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BCMCMC 381

**Choice Based Credit System VI Semester B.Com.
Examination, September 2022
(2021 – 22 Batch Onwards)
GST AND CUSTOMS DUTY**

Time : 3 Hours

Max. Marks : 120

Instruction : Provide working notes wherever necessary.

SECTION – A (6 marks each)

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

(4×6=24)

1. State the taxes which are subsumed under GST.
2. Write a short note on GST Council in India.
3. Explain the types of GST.
4. Determine the following supplies into composite supply and mixed supply.
 - a) Supply of mouse, laptop and keyboard.
 - b) Supply of mobile phone with charger.
 - c) Supply of toothpaste with brush.
 - d) Supply of furniture and mat.
 - e) Supply of Diwali gift box consisting of sweets, cakes and chocolates.
 - f) Supply of coconut oil with cans.
5. Determine the total amount of GST payable on a machine using the details given below.
 - a) Selling price of the machine (Inclusive of CGST @ 9% and SGST at 9%) ₹ 1,50,000.
 - b) Design and development charges ₹ 10,000.
 - c) Warranty charges charged separately by the seller ₹ 5,000.
 - d) Cost of durable and returnable packing included in the sale price ₹ 2,000.
 - e) Rate of GST @ 18%.

P.T.O.



6. Bajaj Limited has its head office at Mysore and has 4 branches at Mumbai, Tamil Nadu, Delhi and Gujarat. It seeks the services of We Care Security Solutions based at Mysore for security for its H.O. and its branches We Care Security Solutions raises a bill which include GST amounting ₹4,00,000 on the H.O. the turnover of H.O. and branches during the quarter ending 31-12-2021 were as follows :

| | |
|--------------------|-----------|
| Mysore head office | 20,00,000 |
| Mumbai | 11,20,000 |
| Tamil Nadu | 6,50,000 |
| Delhi | 10,80,000 |
| Gujarat | 7,00,000 |

Compute the distribution of input tax by the Mysore head office.

SECTION – B (12 marks each)

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

(4×12=48)

7. State the various objectives of GST.
8. Explain the persons liable for registration under GST.
9. M/s Shruthi is a registered dealer in Hassan. From the following particulars find out taxable turnover and IGST payable under GST act.
- Supplied goods to a dealer at Delhi rate of GST is 12% for ₹ 5,00,000.
 - Goods amounting to ₹ 2,00,000 were sold to a firm of Japan GST at 18%.
 - Sale of petroleum products to a registered dealer in Madhya Pradesh for ₹ 3,50,000.
 - Sale of cell phones worth ₹ 1,50,000 to a dealer in Mandya for ₹ 4,00,000 at 18% GST.
 - Rendered service worth ₹ 8,00,000 to a dealer in Jammu and Kashmir at 18% GST.
 - Goods purchased from registered dealer of Haryana for ₹ 6,00,000 at 12%.



- g) Commodity sold to an unregistered dealer of Assam for ₹ 3,50,000 at 12%.
 - h) Transfer of goods to a branch at Mandya for ₹ 5,00,000 .
 - i) Ayurvedic medicines worth ₹ 2,00,000 are sold to the registered dealer of Andhra Pradesh at 5% GST.
 - j) Supply of branded cardamom to a dealer of Maharashtra for ₹ 4,50,000 at 5%.
 - k) Supply of tea powder for an unregistered dealer for ₹ 1,30,000 at 5%.
 - l) Services provided to RBI ₹ 2,50,000 at 18%.
10. A dealer in Karnataka entered a contract with a supplier in Kerala to Deliver. Machinery along with essential accessories. From the following information determine the Total Amount of GST payable U/S 15 of the CGST Act, 2017 (Composite supply).
- a) Machinery cost (Excluding taxes) ₹ 10,00,000.
 - b) Selling expenses ₹ 10,000.
 - c) Pre-delivery inspection charges ₹ 6,000.
 - d) Installation charges charged separately ₹ 50,000.
 - e) Cost of materials supplied by buyer free of cost ₹ 20,000.
 - f) Secondary packing charges ₹ 80,000.
 - g) Design charges paid by the buyer ₹ 25,000.
 - h) Cost of insurance ₹ 10,000.
- Other information :**
- a) Trade discount @ 10% on cost of machinery.
 - b) Cash discount @ 3% on cost of machinery.
 - c) The machine is supplied along with accessories at ₹ 20,000 which are necessary for the working of the machinery. These bought out accessories are charged for tax at the rate of 5%.
 - d) Rate of GST on machinery @ 18%.
 - e) Rate of profit @ 12% on cost of the goods.



