

KEY TO GST 8TH EDITION

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COMPUTATION OF GST

Solution to Illustration no. 7:

Computation of Net Tax Liability of Mr. A

	₹
Raw Material	6,00,000
Add: CGST @ 10%	60,000
Add: SGST @ 10%	60,000
Total	7,20,000
Input tax credit	
CGST	60,000
SGST	60,000
Cost of Raw Material	6,00,000
Add: Processing charges	4,00,000
Cost	10,00,000
Add: Profit @ 40% of ₹10,00,000	4,00,000
Transaction Value	14,00,000
Add: Output CGST @ 10%	1,40,000
Add: Output SGST @ 10%	1,40,000
Total	16,80,000

Computation of Net Tax

	CGST ₹
Output tax	1,40,000
Less: ITC Raw material - CGST	(60,000)
Net Tax	80,000

	SGST ₹
Output tax	1,40,000
Less: ITC Raw material - SGST	(60,000)
Net Tax	80,000

Computation of Net Tax Liability Mr. B

	₹
Purchase price of wholesaler	16,80,000

Less: ITC Goods – CGST	(1,40,000)
Less: ITC Goods – SGST	(1,40,000)
Cost to Wholesaler	14,00,000
Add: Profit @ 20% of ₹14,00,000	2,80,000
Transaction Value	16,80,000
Add: CGST @ 10%	1,68,000
Add: SGST @ 10%	1,68,000
Total	20,16,000

Computation of Net Tax

	CGST ₹
Output tax	1,68,000
Less: ITC Goods - CGST	(1,40,000)
Net Tax payable	28,000

Computation of Net Tax

	SGST ₹
Output tax	1,68,000
Less: ITC Goods - SGST	(1,40,000)
Net Tax payable	28,000

Solution to Illustration no. 8:

	₹
Purchase price	7,60,000
Add: CGST @ 9%	68,400
Add: SGST @ 9%	68,400
Total	8,96,800

Input tax credit of CGST & SGST is allowed.

Cost	7,60,000
Add: profit @ 40%	3,04,000
Sale Value	10,64,000
Add: CGST @ 9%	95,760
Add: SGST @ 9%	95,760
Total	12,55,520

Computation of Net Tax

	CGST ₹
Output tax	95,760
Less: ITC Goods – CGST	(68,400)
Net Tax Payable	27,360
	SGST ₹
Output tax	95760
Less: ITC Goods – SGST	(68,400)
Net Tax Payable	27,360

b) If he is an unregistered dealer.

	₹
Cost	8,96,800
Add: profit @ 40%	3,58,720
Total	12,55,520

Solution to Illustration no. 9:**Computation of Net Tax Liability of Mr. X**

	₹
Goods A	3,00,000
Add: CGST @ 9%	27,000
Add: SGST @ 9%	27,000
Total	3,54,000
Input tax credit	
CGST	27,000
SGST	27,000
Cost of Goods A	3,00,000
Add: Profit @ 40%	1,20,000
Transaction Value	4,20,000
Add: Output CGST @ 9%	37,800
Add: Output SGST @ 9%	37,800
Total Sale	4,95,600

Goods B	5,00,000
Add: CGST @ 14%	70,000
Add: SGST @ 14%	70,000
Total	6,40,000
Input tax credit	
CGST @ 14%	70,000
SGST @ 14%	70,000
Cost of Goods B	5,00,000
Add: Profit	3,00,000
Transaction Value	8,00,000
Add: Output CGST @ 14%	1,12,000
Add: Output SGST @ 14%	1,12,000
Total Sale	10,24,000
Goods C	7,00,000
Add: CGST @ 6%	42,000
Add: SGST @ 6%	42,000
Total	7,84,000
Input tax credit	
CGST @ 6%	42,000
SGST @ 6%	42,000
Cost of Goods C	7,00,000.00
Add: Profit @ 40% on sale $(7,00,000/60 \times 40)$	4,66,666.67
Transaction Value	11,66,666.67
Add: Output CGST @ 6%	70,000.00
Add: Output SGST @ 6%	70,000.00
Total Sale	13,06,666.67

Computation of Net Tax

	CGST ₹
Output Tax	
Goods A	37,800
Goods B	1,12,000
Goods C	70,000
	2,19,800
Less: ITC – GOODS A – CGST	(27,000)
Less: ITC – GOODS B – CGST	(70,000)
Less: ITC – GOODS C – CGST	(42,000)
Net Tax	80,800
	SGST ₹
Output Tax	
Goods A	37,800
Goods B	1,12,000
Goods C	70,000
	2,19,800
Less: ITC – GOODS A – SGST	(27,000)
Less: ITC – GOODS B – SGST	(70,000)
Less: ITC – GOODS C – SGST	(42,000)
Net Tax	80,800

Solution to Illustration no. 17:

Raw Material ‘A’

Cost of Raw Material ‘A’	1,00,000
Add: CGST @10%	10,000
Add: SGST @10%	10,000
	1,20,000
Input Tax Credit	
CGST	10,000
SGST	10,000
Cost of Raw Material	1,00,000

Raw Material "B"

Cost of Raw Material 'B'	2,00,000
Add: IGST @ 20%	40,000
	2,40,000
Input Tax Credit	
IGST	40,000
Cost of Raw Material	2,00,000

Plant and Machinery

Plant and Machinery	20,00,000
Add: CGST @10%	2,00,000
Add: SGST @10%	2,00,000
	24,00,000

Input Tax Credit	
CGST	2,00,000
SGST	2,00,000
Cost of Assets	20,00,000

Services

Services	3,00,000
Add: CGST @10%	30,000
Add: SGST @10%	30,000
	3,60,000

Input Tax Credit	
CGST	30,000
SGST	30,000
Cost of service	3,00,000

Cost of finished product

Raw Material	A	1,00,000
Raw Material	B	2,00,000
Depreciation on capital goods (20% of 20,00,000)		4,00,000
Services		3,00,000
Processing		4,00,000

Profit	5,00,000
Transaction value	19,00,000
Add: CGST @10%	1,90,000
Add: SGST @10%	1,90,000

Computation of Net Tax Payable

	CGST ₹
Output Tax	1,90,000
Less:	
ITC Raw Material 'B' – IGST	(40,000)
ITC Raw Material 'A' – CGST	(10,000)
ITC Plant & Machinery – CGST	(1,40,000)
Net Tax Payable	Nil

	SGST ₹
Output Tax	1,90,000
Less:	
ITC Raw Material 'A' – SGST	(10,000)
ITC Plant & Machinery - SGST	(1,80,000)
Net Tax Payable	Nil

Excess tax credit - CGST ₹ 90,000

Excess tax credit - SGST ₹ 50,000

Excess tax credit shall be carried forward or refund can be claimed as per section 54.

