

SACHIN AJMERA CLASSES
Chapter – 2 Meaning of Goods & service and supply
APPLICABLE FOR DEC-23 EXAM

OBJECTIVE QUESTIONS

Q.1 Choose the correct answer with justification/workings wherever applicable:

1. GST is payable in respect of services rendered to an employer by an employee on:
(a) Regular basis in course of employment
(b) Contract basis not in course of employment
(c) Neither (A) nor (B)
(d) Both (A) and (B) [CM-(I)-D- 18]
2. Under GST Act a supply of assortment of sweets, chocolates and firecrackers packed in a gift hamper is:
(a) Joint Supply
(b) Composite supply
(c) Mixed supply
(d) Assorted supply [CM-(F)-D- 18]
3. Mahesh is employed in Zed Traders a proprietary concern of Kumar having taxable turnover under GST. Service provided by Mahesh will be taxable if:
(a) Mahesh provides them on contract basis to Zed Traders
(b) Mahesh provides them on regular basis to Zed Trader
(c) Mahesh provides them to brother of Kumar, not in course of employment
(d) None of the above. [CM-(F)-D-19]
4. What would be tax rate applicable in case of composite supply?
(a) Tax rate as applicable on principal supply
(b) Tax rate as applicable on ancillary supply
(c) Tax rate as applicable on respective supply
(d) Tax rate of the principal supply or ancillary supply whichever is higher. [CM-(F)-D-19]
5. When goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance as per provisions of CGST Act, 2017, is called as :
(A) Mixed Supply
(B) Uniform Supply
(C) Complex Supply
(D) Composite Supply [CS-(I)-J-19]
6. Power to declare certain activities/transactions as neither supply of goods nor of services is given in:
a) Schedule IV
b) Schedule III
c) Schedule II
d) Schedule I [CS-(I)-J-19]

- 7 Construction of a complex, building, civil structure or the part thereof including a complex or building intended for sale to a buyer, wholly or partly except where the entire consideration has been received after issuance of completion certificate, where required, by a competent authority or after its first occupation, whichever is earlier for the purpose of taxability under the CGST Act, 2017 shall be treated as supply of :
- Goods
 - Both goods and services
 - Services
 - Contract work
- [CS-(I)-J-18]**
- 8 A supply made by a taxable person to a recipient consisting of two or more taxable supply of goods or services of both or any combination thereof which are only bundled and supplied in conjunction with each other in the ordinarily course of business out of which one is a principal supply has been defined u/s 2(3) of CGST Act, 2017 to mean:
- Mixed supply
 - Composite supply
 - Bundled supply
 - Both (A) and (B)
- [CS-(I)-J-18]**
- 9 One of the main features of Composite supply is
- Supply of two or more goods at a special discount
 - Mixing of various products as suitable for customers
 - Goods are naturally bundle and supply with conjunction with each other.
 - Supply of same product in bundle with special price
- [CM-WB-M-20]**
- 10 Tax liability for mixed supply of two or more items will be
- same tax rate
 - lowest tax rate
 - individual tax rate
 - highest tax rate
- [CM-WB-J-20]**
- 11 In respect of services imported by Mr. Mandeep, which of the following is a correct statement?
- Architect services for his business from his friend in London free of cost is considered as a supply
 - Designing services from his brother in London for ` 5 Lakh for his personal purposes is considered as a supply.
 - Architect services for his business from his friend in London free of cost is not considered as a supply
 - Designing services from his brother in London for ` 5 Lakh for his personal purposes is not considered as a supply.
- i & ii
 - i & iv
 - ii & iii
 - iii & iv
- [RTP –CA-May-20]**