11. Assessable value of the tobacco products imported into India is ₹ 8,00,000. The rates of taxes on such product are BCD @ 37.5 %, IGST @ 28%, National calamity contingent duty @ 1%, counter vaking duty @ 12.5%, anti dumping duty at ₹ 10 per kg, safeguard duty at 15% and compensation cess at 60%. Calculate total customs duty payable. Quantity imported is 100 kg.
12. Mr. Varun is a casual taxable dealer in Mangalore and furnished the following information for the year 2021 – 22. Compute the aggregate turnover under CGST Act, 2017 for the purpose of registration from the following information and state whether he is eligible for composition levy under GST law.
- a) Supplied goods to X company ₹ 5,00,000.
 - b) Supplied goods to unregistered dealer at Bangalore for ₹ 2,50,000.
 - c) Sale of goods to Arun at Chamarajanagar ₹ 4,00,000.
 - d) Purchased goods from Hyderabad for ₹ 10,00,000.
 - e) Goods supplied to job worker in Mangalore for ₹ 2,00,000.
 - f) Supplied goods from his branch at Mandya for ₹ 3,00,000.
 - g) Sold food and drinks for ₹ 1,00,000.
 - h) Supplied products which are exempt from tax ₹ 3,50,000.
 - i) Varun render a software services to a company at Mysore for ₹ 2,50,000.
 - j) Supplied goods to U.K. for ₹ 5,00,000.
 - k) Supplied goods to unit of SEZ located in Delhi for ₹ 10,00,000.



SECTION – C (24 marks each)

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

(2×24=48)

13. What is GST ? Explain the different benefits of GST.

14. From the following information you are required to calculate value of taxable supply and amount of GST payable by the dealer on his transaction (GST rate @ 12%).

The sale price of ₹ 10,00,000 does not include the following.

| | ₹ |
|--|--------|
| Selling expenses | 10,000 |
| Servicing charges | 4,000 |
| Insurance cost | 8,000 |
| Publicity expenses | 12,000 |
| Installation and erection expenses | 20,000 |
| Pre delivery inspection charges | 7,000 |
| Warranty expenses | 15,000 |
| Material imported (including BCD but excluding IGST) | 25,000 |
| Design and development charges | 15,000 |
| Freight charges | 40,000 |
| Incentives paid to sales personnel | 10,000 |
| Taxes, duties, cesses, fees charges | 50,000 |
| Royalty charges | 9,000 |
| Transportation charges | 20,000 |

Selling price includes the following :

- a) Cost of durable and returnable packing 70,000
- b) Trade discount (it is allowed before or at the time of supply) 50,000
- c) Mark up @ 10% on cost of supply.



15. Ajantha Private Ltd. Bengalure furnished the following information on manufacturing goods. Compute the net GST payable by Ajantha Private Ltd. for the month of March 2021.

a) Details of purchases and other expenses :

- 1) Purchased from local market (Inclusive of GST @ 5%) ₹ 2,10,000.
- 2) Goods purchased from an unit of SEZ in Mangalore for ₹ 1,50,000 (Net of taxes and duties) @ 12% GST.
- 3) Raw materials which are specified U/S 9(3) of CGST Act, purchased from an unregistered dealer in Manda for ₹ 30,000 rate of GST applicable to such materials is 18%.
- 4) Materials purchased from SEZ in Bangalore (Including BCD and GST @ 5%) ₹ 2,10,000.
- 5) Materials purchased within the State from a registered dealer who opted for composition scheme under GST for ₹ 3,00,000, rate of GST to this product is 12%.
- 6) Materials purchased from America including BCD and excluding GST @ 28% for ₹ 70,000.
- 7) Freightage paid to Goods transport agency of ₹ 40,000 (GST @ 12%) to brought raw materials.
- 8) Manufacturing expenses is ₹ 1,20,000.
- 9) Profit to a manufacturer is ₹ 50,000.

b) Details of sales @ 18% GST out of the total finished goods.

- 1) 20% sold to an unit of SEZ in Mangalore.
- 2) 30% sold to an unregistered dealer of Rajasthan.
- 3) 20% sold to a dealer of Bangalore who opted for composition scheme under GST and
- 4) The balance was sold to a registered dealer in Mysore.



16. A commodity is imported by Arun Ltd. from America. Determine the duty liability under the Customs Act, 1962 from the following information :

- a) Cost of the imported product \$ 30,000.
 - b) Design and development charges \$ 400.
 - c) Packing charges \$ 3,000.
 - d) Cost of container \$ 200.
 - e) Buying commission paid to an agent in India ₹ 5,000.
 - f) Royalty charges paid by exporter \$ 100.
 - g) Freight charges from America to airport of Bangalore \$ 5,000.
 - h) Cost of insurance is paid on product but no details are available.
 - i) Transport cost incurred by supplier from his factory to airport in America \$ 100.
 - j) Cost of technical know how incurred by supplier \$ 1500.
 - k) Date of bill of entry 10-01-2019 (Rate of basic customs duty @ 10%, IGST @ 28%, exchange rate as 'notified' by CBEC ₹ 60 per \$).
 - l) Date of entry inward 15-04-2018 (Rate of basic custom duty @ 18%, IGST @ 28%, exchange rate as notified by CBEC ₹ 50 per \$).
 - m) Additional duty payable under Section 3(5) of Customs Tariff Act, 1975 @ 16%.
 - n) Social welfare surcharge is as applicable.
 - o) As per notification issued by the Government of India, safeguard duty has been imposed on these goods @ 30%.
 - p) Anti dumping duty has been imposed on these goods imported from America @ 40%.
 - q) Compensation cess applicable @ 30%.
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