Solution to Illustration no. 18:

Raw material –R1

Purchase price	2,00,000.00
Add: CGST @10%	20,000.00
Add: SGST @10%	20,000.00
	2,40,000.00
Input Tax Credit	
CGST	20,000.00
SGST	20,000.00

Cost of Raw Material	2,00,000.00
<u>Raw material –R2</u>	
Purchase price	3,00,000.00
Add: IGST @ 20%	60,000.00
	3,60,000.00
Input Tax Credit	
IGST	60,000.00
Cost of Raw Material	3,00,000.00
<u>Plant & Machinery</u>	
Purchase price	10,00,000.00
Add: IGST @ 10%	1,00,000.00
	11,00,000.00
Input Tax Credit	
IGST	1,00,000.00
Cost of Asset	10,00,000.00
<u>Services</u>	3,00,000.00
Add: CGST @ 9%	27,000.00
Add: SGST @ 9%	27,000.00
	3,54,000.00
Input Tax Credit	
CGST	27,000.00
SGST	27,000.00
Cost of service	3,00,000.00
<u>Cost of final product</u>	
Raw material –R1	2,00,000.00
Raw material –R2	3,00,000.00
Depreciation on Capital goods (10,00,000 @ 20%)	2,00,000.00
Services	3,00,000.00
Other processing charges	5,00,000.00
Profit	3,00,000.00
Transaction Value	18,00,000.00

Add: CGST @ 10%	1,80,000.00
Add: SGST @ 10%	1,80,000.00
	21,60,000.00

Computation of Net Tax Payable

	CGST ₹
Output Tax	1,80,000.00
Less:	
ITC Raw material – R2 –IGST	(60,000.00)
ITC Plant and machinery – IGST	(73,000.00)
ITC Raw material – R1 – CGST	(20,000.00)
ITC – Services – CGST	(27,000.00)
Net tax payable	Nil

	SGST ₹
Output Tax	1,80,000.00
Less:	
ITC Plant and machinery – IGST	(27,000.00)
ITC Raw material – R1 –SGST	(20,000.00)
ITC Services – SGST	(27,000.00)
Net tax payable	1,06,000.00

Assessee has the option to adjust ITC of IGST either from output CGST or from output SGST

Solution to Illustration no. 19:

₹

Goods A

Cost	10,00,000
Add: IGST @20%	2,00,000
Input Tax Credit	
IGST	2,00,000
Sale	12,00,000
Add: CGST @10%	1,20,000

Add: SGST @10%	1,20,000
Total	14,40,000

Goods B

Cost	8,00,000
Add: CGST @10%	80,000
Add: SGST @10%	80,000
Total	9,60,000

Input Tax Credit

CGST	80,000
SGST	80,000

Sale	6,00,000
Add: IGST @20%	1,20,000
Total	7,20,000

Goods C

Cost	8,00,000
Add: CGST @10%	80,000
Add: SGST @10%	80,000
Total	9,60,000

Input Tax Credit

CGST	80,000
SGST	80,000

Sale	9,00,000
Add: CGST @10%	90,000
Add: SGST @10%	90,000
Total	10,80,000

Computation of Net Tax Payable

	IGST ₹
Output Tax	1,20,000

Less:	
ITC Goods A – IGST	(1,20,000)
Net Tax Payable	Nil

Excess credit of IGST of ₹80,000 can be adjusted either from CGST/SGST. We are adjusting ₹50,000 from CGST and remaining ₹30,000 from SGST. (Even reverse is possible.)

	CGST ₹
Output Tax (1,20,000+90,000)	2,10,000
Less:	
ITC Goods A – IGST	(50,000)
ITC Goods B – CGST	(80,000)
ITC Goods C – CGST	(80,000)
Net Tax Payable	Nil

	SGST ₹
Output Tax (1,20,000+90,000)	2,10,000
Less:	
ITC Goods A – IGST	(30,000)
ITC Goods B – SGST	(80,000)
ITC Goods C – SGST	(80,000)
Net Tax Payable	20,000

Solution to Illustration no. 20:

₹

Goods A

Cost	10,00,000
Add: IGST @20%	2,00,000
Input Tax Credit	
IGST	2,00,000

Sale	8,00,000
Add: CGST @10%	80,000
Add: SGST @10%	80,000
Total	9,60,000

Goods B

Cost	8,00,000
Add: CGST @10%	80,000
Add: SGST @10%	80,000
Total	9,60,000

Input Tax Credit

CGST	80,000
SGST	80,000

Sale	18,00,000
Add: IGST @20%	3,60,000
Total	21,60,000

Goods C

Cost	8,00,000
Add: CGST @10%	80,000
Add: SGST @10%	80,000
Total	9,60,000

Input Tax Credit

CGST	80,000
SGST	80,000

Sale	6,00,000
Add: CGST @10%	60,000
Add: SGST @10%	60,000

Total

7,20,000

Computation of Net Tax Payable

	IGST ₹
Output Tax	3,60,000
Less:	
ITC Goods A – IGST	(2,00,000)
ITC Goods C – CGST	(20,000)
ITC Goods C – SGST	(20,000)
Net Tax Payable	1,20,000

	CGST ₹
Output Tax	1,40,000
Less:	
ITC Goods B – CGST	(80,000)
ITC Goods C – CGST	(60,000)
Net Tax Payable	Nil

Excess credit of CGST of ₹20,000 can be adjusted from IGST.

	SGST ₹
Output Tax	1,40,000
Less:	
ITC Goods B – SGST	(80,000)
ITC Goods C – SGST	(60,000)
Net Tax Payable	Nil

Excess credit of SGST of ₹20,000 can be adjusted from IGST.

Solution to Illustration no. 21:

₹

Goods A

Cost	10,00,000
Add: CGST @10%	1,00,000
Add: SGST @10%	1,00,000

Input Tax Credit	
CGST	1,00,000
SGST	1,00,000
Sale	6,00,000
Add: IGST @20%	1,20,000
Total	7,20,000

Computation of Net Tax Payable

	IGST ₹
Output Tax	1,20,000
Less:	
ITC Goods A – IGST	Nil
ITC Goods C – CGST	(1,00,000)
ITC Goods C – SGST	(20,000)
Net Tax Payable	Nil

Excess credit of SGST ₹80,000 shall be carried forward.