12. Which of the following is not covered under Schedule III of CGST Act, 2017?
- Director's monthly salary under employment agreement
 - Sitting fees to independent directors for attending AGMs
 - Payment to employee for providing broking services to the employer for purchase of commercial property. Such services do not form part of the employment contract entered into by the employer with the employee.
 - Both (b) and (c)
- [May-RTP-may-20]**
13. Which of the following activity shall be treated neither as a supply of goods nor a supply of services?
- Permanent transfer of business assets where input tax credit has been availed on such assets
 - temporary transfer of intellectual property right
 - transportation of deceased
 - services by an employee to the employer in the course of employment
- (i) & (iii)
 - (ii) & (iv)
 - (i) & (ii)
 - (iii) & (iv)
- [NOV-RTP-NOV-19]**
14. Which is not considered as supply under GST Law?
- Stock transferred from one establishment in Delhi to another establishment in Gurgaon, Haryana registered under same PAN.
 - CA Ram supplies accounting services to CA Radha in lieu of taxation services received from CA Radha.
 - A Health club supplies lunch to its members at its annual meeting against a nominal charge.
 - Mr. A sells a flat to Mr. B
- [NOV-RTP-NOV-19]**
15. Transfer of right in goods or of undivided share in goods without the transfer of title thereof is treated as:
- Supply of goods
 - Supply of services
 - Neither supply of goods nor supply of services
 - Partly supply of goods and partly supply of services
- [MT-CMA-June-20 2nd set]**
16. _____ specifies the activities to be treated as supply even if made without consideration.
- Schedule I of CGST Act
 - Schedule II of CGST Act
 - Schedule III of CGST Act
 - All of the above
17. Which of the following is not a supply as per Section 7 of the CGST Act?
- Management consultancy services not in course or furtherance of business
 - Import of service for consideration not in course or furtherance of business
 - Both (A) and (B)
 - None of the above

18. Which of the following activity is outside the scope of supply and not taxable under GST?
(A) Services by an employee to the employer in the course of or in relation to his employment.
(B) Services of funeral
(C) Actionable Claims, other than lottery, betting and gambling
(D) All of the above
19. Which of the following supplies are naturally bundled?
(A) Rent deed executed for renting of two different floors of a building one for residential and another for commercial purpose to same person
(B) Pack of watch, tie and belt
(C) Package of canned food such as burger, chocolates, sweets, cake etc
(D) None of the above
20. Which of the following activities is a supply of services?
(A) Transfer of right in goods/undivided share in goods without transfer of title in goods.
(B) Transfer of title in goods
(C) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date
(D) All of the above
21. The scope of supply of goods or services or both includes —
(A) Sale
(B) Exchange
(C) Lease
(D) All of the above
22. Sasta Bazar offers a free bucket with detergent purchased. It is a —
(A) Composite supply
(B) Mixed supply
(C) Principal supply
(D) None of the above
23. Mr. T, a thief has stolen motorbike and sells the motorbike to Mr. Q. It is illegal to steal a motorbike. Sale of motorbike will be considered as:
(A) supply and liable to be taxed
(B) supply but not liable to be taxed
(C) not at all supply
(D) None of the above
24. Which of the following activities or transactions shall be treated neither as supply of goods nor a supply of service?
a. sale of land or building
b. lease of land
c. rent of building

d. all the above.

25. Gift exceeding _____ in a value in a Financial year by an employer to employee shall constitutes supply goods or service or both?
(a) 30000
(b) 5000
(c) 50000
(d) it is not supply of goods or service
26. The activity of bus body building is a supply of goods or service ?
(a) it is a treated supply of goods
(b) it is a treated supply of service
(c) it shall either will be treated supply of goods or supply of service
(d) it shall neither be treated supply of service nor will be treated supply of goods
27. Which of the following activity shall be treated neither as a supply of goods nor a supply of services under Schedule III of CGST Act, 2017?
a. Import of service for personal use with consideration
b. Supply of warehoused goods before clearance for home consumption
c. Temporary transfer of intellectual property right
d. Permanent transfer of business assets where input tax credit has been availed on such assets.
28. Manu imported some goods in India, but kept the goods in custom bonded warehouse without clearing it for home consumption. In the meantime, Manu sold these goods to Sirak while they were in warehouse. The transaction is a
a. Supply of services.
b. Zero rated supply
c. Supply of goods.
d. Neither supply of goods nor supply of services
29. Mr. A booked a Rajdhani train ticket, which includes meal. It is composite supply or mixed supply?
(A) Composite supply
(B) Mixed supply
(C) Principal supply
(D) None of the above
30. Which of the following transactions does not qualify as supply under GST law?
(a) when the Head office makes a supply of services to its own branch outside the State.
(b) When a person import services without considerations for the purpose of his business from his elder son living outside India.
(c) Disposal of car without considerations and where the supplier has not claimed ITC on such car
(d) When a principal makes supplies to his agent who is also registered under GST and is situated within the same State and the invoice for further supply is issued by the agent in his name.

