

**BALLARI INSTITUTE OF TECHNOLOGY & MANAGEMENT**

(Autonomous Institute under Visvesvaraya Technological University, Belagavi)

USN

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Course Code

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Fourth Semester MBA Degree Examinations, Sept/Oct 2023

**INDIRECT TAXATION**

Duration: 3 hrs

Max. Marks: 100

*Note: 1. Answer any FOUR full questions from Question No. 1 to 7.**2. Question No. 8 is compulsory**3. Missing data, if any, may be suitably assumed*

| <u>Q. No</u> | <u>Question</u>   | <u>Marks</u> | <u>(RBTL:CO:PO)</u>   |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|--------------|---|--------------|-----------------------|--------------|-----------------------|--------------|----|----------|----------|---------|----------|----|----------|----------|----------|---------|----|--------|--------|--------|---------|--|--|
| 1.           | a. State any 3 benefits of GST  | 03           | (2:1:1)               |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | b. Explain the need for GST in India  | 07           | (2:1:1)               |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | c. Kamath group of hotels provided the following services within the state of Karnataka.  | 10           | (3:1:1)               |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | 1. Supply of goods in restaurants Rs 30,000 {without AC facilities @12%   |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | 2. Supply of drinks in restaurants with license to serve liquor @ 18% Rs 1,00,000   |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | 3. Supply of foods and drinks in outdoor catering @ 18% Rs 80,000   |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | 4. Supply of food and drinks in star hotels @ 28% Rs 1,00,000   |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | 5. Room accommodation to customers Rs 2,50,000 @ 18%  |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
| 2.           | a. If Date of issue of Voucher is on 18/1/2022 and Date of Redemption is 25/2/2022 and the Supply is not identifiable, what is TOS in case of Voucher?  | 03           | 2:2:2                 |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | b. Determine the TOS of Goods from the following:   | 07           | 2:2:2                 |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | <table border="1"> <thead> <tr> <th>Case</th> <th>Removal Date</th> <th>Invoice Date</th> <th>Receipt of Goods Date</th> <th>Payment Date</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>16/11/22</td> <td>18/11/22</td> <td>9/11/22</td> <td>22/11/22</td> </tr> <tr> <td>02</td> <td>18/12/22</td> <td>15/12/22</td> <td>16/12/22</td> <td>1/12/22</td> </tr> <tr> <td>03</td> <td>1/1/23</td> <td>5/1/23</td> <td>6/1/23</td> <td>18/1/23</td> </tr> </tbody> </table> | Case         | Removal Date          | Invoice Date | Receipt of Goods Date | Payment Date | 01 | 16/11/22 | 18/11/22 | 9/11/22 | 22/11/22 | 02 | 18/12/22 | 15/12/22 | 16/12/22 | 1/12/22 | 03 | 1/1/23 | 5/1/23 | 6/1/23 | 18/1/23 |  |  |
| Case         | Removal Date  | Invoice Date | Receipt of Goods Date | Payment Date |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
| 01           | 16/11/22  | 18/11/22     | 9/11/22               | 22/11/22     |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
| 02           | 18/12/22  | 15/12/22     | 16/12/22              | 1/12/22      |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
| 03           | 1/1/23  | 5/1/23       | 6/1/23                | 18/1/23      |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | c. GL Ltd is an authorized money exchangers registered under FEMA (foreign exchange maintenance act).<br>The following are the transactions for the month of April 2023.  | 10           | 3:2:2                 |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | i. 500 transactions of conversions of dollar to Rupees Rs 25,000 per transaction.   |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | ii. 400 transactions of conversion of dollar into Rupees Rs 1,00,000 per transaction.   |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | iii. 300 transactions of conversion of rupees in dollar Rs 6,00,000per transaction.   |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | iv. 200 transactions of conversion of euro into rupees Rs 250 lakhs per transaction.  |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | v. 300 transactions of conversion of dollar into euro of Rs 150 lakhs per transaction.  |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | vi. 250 transactions of Conversion of dollar into rupees Rs 9,00,000per transaction.  |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |
|              | Compute the value of Supply.  |              |                       |              |                       |              |    |          |          |         |          |    |          |          |          |         |    |        |        |        |         |  |  |

**Note: (RBTL - Revised Bloom's Taxonomy Level: CO - Course Outcome: PI-Programme Outcome)**

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|----|----|--|----|-------|
| 3. | a. | State the meaning ITC with an example  | 03 | 3:3:3 |
|    | b. | M/S Hari Ltd a registered business organization in Bangalore supplied goods Rs 15,00,000 to M/S Guru Ltd which is also a registered organization.<br>Further Guru Ltd Sells the goods to its customers in Mangalore for Rs 18,00,000.<br>Compute taxability and GST is applicable at 18%.  | 07 | 3:3:3 |
|    | c. | Explain the registration process in GST  | 10 | 3:3:3 |
| 4. | a. | Outline the meaning of CIF Value & FOB   | 03 | 3:4:4 |
|    | b. | Explain the valuation of Imported goods in Custom Duty   | 07 | 3:4:4 |
|    | c. | From the following information, calculate assessable value.<br>I. Cost of the machine. 10,000 pounds<br>II. Transportation charges 500 pounds<br>III. Loading charges 100 pounds<br>IV. Freight charges are unascertainable<br>V. Insurance charges are unascertainable<br>VI. Landing charges at 1%<br>VII. 1 pound = 72 rupee  | 10 | 3:4:4 |
| 5. | a. | What is Baggage? Describe  | 03 | 3:5:5 |
|    | b. | Describe the principles of Seizure and confiscation  | 07 | 3:5:5 |
|    | c. | Discuss the Baggage rules with example   | 10 | 3:5:5 |
| 6. | a. | State the Provision of TOS of Vouchers in GST  | 03 | 2:2:2 |
|    | b. | Explain the time of Supply in case of services in GST  | 07 | 3:2:2 |
|    | c. | Explain the Section 10 & 12 of Place of Supply in GST  | 10 | 3:2:2 |
| 7. | a. | What is threshold limit for Registration in GST?   | 03 | 2:3:3 |
|    | b. | Explain the GST returns  | 07 | 3:3:3 |
|    | c. | Explain the Rule 32 in Value of Supply   | 10 | 3:2:2 |
| 8. | a. | Determine value of supply of services in relation to currency exchange. The following are the transactions:<br>• Sold \$ 10,000 at Rs 65 per dollar<br>• Purchased 500 euros @ 1 euro = Rs 72<br>• Purchased 1000 GBP @ 1 GBP = Rs 98<br>• Sold 50,000 units of currency@ 1%, 1 unit = Rs 15<br>• Sold \$ 10,200 for 6000 GBP<br><b><u>RBI reference rate:</u></b><br>• 1\$= Rs 64,<br>• 1Euro = Rs 74,<br>• 1 GBP = Rs 100<br><br>You are required to calculate value of taxable supply; applicable GST is 18%. | 10 | 4:2:2 |
|    | b. | ABC Ltd imported goods declaring transaction value of Rs 1,000 each. They provide you the following data.<br>Calculate assessable value for the following<br>1. Sale price in India Rs 5000<br>2. Commission paid to an Indian agent @ 4%<br>3. Value addition expenses Rs 100   | 10 | 4:4:4 |

4. Freight charges from port area to factory Rs 150
5. Insurance charges Rs 50
6. General expenses Rs 100
7. Net profit margin 20%
8. Rate of basic custom duty (BCD) 10%
9. GST 12% & Education cess 3%

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