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**BCMCMC 381**

**Choice Based Credit System Sixth Semester B.Com. Degree  
Examination, July/August 2023  
(2021-22 Batch Onwards)  
GST AND CUSTOMS DUTY**

Time : 3 Hours

Max. Marks : 120

*Instruction : Provide working notes wherever necessary.*

## SECTION – A

Answer **any four** of the following questions :**(4×6=24)**

1. Give the meaning of the term, 'Goods' and 'Services' under GST Act and mention the various types of GST.
2. Expand the following terms used in GST Act.
  - a) HSN
  - b) GSTN
  - c) GSTIN
  - d) SAC
  - e) CBIC
  - f) ISD.
3. Sumana is carrying a restaurant business in Mangaluru. Her total turnover for the year 2022-23 was ₹ 1,28,00,000. She has paid input tax on all her inward supplies but has not collected GST on outward supplies. Is she eligible for levy under composition scheme ? If yes, calculate GST liability.
4. From the following information, compute Net GST payable :  
Supplier has output tax liability : IGST – ₹ 1,70,000, CGST – ₹ 80,000 and SGST – ₹ 90,000 and the credit available for IGST – ₹ 1,85,000, CGST – ₹ 65,000 and SGST – ₹ 75,000.
5. Determine the time of supply of goods in each of the following cases :

Sl. No.	Date of issue of Invoice	Date of Supply of Goods	Date of Payment
1	17-09-22	22-09-22	24-09-22
2	21-02-23	19-02-23	13-03-23
3	01-06-22	07-06-22	22-06-22
4	09-09-22	03-08-22	03-09-22
5	07-05-22	08-05-22	02-05-22
6	31-10-22	03-11-22	19-11-22

P.T.O.



6. From the following information, compute Customs Duty payable.
- FOB value of imported goods € 6,800
  - Basic Customs Duty – 12%
  - Anti-dumping duty – 10%
  - IGST 18%.
- Assume the rate of exchange on the date of presentation of Bill of Entry is € 1 = ₹ 92.5.

## SECTION – B

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

(4×12=48)

- Explain the concept of Reverse Charge Mechanism.
- Write short notes on composite supply and mixed supply.
- Mention any six differences between Normal Scheme of Registration and Composition Scheme of Registration.
- From the following information, compute Aggregate Turnover and Taxable Turnover under IGST, CGST and SGST.  
Assume the Supplier is registered in Mysuru, Karnataka.
  - Goods supplied to a registered dealer in Dharwad – ₹ 12,00,000
  - Goods supplied to an unregistered dealer in Telangana – ₹ 7,50,000
  - Exports to Oman ₹ 15,00,000
  - Inward supplies from an Unregistered dealer in Cochin – ₹ 6,00,000
  - Supply of goods to a branch office in Mangaluru – ₹ 2,50,000
  - Supply of goods to a branch office in Mumbai – ₹ 5,80,000
  - Supply of goods to a dealer in Ahmedabad – ₹ 2,24,000 (including GST @ 12%)
  - Supply to a dealer in SEZ at Mangaluru – ₹ 15,00,000
  - Supply to a composite dealer in Chennai – ₹ 5,40,000
  - Supply of Alcohol and Tobacco products in Karnataka – ₹ 8,50,000.
- VK Ltd. has its Head Office in Hyderabad and has six branches at Mangaluru, Kochi, Lucknow, Kolkata, Mumbai and Chennai. It hires the services of Complete Care Ltd., an internet security service provider for all its branches including the Head Office. The bill is raised on the Head Office which includes GST amounting to ₹ 6,50,000. The turnover of the H.O. and the branches during the year ending 31<sup>st</sup> March 2023 were as follows :
 

Hyderabad Head Office	–	₹ 12,00,000
Mangaluru	–	₹ 17,00,000
Kochi	–	₹ 11,50,000
Lucknow	–	₹ 12,50,000
Kolkata	–	₹ 15,60,000
Mumbai	–	₹ 15,00,000
Chennai	–	₹ 12,50,000

Compute the distribution of input tax as per the ISD rules.