31. Which one of the following is not a composite supply?
 - a. supply of an Air conditioner along with freight, insurance and installations
 - b. supply of UPS along with the external battery
 - c. supply of architect service along with supply of material incidental to his service.
 - d. supply of lodging service by a hotel including breakfast

32. Which of the following is not considered as a supply under the CGST Act 2017?
 - a) Importations of architectural services for Rs. 1.00.000 for constructions of residential property used for personal purpose from unrelated person
 - b) Importations of architectural services free of cost for constructions of office used for business purposes from related person
 - c) Importations of architectural services free of cost for constructions of office used for business purposes from unrelated person
 - d) Both (a) and (c)

33. Which of the following is not a supply under the CGST Act, 2017?
 - a) Goods supplied free of cost by X & Sons to its agent for further supply to customer at Rs. 5000 for which invoice will be issued by agent in his own name.
 - b) Importations of accounting service (for business purpose) free of cost from a dependent father residing in UK.
 - c) An expensive watch gifted to an employee for Rs. 50000. No other gifts provided to such employee during the entire FY
 - d) A machinery disposed off free of cost on which ITC has availed.

34. Which of the following is not considered as "Goods under CGST Act, 2017?
 - a. Sale of lottery ticket
 - b. Sale of shares of listed company
 - c. Sale of 10 paise coin having sale value of Rs. 1000
 - d. None of the above.

35. Mr. Aman purchased a Mobile for personal purpose which after 3 years of use was sold to mobile dealer Mr. Ravi for certain considerations. Does the same qualify as supply?
 - a) No since the supply is not made during course of or furtherance of business
 - b) Yes, since it is made for considerations
 - c) Neither of above
 - d) Depend on opinion of AO

36. Mr. Mukesh is a whole time director of IL provide certain service in the course of employment to RIL. The considerations received by Mr. Mukesh in respect of such service has been taxed under Reverse charge mechanism. Is the classifications justified?
 - (a) Yes, service of Director has been taxable under RCM basis
 - (b) no, since he is an employee and the same fall under the ambit of Sch III

- (c) Yes, but service of Director has been taxable under FCM basis
- (d) it is taxable at the options of company

37. Assuming that all the activities given below are undertaken for a consideration, state which of the following is not a supply of service?
- (a) Renting of commercial office complex
 - (b) An employee agreeing to not work for the competitor organizations after leaving the current employment
 - (c) Repairing of mobile phone
 - (d) Provision of services by an employee to the employer in the course of employment
38. Goods as per section 2(52) of the CGST Act, 2017 includes:
- (i) Actionable claims
 - (ii) Growing crops attached to the land agreed to be severed before supply.
 - (iii) Money
 - (iv) Securities
- (a) (i) and (iii)
 - (b) (iii) and (iv)
 - (c) (i) and (ii)
 - (d) (ii) and (iii)
39. License to occupy land is treated as _____
- (a) supply of service
 - (b) supply of goods
 - (c) neither supply of service nor supply of goods
 - (d) none of the above
40. Mr. Rajawat is member of Legislative assembly. He has given his commercial property on rent Rs. 25,000 pm . it is _____
- (a) neither supply of service nor supply of goods
 - (b) supply of service
 - (c) supply of goods
 - (d) non of the above.

