

2022

M.Com.

4th Semester Examination

CORPORATE INDIRECT TAXES

PAPER—COM-403

Full Marks : 50

Time : 2 Hours

The figures in the margin indicate full marks.

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

Illustrate the answers wherever necessary.

Unit - I

(Marks : 20)

1. Answer any *two* questions : 2×2
- (a) Mention any two drawbacks of indirect taxes.
- (b) What do you understand by GST on reverse charge ?

(Turn Over)

- (c) Mr. Suman supplies taxable goods from Kolkata to Ranchi of Jharkhand. His annual turnover is Rs. 80 lakh. Can he apply for composition levy scheme for payment of his GST liability?
- (d) Vidyasagar University has purchased a vehicle of seat capacity of (16+1) for giving local transport facility to its Professors. Would the vehicle be considered as capital goods?

2. Answer any *two* questions : 2×4

- (a) Briefly state the powers and functions of GST Council.
- (b) Distinguish between mixed supply and composite supply.
- (c) Fill in the blanks :

GST Return Form No.	Particulars	Frequency	Due date
GSTR —	Details of outward supplies of taxable goods and/or services effected	—	—
GSTR-2	—	—	—
GSTR —	Details of supplies effected thorough e-commerce operator and the amount of tax collected	—	—

GSTR —	Annual Return	—	—
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- (d) Write a brief note on composition levy scheme of GST payment.

3. Answer any *one* question : 1×8

- (a) On 16th October 2019, Mr. Ghosh purchased a machine of Rs. 20,00,000/- for using in his business. The rate of IGST on such purchase was 18%.

Mr. Ghosh used the machine exclusively for business purpose and produced taxable outputs. However, due to the up-gradation of production process Mr. Ghosh sold the machine on 4th June 2022 at Rs. 5,00,000/-. The rate of GST on such sale remains the same.

Compute the GST liability of Mr. Ghosh, considering the GST reversal at the time of sale. (Give necessary notes and clarifications suitably)

- (b) Mr. X, a registered supplier of Midnapore under GST, had the following balances in his personal ledger account on 31st May, 2022 :

During Rs. 15,000/-, CGST Rs. 10,000/- and SGST Rs. 5,000/-.

During the month of June 2022, he purchased some input goods and services as follows :

On 5th June he purchased input goods from Kolkata of Rs. 90,000/- on which GST payable @ 12%.

On 10th June, he purchased input goods from Madhya Pradesh of Rs. 1,20,000/- on which GST payable @ 5%.

On 15th June he procured services from a vendor of Asansol and paid GST of Rs. 8000/-.

His outputs of the same month were as follows :

On 8th June he sold goods of Rs. 1,00,000/- to a customer of Bihar on which GST payable @ 18%.

On 14th June he sold goods of Rs. 1,50,000/- to a customer of Burdwan on which GST payable @ 12%.

On 21st June he sold goods to the different customers of his own district amounting to Rs. 3,00,000/- on which GST payable @ 12%.

Compute the net GST liability on Mr. X for the month of June, 2022.

Unit - II

(Marks : 20)

4. Answer any *two* questions : 2×2
- (a) What are the objectives of imposing Customers Duty?
 - (b) What is the significance of Customs Water?
 - (c) What is allowance (exemption from customs duty) of jewellery in respect of baggage?
 - (d) How GST is collected for imported goods?
5. Answer any *two* questions : 2×4
- (a) Write down the provisions in determining assessable value in respect of (i) Freight (ii) Insurance (iii) Landing charges.
 - (b) Mention the steps of exporting goods in brief.
 - (c) What is duty drawback? What are the different types of duty drawback?

(d) Determine the assessable value of the following imported machine from the following information. Alembic Industries Limited has imported a machine from Germany at an FOB cost of \$ 2,00,000. The other expenses incurred by Alembic Limited in this connection are as follows :

- (i) Air Freight from Germany to India Port :
\$ 20,000.
- (ii) Insurance paid to insurer in India ₹ 10,000.
- (iii) Designing charges paid to consultancy firm in Germany \$ 30,000.
- (iv) Alembic industries had expended ₹ 1,00,000 in India for certain development activities with respect to the important machine.
- (v) Alembic industries had incurred road transport cost from Mumbai port to their factory in Karnataka : \$ 30,000.
- (vi) The Central Board of Excise and Customs had notified for the purpose of section 14(3) of the Customs Act.
- (vii) Alembic industries had payment to the Bank based on exchange rate 1\$ = 75/-.

- (viii) The commission payable to the agent in India was 5% of FOB cost of the machine in Indian rupees.

6. Answer any *one* question : 1×8

- (a) What is warehousing ? What are the advantages of storing goods in warehousing ? How long goods could be stored in warehouse ? What is the right of Customs department and Owner on the warehoused goods ? 2+3+1+2

- (b) (i) Determine the customs duty payable under the Customs Tariff Act, 1975 including the safe guard duty of 30% with the following information :

- (1) Assessable Value of Sodium Nitrate imported from a developing country from 10th January, 2021 to 31st December, 2021 : ₹ 30,00,000
- (2) Share of import of Sodium Nitrate from the developing country against total imports of Sodium Nitrate to India : 4%.
- (3) Basic Customs Duty : 10%.
- (4) Integrated Tax : 12%.
- (5) Social Welfare Charge : 10%.

- (ii) Discuss the rights and duties of importer after demand and show cause notice is served upon him/her as per provisions of Customs Act 1962. 5+3

[Internal Assessment — 10]
