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BBABMC 389

**Choice Based Credit System VI Semester B.B.A. Degree
Examination, September 2022
(2021-22 Batch Onwards)
TAXATION – II (BT – II) (Course – II)
Business Taxation Specialisation (Paper – II)**

Time : 3 Hours

Max. Marks : 120

Note : Provide working notes *wherever* necessary.

SECTION – A

(6 Marks each)

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

(4×6=24)

1. Explain the functions of GST Council in India.
2. Give the meaning of composite supply and mixed supply with the provisions for tax liabilities.
3. Write a note on 15 digit GSTIN.
4. Determine the customs duty payable from the following details :
 - a) Assessable value of imported goods ₹ 10,00,000
 - b) Basic customs duty @ 10%
 - c) Safeguard duty @ 15%
 - d) Compensation cess @ 28%
 - e) IGST @ 12%.
5. Compute the aggregate turnover of Mr. Varun from the following :
 - a) Supplied goods to unregistered dealer ₹ 3,00,000
 - b) Sold goods to Bangalore ₹ 6,00,000
 - c) Sold goods to Bellary ₹ 4,00,000
 - d) Goods supplied to job worker in Mangalore ₹ 10,00,000
 - e) Supplied goods to SEZ Bangalore ₹ 7,00,000
 - f) Goods received from unregistered dealer ₹ 1,00,000
 - g) Service rendered to a company ₹ 2,00,000.

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6. Determine the total amount of GST payable on machine using details given below.

- a) Selling price of a machine (Excluding GST @ 18%) ₹ 9,50,000
- b) Cost of durable and returnable packing included in selling price ₹ 10,000
- c) Design and development charges ₹ 6,000
- d) Warranty charges charged separately by the seller ₹ 2,000
- e) Rate of GST 18%.

7. Mr. Raj living in Delhi is a trader of goods. On the same PAN, he has a branch in Faridabad. The detail of his sale (excluding GST) for the financial year 2021-22 are as follows :

- a) Sale of Taxable Goods from Delhi is ₹ 10 lakhs
- b) Sale of Goods from Delhi to Faridabad branch is ₹ 5 lakhs
- c) Sale of exempted goods from Faridabad is ₹ 25 lakhs
- d) Export of goods from Delhi is ₹ 4 lakhs
- e) Sale of Non GST goods from Faridabad is ₹ 1 lakh
- f) Total GST on above sale is ₹ 2 lakhs
- g) Inward supplies liable to reverse charge is ₹ 2 lakhs.

Compute aggregate turnover and state whether he is liable for GST Registration.

SECTION – B

(12 Marks each)

Answer **any four** questions from the following :

(4×12=48)

- 8. What are the salient features of GST ?
- 9. Write a note on Reverse charge mechanism under GST.
- 10. State the contents of tax invoice under GST.
- 11. From the following details compute the value of taxable services and tax liability.
 - a) Service provided to foreign diplomatic mission ₹ 5,00,000
 - b) Service by way of private tuition ₹ 30,000
 - c) Rented out a property to AB Ltd., to be used as a Guest House ₹ 3,00,000



- d) Speed post services ₹ 50,000
- e) Value of free services rendered to friends ₹ 50,000
- f) Service rendered to UNO ₹ 2,00,000
- g) Secretarial auditing ₹ 20,000
- h) Fees to act as a liquidator ₹ 1,00,000
- i) Services rendered within territorial water ₹ 10,00,000
- j) Services relating to supply of farm labour ₹ 2,00,000.

12. A dealer in Mumbai entered into contract with a supplier in Kerala. For the delivery of a machinery along with essential accessories. From the following information calculate transaction value and GST payable.

Machinery cost including GST ₹ 11,20,000;

a) Following expenses are not included :

Installation charges ₹ 80,000

Primary and Secondary packing ₹ 20,000

Design charges ₹ 10,000

Bought out accessories, not essential for its working ₹ 1,00,000 were supplied along with the machine.

b) Following are included in the price –

Durable and returnable packing ₹ 50,000.

c) GST Rate 12% on the machinery and 18% on accessories.

d) Trader has the practice of allowing 5% discount on the price of the machinery.

13. From the following information of Abhay and Co. of Udupi for the month of January 2022, compute the eligible input tax credit and GST payable.

a) Purchases of raw material 'A' from a supplier of Udupi for ₹ 1,00,000 @ 5% GST.

b) Purchases of raw material 'B' from Kolkata for ₹ 5,00,000 @ 12% GST.

c) Purchased a machinery from Bangalore for ₹ 3,00,000 @ 18% GST.

d) Sales of ₹ 3,00,000 to Mandya @ 18% GST.

e) Supply of goods worth ₹ 2,00,000 to Mysore @ 12% GST.



14. Compute the assessable value for the purpose of determination of customs duty from the following data.

- a) Machinery imported from USA by AIR (FOB price) \$ 4000
- b) Accessories compulsorily supplied along with the machinery \$ 1000
- c) Licence fees, the buyer was required to pay in USA \$ 400
- d) Air freight \$ 1200
- e) Insurance charges – Accruals not available.
- f) Local agent's commission to be paid in Indian Currency ₹ 9,300
- g) Transportation from Indian Airport to factory ₹ 4,000
- h) Exchange rate \$ 1 = ₹ 48.

