

Direct & Indirect Taxes (Sem-VI)

N.B.: All questions are compulsory, and carries 15 marks each.

- (1) (a) Re-write following full sentence and state whether it is True or False (Any Eight):
- Service tax is imposed as an direct tax.
 - Service does not include declared services.
 - Negative list specifies the services which are liable for service tax.
 - Ingredients of Service excludes service for consideration.
 - Form ST-1 is filed manually to get registration under service tax.
 - Service tax is paid on trading of goods and services.
 - Service Tax Code (STC) is a 15 digit Numeric code.
 - New scheme of service taxation (Negative list is brought into effect from 1st July, 2014.
 - The effective rate of charge of service tax is 12.36% of Value of taxable service.
 - Deemed sales are not treated as service.
- (b) Rewrite the following full sentences by selecting the correct option under the provisions of Maharashtra Value Added Tax Act, 2002 (Any Seven):
- Taxable purchases for the purpose of Registration includes _____ Inter-State Purchases
 ♦ Purchases under Schedule A ♦ Local Purchases
 - 'Goods' as defined under MVAT Act, 2002 includes _____
 ♦ Immovable Property ♦ Growing Crops ♦ News papers
 - 'Dealer' as defined under MVAT Act, 2002 excludes _____
 ♦ An agriculturist ♦ Club ♦ Auctioneer
 - Under composition scheme, tax rate for construction contract is _____
 ♦ 4% ♦ 5% ♦ 8%
 - Sales Returns can be claimed as a deduction from Gross Turnover of sales, within a maximum period of _____ from the date of sale.
 ♦ one month ♦ three months ♦ six months
 - The product is sold at ₹ 190 per unit, the packing charges are ₹ 10 per unit and VAT thereon is ₹ 25 per unit, the 'Sale Price' liable for MVAT is _____ per unit.
 ♦ ₹ 190 ♦ ₹ 200 ♦ ₹ 225
 - Set-off or Refund is available to a Registered Dealer on his purchases, on production of _____
 ♦ Delivery challan ♦ VAT payment challan ♦ Tax Invoice
 - A Second hand car dealer buys old vehicle for ₹ 2,00,000 and spends ₹ 20,000 on refurbishing. He sells the vehicle for ₹ 3,00,000. The tax payable under composition scheme is _____
 ♦ ₹ 5,625 ♦ ₹ 37,500 ♦ ₹ 10,000
 - When Schedule B goods are transferred to a Branch outside the state, the reduction in set off will be _____ of purchase price.
 ♦ 1% ♦ 2% ♦ 3%
 - T & Co. of Thane purchased goods for ₹ 15,300 (inclusive of CST ₹ 300) from A & Co. of Bangalore. They sold these goods to M & Co. of Mumbai for ₹ 22,500 (inclusive of 12.50% VAT) The VAT payable is _____.
 ♦ ₹ 2,500 ♦ ₹ 300 ♦ ₹ 2,200

From the following information for February 2016 supplied by Mr. Sachin compute his value of taxable services and the service tax payable for the month of February 2016. (Ignore threshold limit and all amounts are excluding service tax)

Particulars	₹
(1) Coaching charges received from BCCI for Cricket World Cup 2015.	8,00,000
(2) Room rent by Hotel from customers. (Declared tariff ₹ 800 per day per room)	80,000
(3) Rent from a residential dwelling used for residential purpose.	2,50,000
(4) Magician Charges received.	1,50,000
(5) Rent from vacant land used for agricultural purposes.	50,000
(6) Translation charges received from United Nations	90,000

(15)

(7) Rent from mobile tower erected at residential premises	2,50,000
(8) Trading in Mobiles	50,000
(9) Palmistry Charges received from Mumbai Police	1,00,000
(10) Suit designing charges from Chief Minister of Maharashtra	5,00,000
(11) Salary received from employer	2,00,000
(12) Cosmetic Surgery Charges received for looking beautiful.	3,00,000

OR

- 2) From the following information for January 2016 supplied by Mr. Ramdev, compute his value of taxable services and the Service Tax payable for the month of January 2016. (Ignore threshold limit and all amounts given are excluding Service Tax) (15)