Solution to Illustration no. 22:**Computation of GST payable by Mr. X on outward supplies**

S.No.	Particulars	(₹)	GST (₹)
(i)	Intra-State supply of goods		
	CGST @ 9% on ₹8,00,000	72,000	
	SGST @ 9% on ₹8,00,000	72,000	1,44,000
(ii)	Inter-State supply of goods IGST @ 18% on ₹3,00,000		54,000
	Total GST payable		1,98,000

Computation of total ITC

Particulars	CGST @ 9% (₹)	SGST @ 9% (₹)	IGST @ 18%(₹)
Opening ITC	30,000	30,000	70,000
Add: ITC on Intra-State purchases of goods valuing ₹3,00,000	27,000	27,000	Nil
Add: ITC on Inter-State purchases of goods valuing ₹50,000	Nil	Nil	9,000

Total ITC	57,000	57,000	79,000
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Computation of Tax payable from cash ledger

Particulars	IGST (₹)
IGST payable	54,000
Less: ITC of IGST	(54,000)
Net IGST payable	Nil

Balance credit of IGST can be adjusted either from CGST/SGST. In the given case, we have adjusted 15,000 from CGST and balance from SGST

Particulars	CGST (₹)
CGST payable	72,000
Less: ITC of IGST	(15,000)
Less: ITC of CGST	(57,000)
Net CGST payable	Nil

Particulars	SGST (₹)
SGST payable	72,000
Less: ITC of IGST	(10,000)
Less: ITC of SGST	(57,000)
Net SGST payable	5,000

MULTIPLE CHOICE QUESTIONS

Answer:

1. (b); 2. (b); 3. (c); 4. (a); 5. (d); 6. (a); 7. (d); 8. (c); 9. (c); 10. (b); 11. (e); 12. (c); 13. (b); 14. (d); 15. (f)

Hint Answer MCQ 6:**Purchase of Goods**

Purchase Value	7,60,000
Add: CGST@ 9%	68,400
Add: SGST@ 9%	68,400

Input Tax Credit

CGST	68,400
SGST	68,400

Sale of Goods

Cost of goods	7,60,000
Add: Profit (7,60,000 x 40%)	3,04,000
Transaction Value	10,64,000
Add: CGST @ 9%	95,760
Add: SGST @ 9%	95,760
Total Sale Value	12,55,520

Computation of Net Tax Payable

	CGST ₹
Output Tax	95,760
Less:	
ITC – CGST	(68,400)
Net Tax Payable	27,360

	SGST ₹
Output Tax	95,760
Less:	
ITC – SGST	(68,400)
Net Tax Payable	27,360

Hint Answer to MCQ 7**Purchase of Goods**

Purchase Value	7,60,000
Add: CGST@ 9%	68,400
Add: SGST@ 9%	68,400

Input Tax Credit

CGST	Nil
SGST	Nil

Sale of Goods

Cost of goods	8,96,800
Add: Profit (8,96,800 x 40%)	3,58,720
Total Sale Value	12,55,520

Since Dealer is not Register in GST, he will not be entitle to get GST Credit and would form part of Cost

Further, no GST would be charged during sale

Hint Answer to MCQ 8**Purchase of Goods**

Purchase Value	10,00,000
Add: IGST @ 12%	1,20,000

Input Tax Credit

IGST	1,20,000
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Sale of Goods

Cost of goods	10,00,000
Add: Profit	1,00,000
Transaction Value	11,00,000
Add: CGST @ 6%	66,000
Add: SGST @ 6%	66,000
Total Sale Value	13,05,920

Computation of Net Tax Payable

	CGST ₹
Output Tax	66,000
Less:	
ITC – IGST	(66,000)
Net Tax Payable	Nil

	SGST ₹
Output Tax	66,000
Less:	
ITC – IGST	(54,000)

Net Tax Payable	12000
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Hint Answer to MCQ 9**Purchase of Goods**

Purchase Value	5,00,000
Add: IGST @ 10%	50,000
Input Tax Credit	
IGST	50,000

Sale of Goods

Cost of goods	5,00,000
Add: Profit	2,00,000
Transaction Value	7,00,000
Add: CGST @ 5%	35,000
Add: SGST @ 5%	35,000
Total Sale Value	7,70,000

	CGST ₹
Output Tax	35,000
Less:	
ITC – IGST	(35,000)
Net Tax Payable	Nil

	SGST ₹
Output Tax	35,000
Less:	
ITC – IGST	(15,000)
Net Tax Payable	20,000

Hint Answer MCQ 10:**Purchase of Goods**

Purchase Value	5,00,000
Add: CGST@ 5%	25,000
Add: SGST@ 5%	25,000

Input Tax Credit	
CGST	25,000
SGST	25,000

Sale of Goods

Cost of goods	5,00,000
Add: Profit	2,00,000
Transaction Value	7,00,000
Add: CGST @ 5%	35,000
Add: SGST @ 5%	35,000
Total Sale Value	7,70,000

	CGST ₹
Output Tax	35,000
Less:	
ITC – CGST	(25,000)
Net Tax Payable	10,000

	SGST ₹
Output Tax	35,000
Less:	
ITC – SGST	(25,000)
Net Tax Payable	10,000

MAY 2018 (OLD COURSE)**Question 7 (a)****Marks 6****Solution : Computation of net GST payable by Mr. Nimit for the month of August 2021**

	₹
Purchase price	4,00,000
Add: CGST @ 9%	36,000
Add: SGST @ 9%	36,000
Total	4,72,000

Input tax credit of CGST & SGST is allowed.

Purchase price	50,000
Add: IGST @ 18%	9,000
Total	59,000

Input tax credit of IGST is allowed.

Output Tax

Inter-state taxable supply of goods

Sale Value	2,00,000
Add: IGST @ 18%	36,000
Total	2,36,000

Intra-state taxable supply of goods

Sale Value	6,00,000
Add: CGST @ 9%	54,000
Add: SGST @ 9%	54,000
Total	7,08,000

Computation of Net Tax

	IGST ₹
Output tax	36,000
Less: ITC b/f – IGST	(20,000)
Less: ITC – IGST	(9,000)
Less: ITC – SGST	(7,000)
Net Tax Payable	Nil

	CGST ₹
Output tax	54,000
Less: ITC Goods – CGST	(36,000)
Less: ITC b/f – CGST	(15,000)
Net Tax Payable	3,000

SGST ₹

Computation of GST

22

Output tax	54,000
Less: ITC Goods – SGST	(36,000)
Less: ITC b/f – SGST	(18,000)
Net Tax Payable	Nil

Excess credit of SGST shall be carried forward $(36,000+35,000-54,000-7000) = 10,000$. Credit of SGST shall not be allowed to be adjusted from CGST.

INPUT TAX CREDIT

MULTIPLE CHOICE QUESTIONS

Answer:

1. (c); 2. (c); 3. (c); 4. (b); 5. (c); 6. (b); 7. (d); 8. (d); 9. (b); 10. (a); 11. (c); 12. (c); 13. (c); 14. (d); 15. (a); 16. (b); 17. (a); 18. (a); 19. (b); 20. (a); 21. (c); 22. (b); 23. (d); 24. (c); 25. (c); 26. (c).