SECTION – C

(24 Marks each)

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

(2×24=48)

15. Following are the transactions of taxable person in Karnataka for the month of November. Compute total taxable turnover and GST payable.

- a) Supply to a taxable person in Mysore (5%) ₹ 1,00,000
- b) Supply to a taxable person in Goa (Nil Rate) ₹ 2,40,000
- c) Supply to a taxable person in Bangalore (12%) ₹ 2,00,000
- d) Supply to a taxable person in Udupi at the instructions of a dealer in Jammu and Kashmir (18%) ₹ 4,00,000
- e) Supply to an unregistered person in Mangalore (28%) ₹ 6,40,000
- f) Supply to SEZ developer in Bangalore (18%) ₹ 10,00,000
- g) Supply to a taxable person in Pondicherry (12%) ₹ 8,00,000
- h) Supply to registered person in Pune (Exempt) ₹ 12,00,000
- i) Export to China (12%) ₹ 9,00,000
- j) Supply to a unit of SEZ in Mysore (5%) ₹ 6,00,000
- k) Supply to a taxable person in Udupi (12%) ₹ 5,00,000



- l) Supply to a dealer in Belgaum (28%) ₹ 4,00,000
- m) Sale of Petroleum products to UP ₹ 2,50,000
- n) Sale of Alcoholic Liquor for Human Consumption to a Registered dealer in Bihar ₹ 3,00,000
- o) Sale of a product to a dealer in Arunachal Pradesh (5%) ₹ 3,55,000
- p) Goods supplied to a job worker in Mysore ₹ 1,50,000 (12%) and returned after completion.

16. N Ltd., imported a machine from USA for furtherance of sale in India. Firm furnishes the following information. Compute Assessable Value and Duty Payable.

- a) Cost of machine \$ 10,000
- b) Cost of materials sent by an importer for manufacturing the machine \$ 1000
- c) Design and development charges incurred outside India \$ 500
- d) Technical fees paid to an exporter after importing a machine \$ 100
- e) Installation charges of a machine in India \$ 100
- f) Paid to a broker who arranged the deal in USA @ 2% of FOB Price.
- g) Cost of materials and labour for packing \$ 50
- h) Cost of transport from the factory of an exporter to port \$ 30
- i) Cost of design work which has been done in India supplied by importer to exporter in connection with machine ₹ 2,000
- j) Amount paid to an employee of an importer for assembling ₹ 1,000
- k) Cost of further development work done in India ₹ 2,500
- l) Freight charges \$ 200
- m) Cost of transit insurance \$ 50
- n) Rate of exchange as per CBEC ₹ 64 = \$ 1
- o) Rate of BCD @ 15%, IGST @ 12%, Compensation Cess @ 20%.



17. From the following information you are required to calculate assessable value and CGST and SGST payable @6% each.

The sale price of ₹ 3,00,000 does not include the following :

Pre-deliver inspection charges ₹ 20,000

Publicity Expenses ₹ 50,000

Design and Development charges ₹ 5,000

Packing cost ₹ 10,000

Cost of special packing ₹ 8,000

Royalty charges ₹ 8,000

Material purchased (Exclusive of GST) ₹ 15,000

Servicing charges ₹ 7,000

Freight charges ₹ 25,000

Insurance cost ₹ 10,000

Installation and erecting expenses ₹ 7,000

Transportation charges ₹ 7,000

Taxes, Duties, Fees etc. ₹ 5,000

Warranty expenses ₹ 10,000

Materials imported from USA (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 ₹ 10,000

c) Mark up @ 10% on cost of supply.

18. Jagadish a registered dealer in Karnataka, submits the following information for the month of January compute the Net GST payable, if his electronic credit ledger shows IGST credit of ₹ 3,00,000, CGST credit of ₹ 1,50,000 and SGST credit of ₹ 1,50,000.

Details of purchases :

a) Materials purchased from Bihar (5%) ₹ 10,00,000

b) Raw material 'X' purchased from Mangalore (12%) ₹ 12,00,000

c) Raw material 'Y' purchased from Bangalore (5%) ₹ 8,00,000



- d) Materials purchased in Local Market (18%) ₹ 3,00,000
- e) Material 'A' purchased from an unit of SEZ (including BCD and IGST) (28%)
₹ 28,00,000
- f) Raw material 'R' purchased from UK (including BCD and IGST) (18%)
₹ 12,98,000
- g) Raw materials purchased from a dealer opted for composition scheme
(1%) ₹ 13,00,000
- h) Material 'S' purchased from registered dealer specified U/s 9(3) of CGST
Act (5%) ₹ 3,00,000
- i) Semi-finished goods obtained from another manufacturer of Mysore (18%)
₹ 5,00,000.

Details of Sales :

- a) Sold Goods to Registered dealer of Hyderabad (12%) ₹ 12,50,000
 - b) Goods sold to dealer of Mangalore Registered under Composition Scheme
(12%) ₹ 30,00,000
 - c) Sold goods in Local Market (18%) ₹ 30,00,000
 - d) Sold goods to Lakshadweep (28%) ₹ 28,00,000
 - e) Sold goods to a dealer in France (0%) ₹ 13,00,000
 - f) Sold goods to unit of SEZ at Gujarat (0%) ₹ 25,00,000
 - g) Sold goods to an unregistered dealer of Pune (18%) ₹ 12,00,000.
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