41. A hotel provides a 4 days-3 nights package wherein in the facility of breakfast and dinner is provided along with room accommodations
- (A) composite supply
 - (b) mixed supply
 - (c) not supply
 - (d) exempt supply
42. ABC Traders donated computer during course of Business to charitable institutes for which no considerations is taken at the time of purchased and ABC trader did not claimed ITC at the time of purchase
- A. it is supply
 - b. it is not supply
 - c. it is exempt supply
 - d. it is zero rate supply
43. SAC located at Jaipur transfer some goods to its another branch not registered in GST situated at Kota without any considerations.
- A. it is supply
 - b. it is not supply
 - c. it is exempt supply
 - d. it is zero rate supply
44. Mr. Amit who live in Jaipur take consultancy service from his brother located in USA without considerations for his personal matter
- A. it is supply
 - b. it is not supply
 - c. it is supply taxable under FCM basis
 - d. It is supply taxable under RCM basis
45. Mr. Salman khan who live in Bombay take legal advice about his upcoming project from his friend located in USA without considerations
- A. it is supply
 - b. it is not supply

- c. it is supply taxable under FCM basis
 - d. It is supply taxable under RCM basis
46. Mukesh who is director of company and his TDS deducted by Company under Section 194J of Income tax.
- A. it is supply
 - b. it is not supply
 - c. it is supply taxable under FCM basis
 - d. It is supply taxable under RCM basis
47. Mr. A who is trader of shares are sold 500000 Rs. Shares to Mr. B during course of business
- A. it is supply
 - b. it is not supply
 - c. it is neither goods and nor service
 - d. it is exempt supply
48. Mr. A give Rs. 50,00,000 loan to Mr. B through the famous broker Mr. Anil Kapoor. Anil Kapoor charged 1% brokerage for this transactions. Service of Anil Kapoor is
- A. it is supply
 - b. it is not supply
 - c. it is neither goods and nor service
 - d. it is exempt supply
49. Mr A who is principal transfer some goods to his agent without considerations and agent issue invoice in name of principal. Transfer of goods by Mr. A to his agent
- (a) not supply
 - (b) it is supply
 - (c) exempt supply
 - (d) supply under RCM basis
50. Mr. A who is seller of Trophy and SAC palace order of 50 Trophy to Mr. A and ask him please paste the name of SAC on Trophy.
- (a) It is not supply
 - (b) it is supply of service
 - (C) it is supply of goods

(d) it is exempt supply

Subjective questions

CHAPTER - 2 Levy of GST

QUESTION 1

Mr. Rajesh Surana has a proprietorship firm in the name of Surana & Sons in Jaipur. The firm, registered under GST in the State of Rajasthan, manufactures taxable products. The firm also provides taxable consultancy services.

Mr. Rajesh Surana has provided the consultancy service to his brother – Mr. Akhilesh Surana (located in USA) without any consideration. The products manufactured by Mr. Akhilesh are similar to the ones manufactured by Mr. Rajesh Surana. Mr. Surana charges Rs. 3,00,000 for providing similar consultancy services to other independent customers located in USA.

Compute the GST liability, if any, in the given case assuming the rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively.

[MTP, May 2019 (4 Marks)]

Answer :

Consultancy services to Mr. Akhilesh Surana (located in USA) has been provided without any consideration. Activity without consideration is not a supply in terms of Section 7(1)(a) of the CGST Act, 2017. However, Schedule I to the CGST Act, 2017 enlists the activities to be treated as supply even if made without consideration. Accordingly, Para 2 of Schedule I treats supply of goods or services or both between related persons or between distinct persons as specified in Section 25, when made in the course of furtherance of business as a supply even if made without consideration.

However, a brother who is not dependent on the person supplying the service, does not come within the purview of term 'family' as defined under Section 2(49) of the CGST Act, 2017 and hence, is not a related person. Therefore, the export of service to an independent brother without any consideration will not fall under para 2 of the Schedule I to CGST Act, 2017. Hence, the activity is not a supply and is thus, not liable to any tax.

QUESTION 2

Examine whether the following activities would amount to supply under Section 7 of the CGST Act.