REGISTRATION

MULTIPLE CHOICE QUESTIONS

Answer:

1. (d); 2. (d); 3. (d); 4. (d); 5. (d); 6. (a); 7. (c); 8. (d); 9. (c); 10. (d); 11. (b); 12. (c); 13. (c); 14. (a); 15. (b);
16. (c); 17. (c); 18. (b); 19. (a); 20. (b); 21. (b); 22. (a); 23. (d); 24. (c); 25. (b)

COMPOSITION SCHEME

Solution to Illustration no. 2:

Purchase	25,00,000
Add: CGST@10%	2,50,000
Add: SGST@10%	2,50,000
Total	30,00,000

Input tax allowed	
CGST	2,50,000
SGST	2,50,000

Cost	25,00,000
Add: profit	2,00,000
Transaction Value	27,00,000
Add: CGST@10%	2,70,000
Add: SGST@10%	2,70,000
Total	32,40,000

Computation of Net Tax

Output Tax

CGST	2,70,000
Less: ITC CGST	(2,50,000)
Net Tax Payable	20,000

SGST	2,70,000
Less: ITC SGST	(2,50,000)
Net Tax Payable	20,000

Computation of Net Profit (2,00,000 – 40,000)	1,60,000
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(b) Presume he is covered in composition scheme and in that case expenses incurred on maintenance of books shall not be incurred.

Solution (b)

Purchase	25,00,000
Add: CGST@10%	2,50,000
Add: SGST@10%	2,50,000
Total	30,00,000

Input tax credit is not allowed.

Cost	30,00,000
Add: profit	2,00,000
Sale Value	32,00,000

He will not be allowed to charge any output tax rather he himself has to pay composition tax in the manner given below:

CGST@ 0.5% of ₹ 32,00,000	16,000
SGST@ 0.5% of ₹ 32,00,000	16,000
Computation of Net Profit (2,00,000 -16,000-16,000)	1,68,000

If he has opted for composition scheme, his profit shall be higher and he will be saved from complicated accounting and other procedure.

Solution to Illustration no. 3:

No output tax and no ITC from 01.04.2021 to 30.06.2021 because the service provider is unregistered.

For the quarter July to September and October to December 2021, he is in composition scheme, hence no output and no ITC but tax should be paid out of his own at 3% + 3%.

₹

July to September

	15,00,000
CGST @ 3%	45,000
SGST @ 3%	45,000

Payment should be made upto 18.10.2021

October to December

	15,00,000
CGST @ 3%	45,000
SGST @ 3%	45,000

Payment should be made upto 18.01.2022

January 2021

The service provider is in normal scheme from 01.01.2022. ITC of inputs/capital goods in stock is allowed.

Input Tax Credit

Inputs	3,50,000
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CGST @ 6%	21,000
SGST @ 6%	21,000

Capital goods

Used for one quarter 01.10.2021 to 31.12.2021

Capital goods	10,00,000
CGST @ 10%	1,00,000
ITC allowed (1,00,000 – 1,00,000 x 5%)	95,000
SGST @ 10%	1,00,000
ITC allowed (1,00,000 – 1,00,000 x 5%)	95,000

ITC inputs

	8,00,000
CGST @ 5%	40,000
SGST @ 5%	40,000

Total Input tax credit

CGST (21,000 + 95,000 + 40,000)	1,56,000
SGST (21,000 + 95,000 + 40,000)	1,56,000

Output Tax

	4,00,000
Output CGST @ 9%	36,000
Output SGST @ 9%	36,000

Net Tax

CGST	36,000
Less: ITC	(36,000)
	Nil
ITC CGST Carried forward	1,20,000
SGST	36,000

Less: ITC	(36,000)
	Nil
ITC SGST Carried forward	1,20,000

Payment should be made upto 20.02.2022

February 2022

Output Tax

	5,00,000
Output CGST @ 9%	45,000
Output SGST @ 9%	45,000

Net Tax

CGST	45,000
Less: ITC	(45,000)
	Nil
ITC CGST Carried forward	75,000

SGST	45,000
Less: ITC	(45,000)
	Nil
ITC SGST Carried forward	75,000

Payment should be made upto 20.03.2022

March 2022

Output Tax

	6,00,000
Output CGST @ 9%	54,000
Output SGST @ 9%	54,000

Net Tax

CGST	54,000
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Composition Scheme

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Less: ITC	(54,000)
	Nil
ITC CGST Carried forward	21,000
SGST	54,000
Less: ITC	(54,000)
	Nil
ITC SGST Carried forward	21,000

Payment should be made upto 20.04.2022

(b) Presume he has not opted for composition scheme w.e.f 01.07.2021 rather he was in the normal scheme and charged output CGST @ 9% and SGST @ 9%.

Solution:

No output tax and no ITC from 01.04.2021 to 30.06.2021 because the service provider is unregistered.

₹

July

Nil

August

Nil

September

	15,00,000
Output CGST @ 9%	1,35,000
Output SGST @ 9%	1,35,000
Inputs	7,00,000
CGST @ 6%	42,000
SGST @ 6%	42,000
<u>Net Tax</u>	
CGST	1,35,000
Less: ITC	(42,000)
Tax Payable	93,000

SGST	1,35,000
Less: ITC	(42,000)
Tax Payable	93,000

Payment should be made upto 20.10.2021

October

ITC – Capital goods

Capital goods	10,00,000
CGST @ 10%	1,00,000
SGST @ 10%	1,00,000
ITC CGST Carried forward	1,00,000
ITC SGST Carried forward	1,00,000

November

ITC CGST Carried forward	1,00,000
ITC SGST Carried forward	1,00,000

December

	15,00,000
Output CGST @ 9%	1,35,000
Output SGST @ 9%	1,35,000

Net Tax

CGST	1,35,000
Less: ITC b/f	(1,00,000)
Tax Payable	35,000

SGST	1,35,000
Less: ITC b/f	(1,00,000)
Tax Payable	35,000

Payment should be made upto 20.01.2022

January 2022

	4,00,000
Output CGST @ 9%	36,000
Output SGST @ 9%	36,000
<u>ITC inputs</u>	
	8,00,000
CGST @ 5%	40,000
SGST @ 5%	40,000
<u>Net Tax</u>	
CGST	36,000
Less: ITC	(36,000)
	Nil
ITC CGST Carried forward	4,000
SGST	36,000
Less: ITC	(36,000)
	Nil
ITC SGST Carried forward	4,000

February 2022

	5,00,000
Output CGST @ 9%	45,000
Output SGST @ 9%	45,000
<u>Net Tax</u>	
Output CGST	45,000
Less: ITC b/f	(4,000)
Tax Payable	41,000

Output SGST	45,000
Less: ITC	(4,000)
Tax Payable	41,000

Payment should be made upto 20.03.2022

March 2022

	6,00,000
Output CGST @ 9%	54,000
Output SGST @ 9%	54,000

Net Tax

Output CGST	54,000
Less: ITC	Nil
Tax Payable	54,000

Output SGST	54,000
Less: ITC	Nil
Tax Payable	54,000

Payment should be made upto 20.04.2022

(c) Presume he has taken registration right from the beginning i.e. w.e.f 01.04.2021 and charged output CGST @ 9% and SGST @ 9%.

