



The Institute of Chartered Accountants of India

Code: IN4IT419078
Subject : 04B Indirect Taxes

Total Marks: 28
Marks Obtained : 23.5

Subject : Taxation

Number of Answer Books used : Main + ... additional sheets

For use by ICAI only

419078



29 JAN 2021

Q.No.	To be ticked (✓) by the candidate against the Questions answered	Marks Awarded (To be filled by Examiner)					Total
		a	b	c	d	e	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
Total							

ICAI

B

Use only Blue / Black Ball Point Pen to write and shade the circles.
AVOID RED PEN.
Write the marks in the boxes before shading the respective circles.

Total Marks awarded

0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

Total Marks awarded (in words) _____

Examiner's Signature _____



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INSTRUCTIONS TO THE CANDIDATE

are not to be written on this page



- Answers should be written in figures and words in the allotted space at the right hand corner of the answer booklet and nowhere else including additional answer book/s and graph paper.
- Answers should be written in the box in numbers and darken the appropriate circles of the OMR bubbles provided in the right hand corner of the cover page with **Black / Blue** ball point pen.
- Particulars such as name of Examination, Paper No. and subject at the appropriate space provided in the left hand upper corner.
7. Remove the Bar Code sticker of the particular paper from the Attendance sheet and affix the same on the box provided in the right hand corner of the cover page.
5. Since a machine will read the Roll no., please check and ensure that Roll number written in numbers, words and circles darkened are correct. In case any candidate fills this information wrongly, Institute will not take any responsibility for rectifying the mistake.
6. The answers should be written neatly and legibly
7. The answer to each question must be commenced on a fresh page and question number prominently written at the top of each answer. Alternatively, the question number should be distinctly written in the margin.
8. The answer to each question in all parts should be fully completed in one page or in a consecutive set of pages, before the next question is taken up.
9. The candidates are required to write answers of Section A in the answer booklet with the marking (A) on the cover page and answers of Section B in the answer booklet with the marking (B) on the cover page. In case a candidate writes the answers in wrong set of answer books the same will be not be valued and no correspondence in this regard will be entertained.
10. Writing of Roll number in place/s other than the space provided for the purpose or writing distinguishing mark, symbols like "OM", "Sri", "Jesus", "786", etc., will tantamount to adoption of "unfair means"
11. Before submission of answer book to the invigilator take care to score out (X) blank pages, if any, that you might have left.



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Ans. (5.)

2.5	5Step1	Rantravari	Amount
		(1) List price of machine	80,000
		(+) Tax levied by municipality (WN 2)	6,000
		(+) Parking charges (WN 2)	4,000
		(+) Subsidies (WN 3)	5,000
			95,000
		(-) Discount (WN 4) $(80,000 \times 2\%)$	(1,600)
		<u>Value of supply</u>	<u>93,400</u>
		<u>Working Notes</u>	
		(1) Taxes, charges, cesses and duties other than CST, GST, & UTGST, & ILST & GST Cess, shall be included in supply if charged separately.	



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(2)	Any incidental expenses, like packing, charged by the supplier to the recipient of the ~~the~~ supply shall be included in value.
(B)	Any amount charged for any thing done by supplier on or before the delivery of goods to the recipient shall be included in value.
(3) (B)	Subsidies, directly linked to the price, other than given by central & state Govt. shall be <u>included</u> in value of supply.
(4) (B)	Any discount given at the time of supply & shown in the invoice shall be <u>included</u> ~~excluded~~ from the value of supply.



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Value of one machine = 93,400

supplied as intra-state = 3

→ Total value of intra-state

supply = $93,400 \times 3$

= $2,80,200 \text{ ₹}$

→ inter-state supply = $93,400 \times 1$

= $93,400 \text{ ₹}$

Computation of Outward
GST payable

2 5Step2

Particulars	CGST	SGST	IGST
(1) Intra state supply :- CGST = $2,80,200 \times 9\% =$	25,218	-	-
SGST = $2,80,200 \times 9\% =$		25,218	-
(2) Inter-state supply :- IGST = $93,400 \times 18\% =$	-	-	16,812
Outward GST payable	25,218	25,218	16,812



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0.5

5Step4

Input tax credit

Particulars	CGST	SGST	IGST
Balance	18,000	4,000	26,000
(+) Input tax credit on purchases			
CGST = $1,20,000 \times 9\%$	10,800		
SGST = $1,20,000 \times 9\%$		10,800	
Total Balance credit	28,800	14,800	26,000

3

5Step3

Min. output tax payable in cash

Particulars	CGST	SGST	IGST
Output tax liability	25,218	25,218	16,812
(-) Input tax credit of IGST utilization		(9,188)	(16,812)
	25,218	16,030	Nil
(-) Input tax credit of CGST	(25,218)		
	Nil	16,030	
Input tax credit of SGST		(16,812)	
Min. payable in cash	Nil	(1,222)	Nil
<u>Min. Payable in cash</u>			

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Remaining ~~SGST~~ ^{input} tax of CGST has been utilised again SGST because to minimize the use of cash.

