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Sl. No.

Total No. of Pages : 3

III Semester M.Com. Examination, December - 2018
(Scheme : CBCS) (2017-18 Batch onwards)
COMMERCE (Elective Group - A)
Business Taxation: Indirect Tax Law and Practice
Goods and Services Tax and Customs Duty (Paper - I)

Time : 3 Hours

Max. Marks : 70

PART - A

Answer any five questions. Each question carries 5 marks: [5 × 5 = 25]

1. Define GST. Explain the constitutional amendment needed for implementation of GST.
2. Explain the following terms under GST -
 - a. Supply
 - b. Person
 - c. Capital Goods
 - d. Input Tax ~~credit~~ *credit*
3. Explain the structure and functions of GST Council.
4. Explain the constitutional provision for Indian tax system.
5. What are the different types of taxes? Explain with examples.
6. What are the principles governing the levy of customs duty?
7. Compute from the following aggregate turnover under GST Act 2017. Mr. Ranjith of Mysore gives you the following details of transactions :
 - a) Sale of goods by Mr. Ranjith to Mr. X in Chamarajanagar Rs. 5,00,000. ✓
 - b) Sale of goods by Mr. Ranjith to Mr. Y in Mumbai Rs. 2,00,000. ✓
 - c) Sale of goods by Mr. Ranjith to XYZ Company in Bangalore Rs. 1,50,000. ✓

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- d) The goods received by Mr. Ranjith from unregistered dealer Rs. 10,000. ✓
 - e) Goods supplied by Ranjith to a job worker in Mysore and returned after completion Rs. 1,50,000. ✗
 - f) Supply of services to Mr. B and it is chargeable to tax at zero rate Rs. 4,00,000. ✓
 - g) The Sale of goods to a merchant in USA Rs. 5,00,000. ✓
 - h) Transfer of goods from branch in Mandya to a branch in Bangalore Rs. 5,00,000. ✓
8. Explain the procedure of assessment and audit of accounts under GST.

PART - B

Answer any three questions of the following. Each question carries 10 marks:

[3 × 10 = 30]

9. What challenges are present before the Government after the implementation of GST? How far Economy is prepared to face the challenges of this new tax regime?
10. GST - "One Nation, One Tax." Elucidate the statement with the pros and cons of GST. How GST will boom up for the economic development of the country?
11. Mr. Gupta 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?

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12. Which of the existing taxes are subsumed under GST and which are the commodities kept outside the purview of GST and why?
13. Discuss the procedure for import and provisions relating to conveyances carrying imported goods under the Customs Act - 1962.

PART - C

Read carefully below case and answer the below questions. [15]

14. Rajesh Ltd. imported a machine from UK in June 2018. The details in this regard are as under :

- i) FOB Value of the machine 10,000 UK Pound.
- ii) Freight (Air) 3,000 UK Pound.
- iii) License Fee, the buyer was required to pay in UK 400 UK Pound.
- iv) Buying Commission paid in India Rs. 20,000.
- v) Date of Bill of Entry was 20-04-2018 and the rate of exchange notified by CBEC on this date was Rs. 99.00 per one Pound. Rate of BCD was 7.5% ✓
- vi) Date of arrival of aircraft was 25-04-2018 and the rate of exchange notified by CBEC on this date was Rs. 98.50 per one Pound. Rate of BCD was 10%. <https://www.uomonline.com>
- vii) Rate of Integrated Tax under section 3(7) of Customs Tariff Act was 12% and ignore GST Compensation Cess.
- viii) Insurance premium details were not available.

Required to analyse of a student of taxation :

- a. You are required to compute the Assessable Value of the machine for Valuation of Customs Duty and the total duty payable.
- b. Explain how GST will impact on levy and collection of Customs Duty?

Note : You may make suitable assumptions wherever required.



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