

B.COM 4TH SEM

INDIRECT TAX

2019

Q.1

1x10=10

A. What is meant by Indirect tax?

Ans: Indirect taxes are basically taxes that can be passed on to another entity or individual. It is usually imposed on a manufacturer or supplier who then passes on the tax to the consumer.

B. CGST stands for Central goods and service tax.

C. All the assessment under GST will be done by the Central government.

Ans: False.

D. GST in India introduced from 1st July, 2017

E. What is Input tax ?

Ans : When any supply of services or goods is supplied to a taxable person, the GST charged is known as Input Tax.

F. An unregistered person can issue a tax invoice.

Ans: False.

G. A person without GST registration can claim input tax credit.

Ans: False.

H. The first two digits of the GSTIN is the state code.

I. What is Intra-State supplies under GST Act?

Ans: Section 8 of the IGST Act provides that intra-State supply means any supply of goods and/or services where location of the supplier and place of supply are in the same State or same Union territory.

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J. Reverse input tax credit can be allowed as refund under the GST law.

Q.2.

A. Mention two features of GST in India.

Ans:

- Subsuming of 17 taxes at Central/States level.
- Consumption Based Tax.
- One Tax rate across the country.
- Taxable event – “Supply of Goods or Services”
- No differentiation in Goods or Services
- Comprehensive tax on Goods & Services
- No tax on tax.
- Free flow of credit.
- Value Addition Tax at each stage.

B. What is the Quorum of GST council meeting ?

Ans: One of the total number of members of the GST council shall constitute the quorum at its meetings .At present , GST council has 31 members .Therefore , to constitute any meeting as a valid one , there should be a presence of at least 16 members.

C. Write two contents of taxinvoice.

Ans:

1. Name, address and GSTIN of the supplier.
2. Date of its issue.
3. Name, address and GSTIN or UIN, if registered, of the recipient.
4. HSN code of goods or Accounting Code of Services.
5. Description of goods or services.

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D. What is Aggregate Turnover?

Ans: Aggregate turnover” means the aggregate value of all taxable supplies , exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess.

E. What is self assessment?

Ans: Every person who is a registered taxable person can assess his tax liability on his or her own and furnish returns for each taxation period. GST also allows self-assessment just like the other tax liability such as VAT, Excise and Service Tax under current taxation regime. Self assessment is stated under Section 59 of the GST act.

Q.3

A. Explain five advantages of GST to business.

Ans: follow book page no 1.26 (B.B Dam) or “[click here](#)”

B. What are the taxes that have been subsumed by GST?

Ans: follow book page no 2.10 (B.B Dam) or “[click here](#)”

C. Explain Different contents of credit notes.

Ans: follow book page no 3.21 or “[click here](#)”

D. How to calculate Aggregate Turnover?

Ans : follow book page no 4.5 (B.B Dam) or “[click here](#)”

E. What are the difference between Casual taxable person and Non-resident taxable person?

Ans : follow book page no 4.24 (B.B Dam) or “[click here](#)”

F. Mention the activities to be treated as a supply of goods.

Ans : follow book page no 5.12 (B.B Dam) or “[click here](#)”

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Q.4.

What is refund ? Can unutilized input tax credit be allowed as refund? Also mention the cases where refund will be made to the registered person instead of crediting to the fund.

2+4+4=10

Or

Discuss briefly the history of GST in INDIA.

10

Ans: for 1st question follow this link "[click here](#)"

for 2nd question

HISTORY OF GST IN INDIA

The GST journey began in the year 2000 when a committee was set up to draft law. It took 17 years from then for the Law to evolve. In 2017 the GST Bill was passed in the Lok Sabha and Rajya Sabha. On 1st July 2017 the GST Law came into force.

