

## CA Inter- Test Paper 1

Time: 1 hr & 30 mins

Total: 50 marks

### PART A: Multiple Choice Questions (Each carries 2 marks)

**Choose the most appropriate option:**

**Q1)** Within how many days an application for revocation of cancellation of registration can be made provided no extension to said time-limit has been granted?

- a) Within 7 days from the date of service of the cancellation order.
- b) Within 15 days from the date of the cancellation order.
- c) Within 45 days from the date of the cancellation order.
- d) Within 90 days from the date of service of the cancellation order.

**Q2)** During the month of May, Z Ltd. sold goods to Y Ltd. for ₹ 2,55,000 and charged GST @ 18%. However, owing to some defect in the goods, Y Ltd. Returned some of the goods by issuing debit note of ₹ 40,000 in the same month. Z Ltd. records the return of goods by issuing a credit note of ₹ 40,000 plus GST in the same month. In this situation, GST liability of Z Ltd. for the month of May will be-

- a) ₹ 45,900
- b) ₹ 38,700
- c) ₹ 53,100
- d) ₹ 40,000

**Q3)** Mr. Z of Himachal Pradesh starts a new business and makes following supplies in the first month-

- i. Intra-State supply of taxable goods amounting to ₹ 17 lakh
- ii. Supply of exempted goods amounting to ₹ 1 lakh
- iii. Inter-State supply of taxable goods amounting to ₹ 1 lakh

Whether he is required to obtain registration?

- a) Mr. Z is liable to obtain registration as the threshold limit of ₹ 10 lakh is crossed.
- b) Mr. Z is not liable to obtain registration as he makes exempted supplies.
- c) Mr. Z is liable to obtain registration as he makes the inter-State supply of goods.
- d) Mr. Z is not liable to obtain registration as the threshold limit of ₹ 20 lakh is not crossed.

**Q4)** Tolaram Ltd. (a supplier registered in Uttar Pradesh having principal place of business at Noida) asks Bholaram Ltd. of Ahmedabad, Gujarat to deliver 50 washing machines to its buyer Jholaram Ltd. at Jaipur, Rajasthan. The place of supply of supply between Tolaram Ltd. and Jholaram Ltd. is..... and place of supply of supply between Bholaram Ltd. and Tolaram Ltd. is.....

- a) Rajasthan, Uttar Pradesh
- b) Uttar Pradesh, Gujarat
- c) Uttar Pradesh, Rajasthan
- d) Rajasthan, Gujarat

**Q5)** PVR (Multiplex) is running Movie shows in Mumbai. PVR is not issuing the E-tickets for movies, value of ticket is ₹ 190 per person. Whether PVR is required to issue separate Tax Invoice?

- a) Yes, as ticket value is more than ₹ 100
- b) No, as ticket value is not more than ₹ 200

- c) Yes, as PVR is not issuing E-Ticket
- d) No, as ticket value is not more than ₹ 500

**Q6)** Ram, an individual, based in Gujarat, is in employment and earning ₹ 10 lakh as salary. He is also providing intra-State consultancy services to different organizations on growth and expansion of business. His turnover from the supply of such services is ₹ 12 lakh. Determine whether Ram is liable for taking registration as per provisions of the Act?

- a) Yes, as his aggregate turnover is more than ₹ 20 lakh.
- b) No, as his aggregate turnover is less than ₹ 40 lakh.
- c) No, as services in the course of employment does not constitute supply and therefore, aggregate turnover is less than ₹ 20 lakh.
- d) Yes, since he is engaged in taxable supply of services.

**Q7)** Grand Wedding Planners (Chennai) is hired by Laddoo Singh (unregistered person based in Hyderabad) to plan and organise his wedding. The place of supply is

- i. .... if wedding is to be held at New Delhi, or
  - ii. .... if wedding is to be held in Seychelles
- a) New Delhi, Hyderabad
  - b) New Delhi, Seychelles
  - c) Chennai, Seychelles
  - d) Chennai, Hyderabad

### **PART B: Descriptive Questions**

#### **Question 1:**

**(6 + 4 = 10 Marks)**

- 1) Examine whether the supplier of goods is liable to get registered in the following independent cases.
- a) Heera of Himachal Pradesh is exclusively engaged in intra-State taxable supply of footwear. His turnover in the current financial year (FY) from Himachal Pradesh showroom is ₹ 32 lakh. He has another showroom in Nagaland with a turnover of ₹ 11 lakh in the current FY.
  - b) Rudra Builders of Rohini, Delhi is exclusively engaged in intra-State taxable supply of building bricks. It's aggregate turnover in the current financial year is ₹ 23 lakh.
  - c) Mr. S.N Gupta of Rajasthan is engaged in trading of taxable goods on his own account and also acting as an agent of Mr. Rishi of Delhi. His turnover in the financial year 20XX-XY is of ₹ 12 lakhs on his own account and ₹ 9 lakhs on behalf of principal. Both turnovers are Intra -State supply.
- 2) A Government Department is registered under GST. It's aggregate turnover in the preceding financial year is ₹ 22 crore. You are required to comment with the help of relevant provisions whether the said Department is required to issue e-invoices in the current financial year.

#### **Question 2:**

**(5 + 5 + 5 = 15 Marks)**

- 1) Determine Place of Supply in the following independent cases:-
- a) A person from Mumbai goes to Kullu-Manali and takes some services from ICICI Bank in Manali.
  - b) Pure Refineries (Mumbai, Maharashtra) gives a contract to PQ Ltd. (Ranchi, Jharkhand) to supply a machine which is required to be assembled in a power plant in its refinery located in Kutch, Gujarat.

- 2) M/s. S Corporation has made default in furnishing returns. It has not filed returns from the month of June 20XX. The proper officer cancelled its registration with effect from 1st January 20XY by an order dated 1st January 20XY. It applied for revocation of cancellation of registration and the order for revocation of cancellation of registration was passed on 1st March 20XY. What are the provisions regarding filing returns before making such an application of revocation of cancellation of registration for the given case? What is the time limit within which it can apply for revocation of cancellation of registration?
- 3) M/s. Xing Trans of Kolkata is engaged in the trading of transmitters. On 20/05/20XX, M/s. Xing Trans has sent 500 units of transmitters for exhibition at Chennai on sale or return basis. Out of the said 500 units, 300 units have been sold on 28/07/20XX at the exhibition. Out of remaining 200 units, 150 units have been brought back to Kolkata on 25/11/20XX and balance 50 units have neither been sold nor brought back.  
Explain the provisions under GST law relating to issue of invoices with exact dates on which tax invoices need to be issued by M/s. Xing Trans.

**Question 3:**

**(4 + 4 + 3 = 11 Marks)**

- 1) What is the place of supply for mobile connection? Can it be the location of supplier?
- 2) The aggregate turnover of Sangri Services Ltd., Delhi, exceeded ₹ 20 lakh on 12<sup>th</sup> August. He applied for registration on 3<sup>rd</sup> September and was granted the registration certificate on 6<sup>th</sup> September. You are required to advise Sangri Services Ltd. as to what is the effective date of registration in its case. It has also sought your advice regarding period for issuance of Revised Tax Invoices.
- 3) M/s Siya Ram is a trader of decorative items in Hauz Khas, Delhi. His aggregate turnover exceeded ₹ 20 lakh in the month of October, 20XX. He applied for registration on GST portal, but missed to submit the details of his bank account. His tax consultant advised him that prior submission of bank details is mandatory to obtain registration. Examine whether the advice of Mr. Siya Ram's tax consultant is correct.