- (i) Sudhakar Charitable Trust, a trust that gets the eye treatment of under privileged children done free of cost, donates clothes and toys to children living in slum area.
- (ii) Rooplekha Manufacturers have a factory in Delhi and a depot in Mumbai. Both these establishments are registered in respective States. Financial goods are sent from the factory in Delhi to the Mumbai depot without consideration so that the same can be sold.

Answer :

- (i) Section 7 of the CGST Act, inter alia, provides that supply must be made for a consideration except the activities specified in Schedule I and in course or furtherance of business. Since, both these elements are missing, donation of clothes and toys to children living in slum area would not amount to supply under Section 7 of the CGST Act, 2017.
- (ii) Schedule I of CGST Act, inter alia, stipulates that supply of goods between distinct persons as specified in Section 25, is supply even without consideration provided it is made in the course or furtherance of business. Person registered in two States is treated as distinct persons in respect of each such registration [Section 25

of the CGST Act, 2017]. In view of the same, factory and depot of Rooplekha Manufacturers are establishment of two distinct persons. Therefore, supply of goods from Delhi factory of Rooplekha Manufacturers to Mumbai Depot without consideration, but in course/ furtherance of business, is supply under Section 7 of the CGST Act, 2017.

QUESTION 3

Determine whether the following supplies amount to composite supplies :

- (i) A hotel provides 4 days-3 nights package wherein the facility of breakfast and dinner is provided along with the room accommodations.
- (ii) A toothpaste company has offered the scheme of three toothbrush along with the toothpaste.

Answer :

Under composite supply, two or more taxable supplies of goods, or services or both, or any combination thereof, are naturally bundled and supplied in conjunction with each other, in the ordinary course of business, one of which is a principal supply [Section 2(30) of the CGST]. In view of the same.

- (i) Since, supply of breakfast and dinner with the accommodation in the hotel are naturally bundled, said supplies do not qualify as 'composite supply'.
- (ii) Since supply of toothbrush along with the toothpaste are not naturally bundled, said supplies do not qualify as 'composite supply'.

QUESTION 4

Whether provision of services or goods by a club or association or society to its members will be treated as supply or not ?

Answer :

Yes, Provision of facilities by a club, association, society or any such body to its members shall be treated as supply. This is also included in the definition of 'Business' in Section 2(17)(e) of CGST Act, 2017. Further, this activity is specifically included in the term 'Supply' by inserting clause (aa) in Sec. 7(1) of the CGST Act, 2017, which is read as under :

"The activities or transaction, by a person, other than an individual, to its members or constitutes or *vice-versa*, for cash, deferred payment or other valuable consideration.

Explanation – For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another".

QUESTION 5

State whether the following supplies would be treated as supply of goods or supply of services as per Schedule II of the CGST Act :

- (a) Renting of immovable property
- (b) Goods forming part of business assets are transferred or disposed of by/under directions of person carrying on the business.
- (c) Transfer of right in goods without transfer of title in goods.
- (d) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date.

Answer :

- (a) Supply of Services
- (b) Supply of Goods
- (c) Supply of Services
- (d) Supply of Goods

QUESTION 6

Enumerate any five matters on which the GST Council may make recommendations under Article 279A of the Constitution of India.

Answer :

The matters on which the GST Council may make recommendations under Article 279A of the Constitution of India are as under :—

- (i) The Taxes, cesses and surcharges levied by the Union, The State and The Local Bodies which may be subsumed in GST;
- (ii) The Goods and Services that may be subjected to, or exempted from GST;
- (iii) Model GST Laws, principles of Levy, Apportionment of GST levied on supplies in the course of inter-state trade or commerce and the principles governing the place of supply;
- (iv) The threshold limit of turnover below which goods and services may be exempted from GST;
- (v) The rates including floor rates with bands of GST;
- (vi) Any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;
- (vii) Special provision with respect to Special Category States
- (viii) The date on which the GST be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel.
- (ix) Any other matter relating to the GST, as the Council may decide.

