed before or at the time of supply) ₹ 10,000.
- b) Cost of durable and returnable packing ₹ 5,000.

As per the terms of payment, the payment was to be made within 30 days. However, recipient did not pay within 30 days. Hence, supplier recovered ₹ 4,800 as interest for late payment.

As per terms of business, supplier used to charge markup 10% on cost of supply.



15. Following are the transactions of a taxable person in Karnataka for the month of November 2022. Compute the total turnover and GST payable :
- Supply to a taxable person in Mysuru (5%) ₹ 1,00,000.
  - Supply to a taxable person in Goa at (Nil) rate ₹ 2,40,000.
  - Supply to a taxable person in Bengaluru (12%) ₹ 2,00,000.
  - Supply to a taxable person of Udupi at the instruction of a dealer at Jammu and Kashmir (18%) ₹ 4,00,000.
  - Supply to an unregistered person in Mangaluru (28%) ₹ 6,40,000.
  - Supply to SEZ developer in Bengaluru (18%) ₹ 10,00,000.
  - Supply to taxable person in Pondicherry (12%) ₹ 8,00,000.
  - Supply to a registered person in Pune (exempt) ₹ 12,00,000.
    - Export to China ₹ 9,00,000 at (12%).
    - Supply to a unit of SEZ at Mysuru (5%) ₹ 6,00,000.
  - Supply to a taxable person at Udupi (12%) ₹ 5,00,000.
  - Supply to a dealer in Belgaum (28%) ₹ 4,00,000.
- m) Balance available in Electronic Credit ledger : IGST ₹ 1,70,000, CGST ₹ 90,000 and SGST ₹ 1,50,000.
16. A commodity is imported by Deva Ltd., from China. Determine the duty liability under the Customs Act, 1962 from the following information :
- Cost of the imported product \$ 20,000.
  - Commodity is packed for which packing charges \$ 3000.
  - Commodity is stuffed in returnable container, price of container \$ 100.
  - Design and development charges \$ 500.
  - Paid commission in India to the broker who arranged the deal abroad ₹ 10,000.
  - Freight from China to Airport of New Delhi \$ 6000.
  - Cost of insurance is paid on product but no details available.



- h) Transport cost incurred by supplier from his factory to airport in China \$ 200.
  - i) Deva Limited paid ₹ 5,000 as transportation cost from New Delhi airport to factory.
  - j) Deva Limited sent the goods to an exporter which was used in manufacturing the product ₹ 1,00,000.
  - k) Rate of customs duty @ 10%, IGST @ 28%. Exchange rate notified by CBIC ₹ 50 per \$.
  - l) Additional duty payable under Section 3(5) of Customs Tariff Act – 1975 @ 16%.
  - m) Social Welfare Surcharge is as applicable.
  - n) Safeguard duty imposed on the goods @ 30% ad valorem.
  - o) Anti dumping duty has been imposed on these goods @ 40%.
  - p) Compensation cess applicable @ 30%.
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