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CMS 512

III Semester M.Com. Degree Examination, December 2018
Choice Based Credit System (CBCS)
COMMERCE
Optional (Tax)
Goods and Services Tax and Customs Duty

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any four** questions out of seven. **Each** question carries **10** marks. Answer to **each** question should **not** exceed **4** pages. **(4×10=40)**

1. Explain the types of GST in India with illustrative examples.
2. What is GST Returns ? Explain the types of GST Returns allowable in Indian Goods and Services Tax Act 2017.
3. Explain the following terms under GST.
 - a) Reverse Charge
 - b) Output Tax
 - c) Aggregate Turnover
 - d) Time of Supply
4. Compute GST for the following Goods and Services :

Goods and Services	Amount (Rs.)
a) Eggs	1,500
b) Tea	1,000
c) Toothpaste	600
d) Fresh vegetables	500
e) Gold	1,00,000

P.T.O.



f) Loading charges of rice	10,000
g) Toll charges for a bridge	25,000
h) First class rail charges	15,000
i) Air charges of economy class	2,50,000
j) Selling of space for advertisement	25,000

5. An importer has imported raw material from America at a cost of 50,000 dollars. Other details are as follows :

- Goods were packed for which packing charges were charged \$ 5,000
- Goods were stuffed in returnable container; price of container is \$ 2,000
- Insurance Charges \$ 250
- Sea Freight Charges \$ 4,000
- Importer had paid commission to broker in America who arranged the transaction \$ 500
- Rate of Exchange – 1 Dollar = Rs. 60
- Customs Duty – 10%
- Integrated tax u/s 3(7) of Customs Tariff Act, 1975 – 12%
- Education Cess and SHEC at 3% is also leviable

Find out the customs duty payable.

Note : Ignore compensation cess under GST.

6. Akshay Ltd. a supplier of goods has purchased capital goods under cover of invoice dated 20-9-2017 for Rs. 4,13,000 (inclusive of CGST at 9% and SGST at 9%). After taking it for business use, the said capital goods were supplied for Rs. 2,85,000 on 26-5-2018.

Explain Input Tax Credit treatment in this case.

7. Compute the invoice value for the manufacturer, wholesaler and retailer from the following information :

Cost of production to manufacturer – 10,000

Profit Margin charged by each merchant – manufacturer charges 20%

Wholesaler charges 10%

Retailer charges 10%

The applicable GST rate at 18% for each category of merchant.

Before GST the applicable Tax and Rates – Excise 12%; VAT 12.5%.



SECTION – B

Answer **any two** questions out of three questions. **Each** question carries **15** marks.

Answer to **each** question should **not** exceed **7** pages. **(2×15=30)**

8. Which of the existing taxes are subsumed under GST and which are the commodities kept outside the purview of GST and Why ?
9. Discuss the procedure for import and provisions relating to conveyances carrying imported goods under the Customs Act 1962.
10. Mr. Amith runs a restaurant in Bangalore. From the following details compute the GST liability under Composition Levy Scheme and Normal Levy Scheme :

The Total Value of Inputs is Rs. 62.5 lakhs.

The Nil Rated and Exempted Inputs constitute 20%.

The Mark-up Rate is 40%.

The Composition Levy Rate is 5%.

Normal Levy Scheme Rate under GST is 18%.

Compute the Tax Liability under both the Schemes and advise which option is better. Why ?