QUESTION 7

Whether goods supplied on hire purchase basis will be treated as supply of goods or supply of services ?

Answer :

Supply of Goods on hire purchase basis will be treated as supply of goods as per Para 1 (c) of the Schedule II of the CGST Act, 2017 read with Section 7(1A) of the CGST Act, 2017, because as per terms of the agreement of hire purchase, title in the goods shall pass at a future date to the recipient

Past examinations questions
Nov-23 CA Inter
Questions 8

(b) Examine whether the following activities would be treated as supply under GST law?

- (i) Mr. Sonu from Chandigarh purchased a water cooler from Malhotra Bros. of Hoshiarpur for ₹25,000 to donate it to a temple situated in Hoshiarpur. Mr. Sonu directed Malhotra Bros. to engrave the words on the water cooler- "Donated by Mr. Sonu from Chandigarh" and dispatch the water cooler directly to the temple.

(2 Marks)

- (ii) Wesco Ltd, a registered person in Ahmedabad (Gujarat) having head office located in Singapore, received management consultancy services free of cost from its head office.

(2 Marks)

- (b) (i) Donations received by the charitable organisations are treated as consideration only if there exists, *quid pro quo*, i.e., there is an obligation on part of recipient of the donation or gift to do anything (supply a service).

Since the name of the donor, Mr. Sonu is displayed in temple as an expression of gratitude and public recognition of his act of philanthropy and is not aimed at advertising or promotion of his business, hence, donation of water cooler by Mr. Sonu to temple is without *quid pro quo* and is, thus, not a supply under GST law.

However, supply of water cooler by Malhotra Bros. to Mr. Sonu is supply as it is made for consideration in course or furtherance of business.

- (ii) As per schedule I, in case of import of services by a person from a related person or from his establishments located outside India, without consideration, in the course or furtherance of business shall be treated as "supply".

Hence, services³ received by Wesco Ltd. qualify as supply even though such services have been provided free of cost by the head office.

Questions 9 May-23

List any 5 (Five) activities/transactions specified under Schedule III of the CGST Act, 2017 which shall be neither treated as supply of goods nor as supply of services. Detailed explanations is not required. (5 Marks)

Activities or transactions which shall be treated neither as a supply of goods nor a supply of services are as under:-

- (1) Services by an employee to the employer in the course of or in relation to his employment.
- (2) Services by any court or Tribunal established under any law for the time being in force.
- (3) Functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities.
- (4) Duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity.
- (5) Duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.
- (6) Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- (7) Sale of land and, subject to paragraph 5(b) of Schedule II, sale of building. (i.e. in case, where entire consideration for sale of building received after issuance of completion certificate or after its first occupation, whichever is earlier).
- (8) Actionable claims, other than lottery, betting and gambling.
- (9) Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India (OR) Merchant Trading / High-sea Sales
- (10) Supply of warehoused goods to any person before clearance for home consumption.
- (11) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

--- for such belief must be held ---

Questions 10 May -22

(b) *Examine whether the following activities would amount to "supply" under GST law?*

- (i) *Glory Ltd. is engaged in manufacturing and selling of cosmetic products. Seva Trust, a charitable organisation, approached Glory Ltd. to provide financial assistance for its charitable activities. Glory Ltd. donated a sum of ₹ 2 lakh to Seva Trust with a condition that Seva Trust will place a hoarding at the entrance of the trust premises displaying picture of products sold by Glory Ltd.* **(2 Marks)**
- (ii) *Mr. Swamy of Chennai is working as a manager with ABC Bank. He consulted M/s. Jacobs and Company of London and took its advice for buying a residential house in Mumbai and paid them consultancy fee of 200 UK Pound for this import of service.* **(2 Marks)**

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- (b) (i) An activity qualifies as supply under GST only if it is for a consideration and is in course/furtherance of business. Donations received by the charitable organizations are treated as consideration only when there's an obligation on part of the recipient of the donation to do anything.

Since in the given case, the display of products sold by the donor – Glory Ltd. - in charitable organization's premises aims at advertising/promotion of its business, it is supply for consideration in course/furtherance of business and thus, qualifies as supply under GST law.