Balance ~~after~~ ^{of} input tax ~~after~~ ^{payment}

CGST = 28,800 - 25,218 = 3,582

SGST = Nil

IGST = Nil

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Ans. (8a.)

- Supply of service by an author by way of ~~transfer~~ ^{transfer} of ~~transfer~~ ^{transfer} of the use or enjoyment of a copyright ~~work~~ ^{work}
- Creating original literary works to a publisher shall be payable under reverse charge
- However an author may choose to pay the tax at forward charge if the following are satisfied:
 - ① He is registered under the ☐ CGST Act, & has made a declaration that he will pay tax at forward charge & thereupon ☐ ~~may~~ ^{will} comply with all the provisions of the Act, with regard to the supply. ☐

1

8aStep1

3

8aStep2

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1 8aStep3 → He will not change / withdraw his option within a period of 1 year from date of declaration.

5 8a → He has made a declaration regarding such ~~in~~ on the invoice supplied to the publisher.

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Ans (86.)

The proper officer is authorised to cancel the registration on his own ~~will~~ of a registered person under following circumstances:-

→ the registered person has contravened the provisions of the Act.



8bStep1

→ the registered ~~the~~ person has not commenced the business within a period of months from the date of registration.

→ the registered person has failed to file the returns for a consecutive period of 3 months (6 months in case of composite suppliers) .



8bStep2

→ the registered person has obtained registration by

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fraudulent & false means.

→ the registered in indulgence
in invalid activities.

2 8b

7 Q8

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Ans (7a)

→ A ~~supplier~~ registered person making supply of services by way of admission to cinematographic films in multiplex screens ~~is not allowed to issue consolidated tax invoice for all supplies at the end of each day in respect of supplies made by him.~~

2 7aStep1

→ He is required to ~~issue~~ a tax invoice for each supply made by him for admission to multiplex screens.

→ However, ~~if~~ an electronic ticket issued by the supplier of services of admission to multiplex screen ~~shall be~~ considered as valid tax



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invoice, even if the name
of the recipient of
the service is not written.

Ans. in the light of above provisions:-

1.5

7aStep2

→ ABC Cinemas may issue
an electronic ticket to
each such recipient of services
which shall be deemed
to be an tax invoice issued
under the provisions of
this act, even if the
name of the recipient of
service is not specified
on the ticket.

3.5

7a



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Ans(7b)

The validity period of e-way bill as per the provisions is as follows

→ For ~~every~~ 100 km

1.5 7bStep1

One day in cases other than over dimensional cargo & multimodal lag

→ For every 100 km thereafter of part of 100 km

One additional day in cases other than over dimensional cargo & multimodal lag

→ For ~~every~~ 20 km

One day for over dimensional cargo & multimodal lag

→ For every 20 km thereafter or part thereof

One additional day for over dimensional cargo & multimodal lag

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Ans, here, distance is 368 km +
(1) in case of over dimensional
Cargo: One day for every 20 km or
part.

$$\text{Ans, } \frac{368}{20} = 18.4 \text{ days, } \boxed{}$$

So, rounding off upper case.

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1.5

7bStep2

So, it will remain valid for
19 days

(ii) in case other than overdimensional
Cargo: One day for every 100 km
or part.

$$\text{Ans, } \frac{368}{100} = 3.68 \text{ days, } \boxed{}$$

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So, after rounding off, 4 days

3

7b

will the validity of e-way
bill.



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Ans. (7c)

+ Every registered person is required to file an annual return

except +

- Input service distributor.
- Casual taxable person
- non-resident taxable person.
- person deducting tax at source u/s 51.
- supplier of DIDAR (Online information & data retrieval)

→ It has to be filed on or before ~~31st Dec~~
31 December
of the succeeding financial year.

→ The failure to file annual return would attract penalty +

1.5

7cStep1

→ ₹100 for each day during which the default continues (Def)

→ ~~0.25% 0.25% of turnover in the state/UT, whichever is lower~~

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Ans. he shall be liable
to pay a penalty at an
amount lower of

→ ₹100 day for every day for default
or
0.25% of turnover.