12. From the following information compute Customs Duty payable in the following cases :

Particulars	Case I (€)	Case II (¥)
Rate of Exchange for 1€ & 1¥ respectively	₹ 93	₹ 0.70
Assessable value	€ 3400	¥ 12000
Basic Customs Duty	10%	12%
NCCD	1%	—
CVD	10%	—
Compensation Cess	45%	50%
IGST	12%	18%

SECTION – C

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

(2×24=48)

13. Explain the features and objectives of GST.
14. From the following information you are required to compute the Assessable Value and the amount of GST payable by the dealer on his transaction. GST rate 12%.
- The Sale price of goods ₹ 6,00,000 which does not include the following :
- Selling expenses ₹ 24,000
  - Insurance cost ₹ 12,000
  - Warranty expenses ₹ 16,000
  - Design and development charges ₹ 10,200
  - Pre delivery inspection charges ₹ 12,000
  - Packing cost ₹ 20,800
  - Materials purchased (Exclusive of GST) ₹ 1,60,000
  - Publicity Expenses ₹ 24,000
  - Taxes, duties, cess and charges ₹ 60,000
  - Transportation charges ₹ 12,000
  - Installation and erection charges ₹ 28,000
  - Freight charges ₹ 40,000
  - Advertising charges ₹ 16,000
- Selling price includes the following.
- Cost of durable and returnable packing ₹ 1,04,000
  - Trade discount (allowed at the time of supply) ₹ 60,000.



15. Rajani Ltd., Puttur furnishes the following information on manufacturing of goods. Compute Net GST payable by the business.

**Inward Supplies :**

- a) Supply of raw materials from within the state (inclusive of GST at 12%) – ₹ 3,36,000
- b) Supply of raw materials from an unregistered dealer in Bagalkote at – ₹ 2,40,000 (excluding GST at 18%)
- c) Supply from Harihar for – ₹ 3,20,000 (excluding GST at 18%)
- d) Supply from SEZ in Mangaluru – ₹ 6,30,000 (including GST at 5%)
- e) Supply from a Composite dealer – ₹ 5,00,000 (GST applicable 12%)
- f) Imports from Bangladesh including BCD and Social Welfare Surcharge and excluding IGST at 18% – ₹ 11,10,000.
- g) Manufacturing expenses – ₹ 1,50,000
- h) Transportation cost and insurance – ₹ 60,000.

**Outward Supplies at 18% GST :**

Out of the total finished goods :

- a) 20% sold to a unit of FTZ in Bengaluru at a profit of 30%
- b) 20% sold to an unregistered dealer in Madhya Pradesh at a profit of 40%
- c) 20% sold to a registered dealer in Telangana who opted for composition scheme at a profit of 35%
- d) 25% exported to Sri Lanka at a profit of 50%
- e) Balance sold within the state at a profit of 30%.

Assume all suppliers have uploaded their invoices. Electronic Credit Ledger of Rajani Ltd. provides the following :

IGST Credit – ₹ 50,000, CGST Credit – ₹ 50,000 and SGST Credit – ₹ 45,000.

16. From the following information compute Assessable Value and Customs Duty payable.

- a) Cost of the perfume imported from London – £ 1,40,000
- b) Commission – £ 12,000
- c) Packing charges – £ 3,500 (includes returnable packing £ 400)
- d) Cost of materials supplied by the importer – £ 15,000
- e) Royalty and License fees paid by the importer – £ 12,000
- f) Cost of Air Transport – £ 2,000
- g) Basic Customs Duty – 12%
- h) NCCD – 10%
- i) CVD – 12.5%
- j) Safeguard duty – 10% on AV
- k) Compensation Cess – 60%
- l) IGST 28%.

Assume that the rate of exchange 1£ = ₹ 102 as prescribed by CBIC on the date of presentation of Bill of Entry.