Solution:

₹

April

Nil

May

Nil

June

	20,00,000
Output CGST @ 9%	1,80,000
Output SGST @ 9%	1,80,000

Input Service	3,00,000
CGST @ 9%	27,000
SGST @ 9%	27,000

Net Tax

CGST	1,80,000
Less: ITC	(27,000)
Tax Payable	1,53,000
SGST	1,80,000
Less: ITC	(27,000)
Tax Payable	1,53,000

Payment should be made upto 20.07.2021

July

Nil

August

Nil

September

	15,00,000
Output CGST @ 9%	1,35,000
Output SGST @ 9%	1,35,000

Inputs	7,00,000
CGST @ 6%	42,000
SGST @ 6%	42,000

Net Tax

CGST	1,35,000
Less: ITC	(42,000)
Tax Payable	93,000

SGST	1,35,000
Less: ITC	(42,000)
Tax Payable	93,000

Payment should be made upto 20.10.2021

October

ITC – Capital goods

Capital goods	10,00,000
CGST @ 10%	1,00,000
SGST @ 10%	1,00,000
ITC CGST Carried forward	1,00,000
ITC SGST Carried forward	1,00,000

November

ITC CGST Carried forward	1,00,000
ITC SGST Carried forward	1,00,000

December

	15,00,000
Output CGST @ 9%	1,35,000
Output SGST @ 9%	1,35,000

Net Tax

CGST	1,35,000
Less: ITC b/f	(1,00,000)
Tax Payable	35,000

SGST	1,35,000
Less: ITC b/f	(1,00,000)
Tax Payable	35,000

Payment should be made upto 20.01.2022

January 2022

	4,00,000
Output CGST @ 9%	36,000
Output SGST @ 9%	36,000
 <u>ITC inputs</u>	
	8,00,000
CGST @ 5%	40,000
SGST @ 5%	40,000
 <u>Net Tax</u>	
CGST	36,000
Less: ITC	(36,000)
	Nil
ITC CGST Carried forward	4,000
 SGST	36,000
Less: ITC	(36,000)
	Nil
ITC SGST Carried forward	4,000

February 2022

	5,00,000
Output CGST @ 9%	45,000
Output SGST @ 9%	45,000
 <u>Net Tax</u>	
Output CGST	45,000
Less: ITC b/f	(4,000)
Tax Payable	41,000

Output SGST	45,000
Less: ITC	(4,000)
Tax Payable	41,000

Payment should be made upto 20.03.2022

March 2022

	6,00,000
Output CGST @ 9%	54,000
Output SGST @ 9%	54,000

Net Tax

Output CGST	54,000
Less: ITC	Nil
Tax Payable	54,000

Output SGST	54,000
Less: ITC	Nil
Tax Payable	54,000

Payment should be made upto 20.04.2022

Solution to Illustration no. 4:

At the time of shifting to the normal scheme he shall be allowed to take ITC of the goods lying in the stock hence tax credit allowed shall be as given below:

	₹
Goods A in stock	10,00,000
Add: CGST @10%	1,00,000
Add: SGST @10%	1,00,000
Total	12,00,000
ITC allowed	
CGST	1,00,000
SGST	1,00,000

Plant & Machinery	30,00,000
Add: CGST @12%	3,60,000
Add: SGST @12%	3,60,000
Total	37,20,000

ITC Allowed shall be as given below:

CGST	3,60,000
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Asset already used 01/08/2021 to 10/02/2022 = 6 month and 10 days = 3 Quarters

Less: Tax Credit not allowed (3,60,000 x (3 x 5%))	(54,000)
--	----------

Amount of Tax Credit allowed	3,06,000
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SGST	3,60,000
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Asset already used 01/08/2021 to 10/02/2022 = 6 month and 10 days = 3 Quarters

Less: Tax Credit not allowed (3,60,000 x (3 x 5%))	(54,000)
--	----------

Amount of Tax Credit allowed	3,06,000
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Purchased goods B	18,00,000
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Add: CGST @10%	1,80,000
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Add: SGST @10%	1,80,000
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Total	21,60,000
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Less: ITC allowed

CGST	1,80,000
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SGST	1,80,000
------	----------

Output Tax

Transaction Value	30,00,000
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Add: CGST @10%	3,00,000
----------------	----------

Add: SGST @10%	3,00,000
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Total	36,00,000
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Computation of Net Tax Payable

CGST

Output Tax	3,00,000
Less: ITC Goods A	(1,00,000)
Less: ITC Plant & Machinery	(3,06,000)
Less: ITC Goods B	(1,80,000)
Excess credit to be carried forward	(2,86,000)

SGST

Output Tax	3,00,000
Less: ITC Goods A	(1,00,000)
Less: ITC Plant & Machinery	(3,06,000)
Less: ITC Goods B	(1,80,000)
Excess credit to be carried forward	(2,86,000)

Solution to Illustration no. 5:

₹

Purchase goods	30,00,000
Add: CGST @10%	3,00,000
Add: SGST @10%	3,00,000
Total	36,00,000
ITC	
CGST	3,00,000
SGST	3,00,000

Plant and Machinery

Transaction Value	32,00,000
Add: CGST @12%	3,84,000
Add: SGST @12%	3,84,000
Total	39,68,000
ITC	
CGST	3,84,000
SGST	3,84,000

Output Tax

Transaction Value	22,00,000
Add: CGST @10%	2,20,000
Add: SGST @10%	2,20,000
Total	26,40,000

Net tax Payable

	CGST
Output tax	2,20,000
Less: ITC on Goods	(2,20,000)
Net Tax	Nil
Excess Credit to be carried forward (3,00,000 + 3,84,000 - 2,20,000)	4,64,000
	SGST
Output tax	2,20,000
Less: ITC on Goods	(2,20,000)
Net Tax	Nil
Excess Credit to be carried forward (3,00,000 + 3,84,000-2,20,000)	4,64,000

Computation of ITC to be reversed when opting for composition scheme**ITC of Goods (50%)**

CGST (3,00,000 x 50%)	1,50,000
SGST (3,00,000 x 50%)	1,50,000

ITC on Plant and Machinery shifted on 01/04/2021

Asset used (22/09/2020 to 31/03/2021) = 6 month and 9 days

Remaining life = 60 months – 6 month and 9 days = 53 months and 21 days ignoring no. of days

53 months

CGST (3,84,000/60 x 53)	3,39,200
SGST (3,84,000/60 x 53)	3,39,200

Total ITC to be reversed

CGST (1,50,000 + 3,39,200)	4,89,200
Less: ITC	(4,64,000)
Net Payable	25,200
SGST (1,50,000 + 3,39,200)	4,89,200
Less: ITC	(4,64,000)
Net Payable	25,200

Output tax under composition scheme

Turnover	38,00,000
CGST @ 0.5%	19,000
SGST @ 0.5%	19,000

Solution to Illustration no. 6:

	₹
Purchase goods A	30,00,000
Add: CGST @10%	3,00,000
Add: SGST @10%	3,00,000
Total	36,00,000
ITC allowed	
CGST	1,50,000
SGST	1,50,000

Plant and Machinery

Transaction Value	18,00,000
Add: CGST @10%	1,80,000
Add: SGST @10%	1,80,000
Total	21,60,000

