

TEST 1 - INTRODUCTION TO GST (+) CHARGE OF GST**ANSWER 1**

(c) Both (a) and (b)

ANSWER 2

(a) (ii)

ANSWER 3

(a) three-fourth, one-third, two-third

ANSWER 4

(b) (i) & (iv)

ANSWER 5

(d) Service of renting of motor vehicle for passengers provided to a recipient other than body-corporate

ANSWER 6

(b) Only (ii)

ANSWER 7

(a) GST of ₹ 450 is payable by XX on reverse charge basis.

ANSWER 8

(a) GST is payable @ 12%

ANSWER 9

No act or proceedings of the Goods and Services Tax Council shall be invalid merely by reason of:

- a) any vacancy in, or any defect in, the constitution of the Council; or
- b) any defect in the appointment of a person as a Member of the Council; or
- c) any procedural irregularity of the Council not affecting the merits of the case.

ANSWER 10

Central levies which are subsumed in GST are as under:

- Central Excise Duty & Additional Excise Duties
- Service Tax
- Additional Duties of Customs in lieu of Excise Duty & Sales Tax
- Central Sales Tax

State levies which are subsumed in GST are as under:

- VAT/Sales Tax
- Luxury Tax
- Entertainment Tax
- Tax on Betting/Gambling/Lottery

ANSWER 11

- 1) In case of a GTA service, where GST is payable @ 5% and recipient is one of the specified recipients, tax is payable by the recipient of service under reverse charge. However, where GST is payable @ 12%, tax is payable under forward charge by the supplier of service. Thus, in the given case, tax is payable under forward charge by "Veer Transport", a registered GTA.

Note: Since the recipient of service is other than specified recipient, ie an unregistered sole proprietorship firm, GTA service is exempt from GST. However, in the above answer, the said exemption has been ignored since the question specifically requires the students to ignore the exemptions, if any, available.

- 2) Supply of services by an author by way of transfer of a copyright covered u/s 13(1)(a) of the Copyright Act, 1957 relating to original literary works to a publisher located in the taxable territory is taxable under reverse charge mechanism.

Thus, in the given case, the recipient of service (ie PQR Publications Ltd) is liable to pay GST. The tax can be paid by the author under forward charge if the author is a registered person. Since in the given case, the author is an unregistered person, the said option is not available to him.

ANSWER 12

- (i) In case of services provided by any person by way of sponsorship to any body-corporate or partnership firm/LLP, GST is liable to be paid under reverse charge by such body-corporate or partnership firm/LLP located in the taxable territory. Therefore, in the given case, 'We Win Cricket Academy' is liable to pay GST under reverse charge.
- (ii) In case of services provided by Goods Transport Agency (GTA) in respect of transportation of goods by road to, inter alia, any partnership firm whether registered or not under any law, GST is liable to be paid by such partnership firm. Therefore, in the given case, Kapil & Co is liable to pay GST under reverse charge.

ANSWER 13

- 1) GST is payable on reverse charge basis on services supplied by the State Government by way of renting of immovable property to any person registered under GST law. Since the turnover of Mannappa Pvt Ltd for the preceding financial year exceeds the threshold limit prescribed u/s 22, Mannappa Pvt Ltd would have got itself registered under the GST law. Therefore, in the given case, person liable to pay GST is the recipient of services, ie Mannappa Pvt Ltd.
- 2) GST on legal services supplied by a senior advocate (Mr Sushrut) to any business entity (M/s Tatva Trading Company) located in the taxable territory is payable on reverse charge basis. Therefore, in the given case, person liable to pay GST is the recipient of services, ie M/s Tatva Trading Company.

ANSWER 14

Mr Anurag, an author, can choose to pay tax under forward charge provided he fulfills the following conditions:

- He has taken registration under the GST law;
- He has filed a declaration, in the prescribed form, that he exercises the option to pay tax on the said service under forward charge and, to comply with all the provisions of the GST law as they apply to a person liable for paying the tax in relation to the supply of any goods and/or services and that he shall not withdraw the said option within a period of 1 year from the date of exercising such option; and
- He makes a declaration on the invoice issued by him in prescribed form to the publisher.