

CA Inter
Test Paper - 3

Time: 1 hr & 30 mins

Total: 50 marks

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

Q1: Kalim & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved w.e.f. 4th September by the proper officer by passing an order for the same on 14th September. In the given case, Kalim & Associates is:

- a) required to file Final Return on or before 4th December
- b) not required to file Final Return
- c) required to file Final Return on or before 30th September
- d) required to file Final Return on or before 14th December

Q2: Mr. Javed, an unregistered person residing in Hisar, Haryana, went to Delhi for seeking admission of his child - Mr. Arjun - in CA Intermediate. Mr. Javed got the demand draft generated at ICIDI Bank Ltd., located and registered under GST in Sahibabad, Uttar Pradesh against cash, for depositing the registration fee to the ICAI.

Mr. Javed does not have a bank account in ICIDI Bank Ltd., and the bank doesn't have any policy of KYC requirements (name, address and other identity verification policy) for customers requiring demand draft and not having account with any of its branch in India.

Determine the place of supply of service provided by ICIDI Bank Ltd., Uttar Pradesh to Mr. Javed.

- a) Delhi
- b) Uttar Pradesh
- c) Either Delhi or Uttar Pradesh, at the option of the recipient
- d) Haryana

Q3: M/s. Wanderlust Travels (P) Ltd. purchased a bus chassis from M/s. Krishi Motors Ltd. for a consideration of ₹ 90.00 lakh on 01.10.20XX. M/s. Wanderlust Travels (P) Ltd. sent the bus chassis for body building to M/s. Bhagwant Fabricators and paid in advance the total consideration of ₹ 25.00 lakh on 15.10.20XX. M/s. Bhagwant Fabricators, after completing the bus body, informed M/s. Wanderlust Travels (P) Ltd. for carrying out the inspection of the work done on 05.11.20XX. M/s. Wanderlust Travels (P) Ltd. visited the work shop of M/s. Bhagwant Fabricators on 08.11.20XX and confirmed that the bus body was in accordance with the terms of the contract. The last date for issuing the invoice by M/s. Bhagwant Fabricators is:-

- a) 15.10.20XX
- b) 08.11.20XX
- c) 08.12.20XX
- d) 05.12.20XX

Q4: Suvidha Enterprises issued invoices pertaining to two independent outward supplies, where in one invoice value of supply was understated by ₹ 75,000 and in another invoice, value was overstated by ₹ 45,000. Which of the following is correct in respect of document to be issued by the firm for understatement and overstatement of invoice value?

- (i) Debit note is to be issued for ₹ 75,000.
- (ii) Credit note is to be issued for ₹ 75,000.

(iii) Debit note is to be issued for ₹ 45,000.

(iv) Credit note is to be issued for ₹ 45,000

- a) (i) & (iii)
- b) (ii) & (iii)
- c) (i) & (iv)
- d) (ii) & (iv)

Q5: 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

Q6: 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

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:

(5*3 Marks = 15 Marks)

Determine the place of supply in each of the following cases:

- a) Miss Kanika of Kolkata (West Bengal) visited to Jodhpur Law University (Rajasthan) and paid her college fees by purchasing a demand draft from a bank located in the University campus. Miss Kanika did not have any account with the bank.
- b) Mizu Machine Ltd., registered in the State of Andhra Pradesh, supplied a machinery to Keyan Wind Farms Ltd., registered in the State of Karnataka. However, this machinery was assembled and installed at the wind mill of Keyan Wind Farms Ltd., which was located in the State of Tamil Nadu.
- c) Mr. X of Kolkata purchased online tickets for Aquatica water park in Mumbai.
- d) Mr. Nitin, an unregistered person, resides at Rewa, Madhya Pradesh books a two-way air journey ticket from Prayagraj, Uttar Pradesh to Jaipur, Rajasthan on 6 September and back. He leaves Prayagraj on 11 September in a morning flight and land in Jaipur the same day. He leaves Jaipur on 15 September in a late-night flight and lands in Prayagraj the next day.
- e) Newton Pvt. Ltd. (New Delhi) has leased its machine (cost ₹ 8,00,000) to Gravity Pvt. Ltd. (Noida, Uttar Pradesh) for production of goods on a monthly rent of ₹ 35,000. After 12 months, Gravity Pvt. Ltd. requested Newton Pvt. Ltd. to sell the machine to it for ₹ 5,00,000, which is agreed to by Newton Pvt. Ltd. Determine the place of supply & the nature of transaction.

Question 2:

(4*3 Marks = 12 Marks)

Answer the following questions:

- a) Mr. Kalpesh is a registered dealer in Kerala paying tax under composition levy from 1st April. However, he opts to pay tax under regular scheme from 1st December. Is he liable to file GSTR-4 for the said F.Y. during which he opted out of composition scheme? Discuss.
- b) Ms. Pragya, a taxpayer registered under regular scheme (Section 9), files GSTR- 3B for the month of October on 20th November. After filing the return, she discovers that the value of a taxable supply has been under-reported therein. Ms. Pragya now wants to file a revised GSTR-3B. Examine the scenario and give your comments
- c) Mr. Sameer, a registered person under GST, is unable to file GSTR-1 on the reason being shown that tax payable under GSTR-1 which has been filed in respect of last tax period exceeds the tax payable under GSTR-3B which has been filed for the corresponding tax period. Explain the procedure to be followed by the department and Mr. Sameer for the same as per the provisions of Rule 88C of the CGST Rules 2017.
- d) X Ltd. is winding up its business in Rajasthan. The Tax Consultant of X Ltd. has suggested that X Ltd. will have to file either the annual return or the final return at the time of voluntary cancellation of registration in the state of Rajasthan. Do you agree with the stand taken by Tax Consultant of X Ltd.? Offer your comments.

Question 3:

(5 + 4 = 9 Marks)

- a) Speedy transport is a goods transport agency providing a service of goods transport by air, having aggregate turnover calculated on all India basis of ₹ 700 Cr in previous year 20XX-XY. It provides the GTA service to other registered GTA only for fast delivery of their courier and does not provide any services to unregistered person. The accountant of GTA agency is of view that there is no need to prepare e-invoices as it falls under exception. You as a chartered accountant are required to advise GTA regarding whether Speedy transport is required to prepare E-invoice or not?
- b) Mohan Enterprise is a registered person having principal place of business in Gandhinagar, Gujarat. They received services of Advocate Sameer, a registered person from Ahmedabad, Gujarat. Shekhar, an unregistered person provided services of labour to Mohan Enterprise. Explain the provisions relating to issue of invoice by recipient Mohan Enterprise if he is liable to pay tax under reverse charge under Section 9(3) or 9(4) of the CGST Act, 2017