- (ii) Supply includes importation of services, for a consideration whether or not in the course/furtherance of business. Thus, in the given case, the import of services by Mr. Swamy amounts to supply although it is not in course/furtherance of business.

Questions -11 July - 21

- (b) *Explain the composite supply and mixed supply. If a trader launches a package sales for marriage containing double bed, refrigerator, washing machine, wooden wardrobe at a single rate. He is issuing invoice showing value of each goods separately. Whether this is case of mixed supply or composite supply. Explain. (4 Marks)*

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- (b) Composite supply comprises of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

Mixed supply means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price

where such supply does not constitute a composite supply.

Items such as double bed, refrigerator, washing machine and wooden wardrobe are not naturally bundled and also the invoice for the supply shows separate values for each item i.e., the package is not supplied for a single price.

Therefore, supply of such items as a package will neither constitute a composite supply nor a mixed supply. Thus, the various items of the package will be treated as being supplied individually.

Note: The question specifies that the various items are supplied at a 'single rate'. The "single rate" expression is construed as single rate of tax in the above answer. Further, the "single rate" may also be construed as single price as given in the below mentioned answer.

Items such as double bed, refrigerator, washing machine and wooden wardrobe are not naturally bundled. Therefore, supply of such items as a package will not constitute composite supply. Further, a single price has been charged for the package.

Consequently, supply of such items as a package will be treated as mixed supply.

Questions 12 Nov-20

- (c) With reference to provisions of CGST Act, 2017 discuss in brief, when **“Importation of services”** to be considered as supply and when it is not to be considered as supply. 5

Questions 13 Nov -18

- 1 Explain the meaning of supply as per provisions of Section 7(1) of Central Goods and Service Tax Act, 2017. (5 Marks)

(b) As per section 7(1) of CGST Act, 2017, the term supply includes –

- (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person, in the course or furtherance of business;
- (b) import of services for a consideration whether or not in the course or furtherance of business;
- (c) the activities specified in Schedule I, made or agreed to be made without a consideration; and
- (d) the activities to be treated as supply of goods or supply of services as referred to in Schedule II.

Questions 14 - CMA INTER DEC-23

6. (a) Discuss the concept and features of Indirect Taxes. 7
- (b) Explain the benefits of GST to (i) Business and Industry; and (ii) for Central and State Governments. 7

Q,15 Mrs. Pragati received legal advice for her personal problems & paid 1,000 pound as a legal fees to Miss Unnati of U.K. (London). Explain whether the above activity of import of service would amount to supply u/s 7 of the CGST Act, 2017?

If in above case both of them are real sisters & no consideration is paid then will it change your answer?

Further in the above case if both of them are real sisters & Mrs. Pragati receives legal advice for her business & she doesn't pay any consideration then what will be your answer? (5 Marks)

Q.16 Zakme Ltd is manufacture of Cosmetic products supplied a package consisting of hair oil (GST Rate -18%) Sun Screen Cream (GST Rate - 28%) Shampoo (GST rate is 28%), Hair comb (GST Rate -12%). The price per package is Rs. 500 (exclusive of tax). 5000 packages were supplied by company to its dealer. Determine the nature of supply and its tax liability.

Q.17 Briefly examine whether the following activities are liable to GST as per provisions or not?

- (a) Mr. Rajawat is member of Legislative assembly. He has given his commercial property on rent Rs. 25,000 pm.
- (b) Mr. Rahim has filed an appeal to High court and has paid a filing fees of Rs. 15,000
- (c) Mr. Pareshe was engaged in providing commercial coaching to candidates of CA course received a non competing fees Rs. 15 lakh for not carrying out any such commercial coaching.
- (d) Mr. Naveen is a CA employed with PQR Ltd. he has been given assignment of valuations of answer books of IPCC exam by ICAI for consolidated Sum Rs. 1,00,000. (e) Free coaching provided to Mr. X and value of similar service to other students Rs. 10,000.