ITC allowed after shifting to normal scheme

CGST	1,80,000
Less: Tax credit not allowed for already used from 01/06/2021 to 01/01/2022	(27,000)
(1,80,000 x 3 x 5%)	

ITC allowed	1,53,000
SGST	1,80,000
Less: Tax credit not allowed for already used from 01/06/2021 to 01/01/2022 (1,80,000 x 3 x 5%)	(27,000)
ITC allowed	1,53,000

Output Tax

Transaction Value	22,00,000
Add: CGST @10%	2,20,000
Add: SGST @10%	2,20,000
Total	26,40,000

Net tax Payable**CGST**

Output tax	2,20,000
Less: ITC on Goods A	(1,50,000)
Less: ITC Plant & Machinery	(70,000)
Net Tax	Nil
Excess Credit to be carried forward (1,50,000 + 1,53,000 - 2,20,000)	83,000

SGST

Output tax	2,20,000
Less: ITC on Goods A	(1,50,000)
Less: ITC Plant & Machinery	(70,000)
Net Tax	Nil
Excess Credit to be carried forward (1,50,000 + 1,53,000 - 2,20,000)	83,000

Output tax under composition scheme

Turnover	22,00,000
CGST @ 0.5%	11,000
SGST @ 0.5%	11,000

Solution to Illustration no. 7:

No output tax and no ITC from 01.04.2021 to 30.06.2021 because the service provider is unregistered.

For the quarter July to September and October to December 2021, he is in composition scheme, hence no output and no ITC but tax should be paid out of his own at 3% + 3%.

₹

July to September

	20,00,000
CGST @ 3%	60,000
SGST @ 3%	60,000

Payment should be made upto 18.10.2021

October to December

	10,00,000
CGST @ 3%	30,000
SGST @ 3%	30,000

Payment should be made upto 18.01.2022

January 2022

The service provider is in normal scheme from 01.01.2022. ITC of inputs/capital goods in stock is allowed.

Input Tax Credit

Inputs (50% of 14,00,000)	7,00,000
CGST @ 9%	63,000
SGST @ 9%	63,000

Capital goods

No Tax credit shall be allowed for capital asset purchased prior to registration in GST. Asset purchased after the date of registration but before opting out to composition scheme shall be allowed on proportionate basis.

1. Used from 01.09.2021 to 31.12.2021

Asset already used for 4 Months = 2 Quarters

Capital goods	2,00,000
CGST @ 10%	20,000
ITC allowed (20,000 – 20,000 x 10% (i.e. 5% x 2))	18,000

SGST @ 10%	20,000
ITC allowed (20,000 – 20,000 x 10% (i.e. 5% x 2))	18,000

2. Used from 01.10.2021 to 31.12.2021

Asset already used for 3 Months = 1 Quarter

Capital goods	10,00,000
CGST @ 10%	1,00,000
ITC allowed (1,00,000 – 1,00,000 x 5% (i.e. 5% x 1))	95,000

SGST @ 10%	1,00,000
ITC allowed (1,00,000 – 1,00,000 x 5% (i.e. 5% x 1))	95,000

ITC inputs

	16,00,000
CGST @ 5%	80,000
SGST @ 5%	80,000

Total Input tax credit

CGST (63,000 + 95,000 + 18,000+80,000)	2,56,000
SGST (63,000 + 95,000 + 18,000+80,000)	2,56,000

Output Tax

	8,00,000
Output CGST @ 9%	72,000
Output SGST @ 9%	72,000

Net Tax

CGST	72,000
------	--------

Composition Scheme

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Less: ITC	(72,000)
	Nil
ITC CGST Carried forward	1,84,000
SGST	72,000
Less: ITC	(72,000)
	Nil
ITC SGST Carried forward	1,84,000

Payment should be made upto 20.02.2022

February 2022**Output Tax**

	10,00,000
Output CGST @ 9%	90,000
Output SGST @ 9%	90,000

Net Tax

CGST	90,000
Less: ITC b/f	(90,000)
	Nil
ITC CGST Carried forward	94,000
SGST	90,000
Less: ITC b/f	(90,000)
	Nil
ITC SGST Carried forward	94,000

Payment should be made upto 20.03.2022

March 2022**Output Tax**

	12,00,000
Output CGST @ 9%	1,08,000
Output SGST @ 9%	1,08,000
<u>Net Tax</u>	
CGST	1,08,000
Less: ITC b/f	(94,000)
Tax Payable	14,000
SGST	1,08,000
Less: ITC b/f	(94,000)
Tax Payable	14,000

Payment should be made upto 20.04.2022

(b) Presume he has not opted for composition scheme w.e.f 01.07.2021 rather he was in the normal scheme and charged output CGST @ 9% and SGST @ 9%. Presume inputs consumed upto 30th June 2021 is 50%

Solution:

No output tax and no ITC from 01.04.2021 to 30.06.2021 because the service provider is unregistered. But ITC allowed on Inputs in stock but no ITC allowed on capital Goods.

₹

July

Input Tax Credit

Input (50% of 3,00,000)	1,50,000
CGST @ 9%	13,500
SGST @ 9%	13,500
ITC Carried forward CGST	13,500
ITC Carried forward CGST	13,500

August

ITC Carried forward CGST	13,500
ITC Carried forward CGST	13,500

September

	20,00,000
Output CGST @ 9%	1,80,000
Output SGST @ 9%	1,80,000

Input Tax Credit

Inputs	10,00,000
CGST @ 9%	90,000
SGST @ 9%	90,000

ITC – Capital goods

Capital goods	2,00,000
CGST @ 10%	20,000
SGST @ 10%	20,000

ITC – Input Service

Input Service	1,00,000
CGST @ 9%	9,000
SGST @ 9%	9,000

Net Tax

CGST	1,80,000
Less: ITC – Inputs	(90,000)
Less: ITC – Capital Goods	(20,000)
Less: ITC- Input Service	(9,000)
Less: ITC- b/f	(13,500)
Tax Payable	47,500

SGST	1,80,000
Less: ITC – Inputs	(90,000)
Less: ITC – Capital Goods	(20,000)
Less: ITC- Input Service	(9,000)
Less: ITC- b/f	(13,500)
Tax Payable	47,500

Payment should be made upto 20.10.2021

October

ITC – Capital goods

Capital goods	10,00,000
CGST @ 10%	1,00,000
SGST @ 10%	1,00,000
ITC CGST Carried forward	1,00,000
ITC SGST Carried forward	1,00,000

November

ITC CGST Carried forward	1,00,000
ITC SGST Carried forward	1,00,000

December

	10,00,000
Output CGST @ 9%	90,000
Output SGST @ 9%	90,000

ITC – Inputs

Inputs	1,00,000
CGST @ 9%	9,000
SGST @ 9%	9,000

ITC – Input service

Input service	1,00,000
CGST @ 9%	9,000
SGST @ 9%	9,000

Net Tax

CGST	90,000
Less: ITC inputs	(9,000)
Less: ITC input service	(9,000)
Less: ITC – b/f	(72,000)
Tax Payable	Nil