- PM VAJPAYEE SET UP A COMMITTEE TO DRAFT GST LAW IN,2000
- A TASK FORCE CONCLUDES GST MUST BE IMPLEMENTED TO IMPROVE CURRENT TAX STRUCTURE IN , 2004
- FINANCE MINISTER PROPOSE GST INTRODUCTION FROM APRIL 1,2010 IN 2006
- CST TO BE PHASED OUT RATES REDUCED FROM 4% TO 3% IN , 2007
- EC FINALISE DUAL GST STRUCTURE TO HAVE SEPARATE LEVY ,LEGISLATION IN , 2008
- PROJECT TO COMPUTERISE COMMERCIAL TAXES LAUNCHED BUT GST IMPLEMENTATION POSTPONED , IN 2010
- CONSTITUTION AMENDMENT BILL TO ENABLE GST LAW INTRODUCED IN 2011
- STANDING COMMITTEE BEGINS DISCUSSION ON GST BUT STALLED IN OVER CLAUSE 279B IN ,2012
- STANDING COMMITTEE TABES ITS REPORT ON GST IN ,2013
- GST BILL REINTRODUCED IN PARLIAMENT BY FINANCE MINISTER IN , 2014
- GST BILL PASSED IN LOK SABHA BUT NOT PASSED IN RAJYA SABHA , IN 2015

- GSTN GOES LIVE IN ,2016
- AMMENDED MODEL GST LAW PASSED IN BOTH HOUSES PRESIDENT GIVES ASSENT IN ,2016
- FOUR SUPPLEMENTARY GST BILLS PASSED IN LOK SABHA AND APPROVED BY CABINED IN ,2017
- RAJYA SABHA PASSES FOUR SUPPLEMENTARY GST BILLS , FINAL GST TO IMPLEMENTED ON JULY 1, 2017
- CLEAR TAX LAUNCHES INDIA'S FIRST GST SOFTWARE
- GST IS LAUNCHED ON 1ST JULY ,2017

Q.5

Write short notes on the following as per GST Act:

2 ½ X 4= 10

A. Goods

B. Services

C. Agent

D. Business

Ans : follow book page no 2.13 (B.B Dam).

Or

What is goods and service tax network (GSTN)? Write the need to create GSTIN. Also explain the services rendered by GSTN.

2+3+5=10

Ans: follow book page no 2.38 and 2.42 (B.B Dam)

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Q.6

What is the eligibility for claiming input tax credit? Explain the conditions for claiming input tax credit . **3+7=10**

Ans : follow book page no : 3.25 and 3.26 (B.B Dam).

Or

What is tax invoice? Mention the provision of the AGST Act , 2017 relating to availability of credit in special circumstances . **2+8 =10**

Ans: follow book page no 3.1 and 3.2 (B.B Dam).

Q.7

What are the advantages of taking registration under GST Act ? Mention persons liable for registration . **5+5=10**

Or

Discuss the provisions under GST act for amendment of registration and cancelation of registration. **5+5=10**

Ans:

For 1st question

Registration under Goods and Service Tax (GST) regime will confer following advantages to the business: | page no 4.1 |

1. For normal registered businesses:
2. Take input tax credit
3. Make interstate sales without restrictions
4. To know more about the Benefits of GST
5. For Composition dealers:
6. Limited compliance

7. Less tax liability
8. High working capital
9. To know more about composition scheme
10. For businesses that voluntarily opt-in for GST registration (Below Rs. 20 lakhs)
11. Take input tax credit
12. Make interstate sales without restrictions
13. Register on e-commerce websites
14. Have a competitive advantage compared to other businesses
15. To know more about voluntary registrations

Persons liable for registration(section 22) | page no 4.3 |

16. Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees:
Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.
17. Every person who, on the day immediately preceding the appointed day, is registered or holds a license under an existing law, shall be liable to be registered under this Act with effect from the appointed day.
18. Where a business carried on by a taxable person registered under this Act is transferred, whether on account of succession or otherwise, to another person as a going concern, the transferee or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession.

19. Notwithstanding anything contained in sub-sections (1) and (3), in a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, de-merger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, the transferee shall be liable to be registered, with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court or Tribunal.

Or

For 2nd question

1st part follow book 4.25

2nd part follow book 4.26 (B.B Dam)