0.5 If he fails to file returns such
as this +
→ Statement of outward supplies
→ Final Return
→ First return, ~~to~~

he shall be liable for penalty as
such +

→ ₹100 for each day during which
default continues, or

2 7c → ₹5,000 ~~for every~~, whichever is
lower

8.5 Q7



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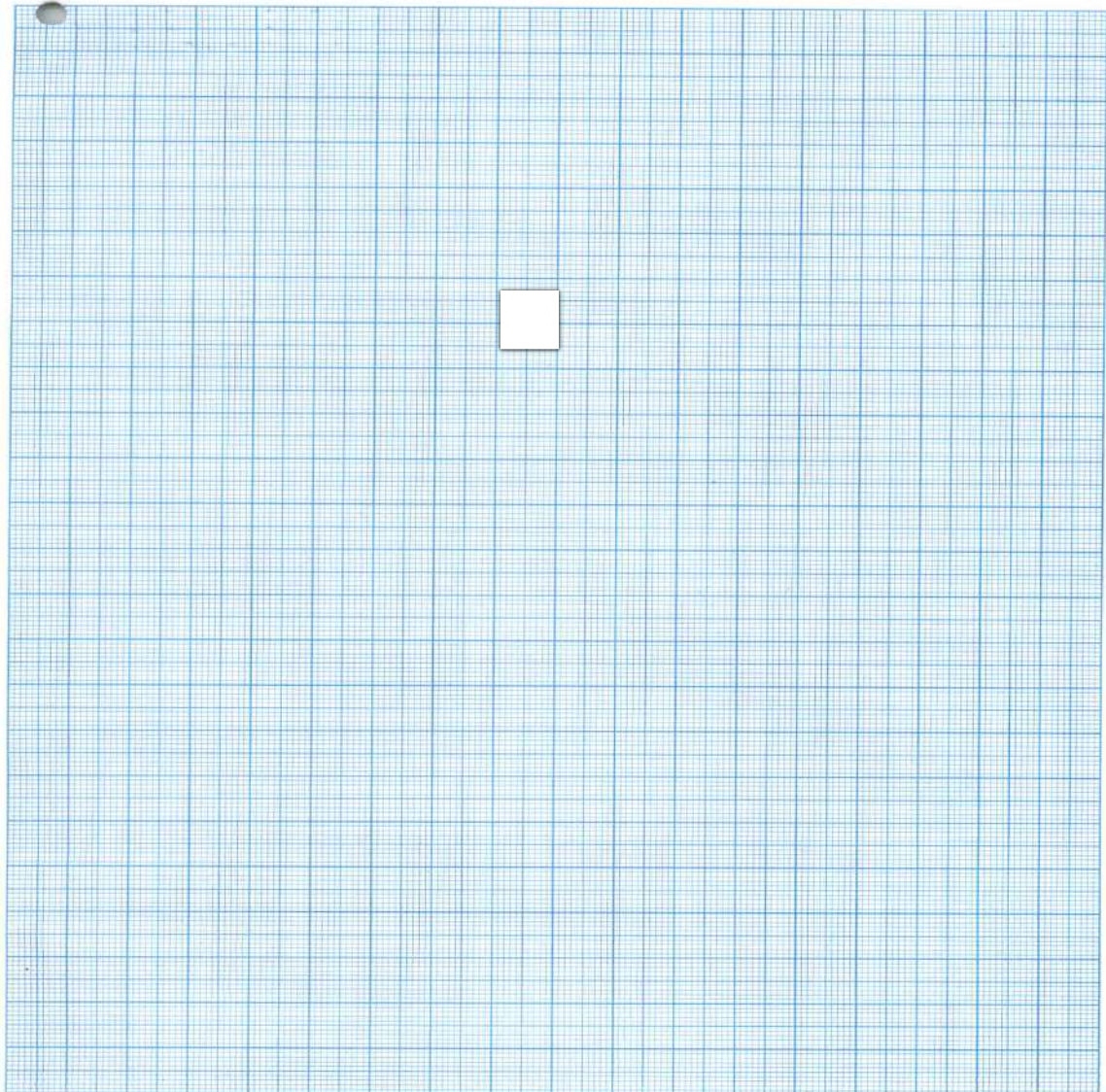


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Result Overview

Awarded Marks: 23.5 Max Marks:28

NA Not Attempted O Optional M Marked

Q5_Compulsory (Score: 8/8)			
Question No	Awarded Marks	Maximum Marks	Status
5	8	8	M
Q6_Q8 (Score: 15.5/20)			
Question No	Awarded Marks	Maximum Marks	Status
Q6	0	10	O
6a	0	6	O
6b	0	4	O
Q7	8.5	10	M
7a	3.5	4	M
7b	3	3	M
7c	2	3	M
Q8	7	10	M
8a	5	5	M
8b	2	5	M