ITC CGST Carried forward 28,000

SGST	90,000
Less: ITC inputs	(9,000)
Less: ITC input service	(9,000)
Less: ITC – b/f	(72,000)
Tax Payable	Nil

ITC SGST Carried forward 28,000

January 2022

	8,00,000
Output CGST @ 9%	72,000
Output SGST @ 9%	72,000

ITC inputs

	16,00,000
CGST @ 5%	80,000
SGST @ 5%	80,000

Net Tax

CGST	72,000
Less: ITC	(72,000)

Nil

ITC CGST Carried forward (28,000 + 80,000 – 72,000) 36,000

SGST 72,000

Less: ITC	(72,000)
	Nil
ITC SGST Carried forward (28,000 + 80,000 – 72,000)	36,000

February 2022

	10,00,000
Output CGST @ 9%	90,000
Output SGST @ 9%	90,000

Net Tax

Output CGST	90,000
Less: ITC b/f	(36,000)
Tax Payable	54,000

Output SGST	90,000
Less: ITC b/f	(36,000)
Tax Payable	54,000

Payment should be made upto 20.03.2022

March 2022

	12,00,000
Output CGST @ 9%	1,08,000
Output SGST @ 9%	1,08,000

Net Tax

Output CGST	1,08,000
Less: ITC	Nil
Tax Payable	1,08,000

Output CGST	1,08,000
Less: ITC	Nil
Tax Payable	1,08,000

Payment should be made upto 20.04.2022

(c) Presume he has taken registration right from the beginning i.e. w.e.f 01.04.2021 and charged output CGST @ 9% and SGST @ 9%.

Solution:

	₹
<u>April</u>	
	Nil
<u>May</u>	
	Nil
<u>June</u>	
	20,00,000
Output CGST @ 9%	1,80,000
Output SGST @ 9%	1,80,000
Input	3,00,000
CGST @ 9%	27,000
SGST @ 9%	27,000
Capital Goods	1,00,000
CGST @ 10%	10,000
SGST @ 10%	10,000
<u>Net Tax</u>	
CGST	1,80,000
Less: ITC-Input	(27,000)
Less: ITC-capital goods	(10,000)
Tax Payable	1,43,000
SGST	1,80,000
Less: ITC-Input	(27,000)
Less: ITC-capital goods	(10,000)
Tax Payable	1,43,000

Payment should be made upto 20.07.2021

July

Nil

August

Nil

September

20,00,000

Output CGST @ 9%

1,80,000

Output SGST @ 9%

1,80,000

Input Tax Credit

Inputs

10,00,000

CGST @ 9%

90,000

SGST @ 9%

90,000

ITC – Capital goods

Capital goods

2,00,000

CGST @ 10%

20,000

SGST @ 10%

20,000

ITC – Input Service

Input Service

1,00,000

CGST @ 9%

9,000

SGST @ 9%

9,000

Net Tax

CGST

1,80,000

Less: ITC – Inputs

(90,000)

Less: ITC – Capital Goods

(20,000)

Less: ITC- Input Service

(9,000)

Tax Payable	61,000
SGST	1,80,000
Less: ITC – Inputs	(90,000)
Less: ITC – Capital Goods	(20,000)
Less: ITC- Input Service	(9,000)
Tax Payable	61,000

Payment should be made upto 20.10.2021

October

ITC – Capital goods

Capital goods	10,00,000
CGST @ 10%	1,00,000
SGST @ 10%	1,00,000
ITC CGST Carried forward	1,00,000
ITC SGST Carried forward	1,00,000

November

ITC CGST Carried forward	1,00,000
ITC SGST Carried forward	1,00,000

December

	10,00,000
Output CGST @ 9%	90,000
Output SGST @ 9%	90,000
<u>ITC – Inputs</u>	
Inputs	1,00,000
CGST @ 9%	9,000
SGST @ 9%	9,000

ITC – Input service

Input service	1,00,000
CGST @ 9%	9,000
SGST @ 9%	9,000

Net Tax

CGST	90,000
Less: ITC inputs	(9,000)
Less: ITC input service	(9,000)
Less: ITC – b/f	(72,000)
Tax Payable	Nil

ITC CGST Carried forward 28,000

SGST	90,000
Less: ITC inputs	(9,000)
Less: ITC input service	(9,000)
Less: ITC – b/f	(72,000)
Tax Payable	Nil

ITC SGST Carried forward 28,000

January 2022

	8,00,000
Output CGST @ 9%	72,000
Output SGST @ 9%	72,000

ITC inputs

	16,00,000
CGST @ 5%	80,000

Composition Scheme

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SGST @ 5%	80,000
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Net Tax

CGST	72,000
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Less: ITC	(72,000)
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Nil

ITC CGST Carried forward (28,000 + 80,000 – 72,000)	36,000
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SGST	72,000
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Less: ITC	(72,000)
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Nil

ITC SGST Carried forward (28,000 + 80,000 – 72,000)	36,000
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February 2022

10,00,000

Output CGST @ 9%	90,000
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Output SGST @ 9%	90,000
------------------	--------

Net Tax

Output CGST	90,000
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Less: ITC b/f	(36,000)
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Tax Payable	54,000
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Output SGST	90,000
-------------	--------

Less: ITC b/f	(36,000)
---------------	----------

Tax Payable	54,000
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Payment should be made upto 20.03.2022

March 2022

12,00,000

Output CGST @ 9%	1,08,000
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Output SGST @ 9%	1,08,000
------------------	----------

Net Tax

Output CGST	1,08,000
-------------	----------

Less: ITC	Nil
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Tax Payable	1,08,000
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Output CGST	1,08,000
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Less: ITC	Nil
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Tax Payable	1,08,000
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Payment should be made upto 20.04.2022

MULTIPLE CHOICE QUESTIONS

Answer:

1. (d); 2. (b); 3. (c) ; 4. (b); 5. (a); 6. (b); 7. (d); 8. (d); 9. (a); 10. (d); 11. (a); 12. (b); 13. (b); 14. (b) ; 15.(b); 16. (c); 17. (e)

RETURNS

MULTIPLE CHOICE QUESTIONS

Answer:

1. (d); 2. (c); 3. (a); 4. (c); 5. (d); 6. (b); 7. (c); 8. (d); 9. (c); 10. (d); 11. (d); 12. (b); 13. (a); 14. (d)

PAYMENT OF GST

MULTIPLE CHOICE QUESTIONS

Answer:

1. (d); 2. (c); 3. (b); 4. (a); 5. (b); 6. (d); 7. (d); 8. (b); 9. (a); 10. (a); 11. (c); 12. (a); 13. (c); 14. (a); 15. (c); 16. (c); 17. (a); 18. (b); 19. (b); 20. (b); 21. (c); 22. (b); 23. (c); 24. (a)

TIME OF SUPPLY

Solution to Illustration no. 8:

In the present case the supplier has taken voluntary registration therefore as per section 18(1)(b)/ Rule 40 the supplier will allowed to take tax credit of inputs and not of capital goods.

In the first case of supply of services rendered he will not be allowed to issue tax invoice because at the time of supply he is not a registered dealer and he cannot collect tax.

In the second case of services rendered, the TOS shall be 03-09-2021 when he issued invoice within 30 days of rendering of service, So he will show this supply in GSTR-1 for the month of September and tax shall be paid upto 20th October 2021.

Tax Liability	₹
Transaction Value	11,00,000
CGST @ 9%	99,000
SGST @ 9%	99,000
Total	12,98,000
Net Tax Payable	
CGST Payable	99,000
Less: ITC on CGST	(10,000)
Net Tax Payable	89,000
Net Tax Payable	
SGST Payable	99,000
Less: ITC on SGST	(10,000)
Net Tax Payable	89,000

In the third case of services rendered, The TOS shall be 01-12-2021 because he issued invoice after 30 days of rendering of service and payment received before rendering of service, So he will show this supply in GSTR-1 for the month of December and tax shall be paid upto 20th January 2022.

Tax Liability	₹
Transaction Value	20,00,000
CGST @ 10%	2,00,000
SGST @ 10%	2,00,000
Total	24,00,000

CGST Payable	2,00,000
SGST Payable	2,00,000

Solution to Illustration no. 9:**Net Tax Payable for the Month of August**

ITC ₹

Goods A

Transaction Value	4,00,000.00
Add: CGST @ 10%	40,000.00
Add: SGST @ 10%	40,000.00
	4,80,000.00

Tax Liability

First Bill (TOS 31/08/2021)	6,00,000.00
Add: CGST @ 10%	60,000.00
Add: SGST @ 10%	60,000.00
	7,20,000.00

Net Tax Payable

Output	
CGST	60,000.00
Less: ITC CGST	(40,000.00)
Tax Payable	20,000.00

Output	
SGST	60,000.00
Less: ITC SGST	(40,000.00)
Tax Payable	20,000.00

Net Tax Payable for the Month of September

ITC ₹

Goods B

Transaction Value	5,00,000.00
Add: CGST @ 10%	50,000.00

	Time of Supply	60
Add: SGST @ 10%		50,000.00
		6,00,000.00
Goods C		
Transaction Value		7,00,000.00
Add: CGST @ 10%		70,000.00
Add: SGST @ 10%		70,000.00
		8,40,000.00
Net Tax Payable for the Month of December		
Output Tax		
Goods B		Nil
Goods C (TOS 31-12-2021)		
Transaction Value		7,00,000
IGST@ 20%		1,40,000
Less: ITC CGST Goods B		(50,000)
Less: ITC CGST Goods C		(70,000)
Less: ITC SGST Goods B		(20,000)
Net Tax Payable		Nil
ITC to be carried forward		
SGST		1,00,000

MULTIPLE CHOICE QUESTIONS

Answer:

1.(c); 2.(a); 3.(b); 4.(d); 5.(d); 6. (a); 7. (b); 8. (c); 9. (a); 10. (c); 11. (b); 12. (c); 13. (c); 14. (c); 15. (c); 16. (b); 17. (d)

VALUE OF SUPPLY

MULTIPLE CHOICE QUESTIONS

Answer:

1.(d); 2. (d); 3. (a); 4. (a); 5. (c); 6. (d); 7. (c); 8.(f); 9. (d); 10. (b); 11. (f); 12. (b); 13. (a); 14. (d); 15. (c)

Hint to Question 7:

Basic Price of Goods:	2,00,000
Add: Custom Duty:	20,000
Taxable Value	2,20,000

Hint to Question 8:

Basic Price of Goods:	2,00,000
Add: Packing	3,000
Add: Transportation	5,000
Add: Installation	10,000
Taxable Value	2,28,000

Hint to Question 9:

Basic Price of Goods	2,00,000
Add: Packing	3,000
Add: Weighment	5,000
Taxable Value	2,08,000

Hint to Question 10:

Basic Price of Goods	2,00,000
Add: Packing	3,000
Add: Weighment	5,000
Add: Payment to other on Suppler Behalf	1,00,000
Taxable Value	3,08,000

Hint to Question 11:

Basic Price of Goods	2,00,000
Add: Packing	3,000
Add: Weighment	5,000
Add: Payment to other on Suppler Behalf	1,00,000
Less: Discount (200000X10%)	(20,000)
Taxable Value	2,88,000

Hint to Question 12:

Basic Price of Goods	3,00,000
Less: Subsidy	(1,00,000)
Taxable Value	2,00,000

Hint to Question 13:

Basic Price of Goods	3,00,000
Taxable Value	3,00,000

MEANING OF SUPPLY

MULTIPLE CHOICE QUESTIONS

Answer:

1. (a); 2. (a); 3. (d); 4. (d); 5. (b); 6. (a); 7. (d); 8. (c); 9. (c); 10. (c); 11 (a); 12. (b); 13(a); 14.(d); 15. (c)

TAX INVOICE, CREDIT AND DEBIT NOTES

MULTIPLE CHOICE QUESTIONS

Answer:

1. (a); 2. (b); 3. (b); 4. (a); 5. (c); 6. (c) ; 7. (c) ; 8. (a); 9(c); 10(c); 11. (a); 12. (b); 13. (c); 14. (a); 15. (f)

EXEMPTIONS FROM GST

MULTIPLE CHOICE QUESTIONS

Answer:

1. (c); 2. (d); 3. (d); 4. (c); 5. (d); 6. (d); 7. (a); 8. (a); 9. (ix); 10 (c); 11. (d); 12 (b); 13 (b); 14 (d); 15. (c); 16 (a); 17 (d); 18 (a); 19 (d); 20 (d); 21. (c); 22. (b); 23. (c); 24. (a); 25. (a); 26. (d); 27. (b); 28. (a); 29. (d); 30. (d); 31. (c); 32. (c); 33. (a); 34. (c); 35. (c); 36. (b); 37. (b); 38. (c); 39. (b); 40. (d); 41. (a); 42. (b); 43. (a); 44. (a); 45. (a); 46. (a); 47. (e); 48. (c)

REVERSE CHARGE

MULTIPLE CHOICE QUESTIONS**Answer:**

1. (a); 2. (b); 3(b); 4 (c); 5. (d); 6. (d); 7. (d); 8. (b); 9. (c); 10. (a); 11. (b); 12. (a); 13. (a); 14. (a); 15. (c); 16. (d); 17. (d); 18. (a); 19. (d); 20. (a); 21. (c); 22. (a); 23. (c); 24(a); 25. (a); 26.(d); 27.(c)

MISCELLANEOUS**MULTIPLE CHOICE QUESTIONS****Answer:**

1. (d); 2. (a); 3. (a); 4. (b); 5. (d); 6. (b); 7. (a); 8. (c); 9. (a); 10. (a); 11. (c); 12. (a); 13. (a); 14. (a); 15. (a); 16. (b); 17. (b); 18. (b); 19. (a); 20. (a)