Particulars	₹
(1) Services by veterinary clinic or treatment of animals.	40,000
(2) Technical Testing of newly developed drug.	80,000
(3) Coaching in recreational activities relating to sports.	50,000
(4) Coaching in Private Coaching class for college students.	3,80,000
(5) Services as player in a sporting event organised by a recognised sports body.	1,00,000
(6) Labour charges for repair of Washing Machine	90,000
(7) Rent from lodge given on temporary period (Declared tariff ₹ 3,000 per day room.	4,50,000
(8) Warehousing charges of agricultural produce	2,00,000
(9) Salary received from employer.	2,50,000
(10) Rent from agricultural land let out for cultivation of sugarcane.	60,000
(11) Hiring of Tractor to Farmers Co-operative Society.	80,000
(12) Remuneration received for collecting news as independent journalist.	3,00,000

- 3) Daulat & Co. a Re-seller and Registered Dealer, furnishes the following information for June, 2015. You are required to calculate the tax liability under Maharashtra Value Added Tax Act, 2002 for June 2015. (15)

Particulars	(₹)
(1) Sales (excluding tax)	50,000
(a) Schedule A goods	5,00,000
(b) Schedule C goods	18,00,000
(c) Schedule E goods	20,00,000
(d) Export Sales - Schedule E goods	
(2) Purchases (excluding tax)	30,000
(a) Schedule A goods	3,00,000
(b) Schedule C goods	16,00,000
(c) Schedule E goods	1,50,000
(d) Purchases from unregistered dealer - Schedule C goods	3,50,000
(e) Purchases from Delhi - Schedule E goods	4,00,000
(3) Purchases (Net) of Motor Car held as Capital Assets	50,000
(a) VAT paid on above @ 12.50 %	
(4) Local Sales Return (excluding tax)	2,00,000
(a) Schedule E goods	
(5) Local Purchase Return (excluding tax)	50,000
(a) Schedule C goods	2,000
(6) Opening Balance (Credit) in VAT Credit Receivable Account brought forward from earlier month.	
(7) Tax Rate for goods under Schedule A = NIL, Schedule C = 5 %, Schedule E = 12.50%	

OR

- 3) Silver & Co., a manufacturer and Registered Dealer, provides you the following information for February, 2016. You are required to calculate the tax liability under Maharashtra Value Added Tax Act, 2002 for February 2016. (15)

Particulars	(₹)
(1) Sales (excluding tax)	8,00,000
(a) Schedule C goods	24,00,000
(b) Schedule E goods	3,00,000
(c) Labour Charges received	1,50,000
(d) Sales Outside Maharashtra - Schedule C goods	
(2) Purchases (excluding tax)	6,00,000
(a) Schedule C goods	20,00,000
(b) Schedule E goods	1,00,000
(c) Purchase from unregistered Dealer - Schedule C goods	40,000
(d) Purchases for Tools - Schedule C goods	2,00,000
(3) Purchases of Fuel (Net)	25,000
(a) VAT on above @ 12.50 %	40,000
(4) Purchase (net) of spares for repair of Machinery	2,000
(a) VAT on above @ 5 %	20,000
(5) Purchase of Packing material - Schedule C goods	
(a) Inclusive of Tax (Tax not charged separately in bill)	

April 2015

- (6) Opening Balance (Credit) in VAT Credit Receivable Account, brought forward from earlier month. 3,000
- (7) Tax Rate for goods under Schedule C = 5%, Schedule E = 12.50%
- (4) (a) Mr. Sameer, a trader, commenced their business on 1st December, 2015. From the following particulars of their purchases and sales transactions, you are required to find out the date from which he will be liable for registration as per the provisions of Maharashtra Value Added Tax Act, 2002. Give reasons for your answer. (8)

Date	Purchases		Sales	
	Out of State Taxable goods	Within State Tax free goods	Within State Taxable Goods	Tax free Goods
	₹	₹	₹	₹
01/12/2015	8,000	30,000	5,000	20,000
04/12/2015	4,000	35,000	7,000	33,000
05/12/2015	6,000	40,000	3,000	17,000
11/12/2015	12,000	45,000	6,000	24,000
18/12/2015	20,000	50,000	10,000	30,000

OR

- (4) (b) Determine point of taxation in each of the following independent cases in accordance with point of Taxation Rules 2011: (7)

Sr.	Date of Completion of Service	Date of Invoice	Date on which payment Received
(1)	5th September, 2015	5th September, 2015	5th September, 2015
(2)	5th September, 2015	10th September, 2015	5th September, 2015
(3)	5th September, 2015	15th October, 2015	5th September, 2015
(4)	5th September, 2015	1st October, 2015	25th October, 2015
(5)	5th September, 2015	15th October, 2015	25th August, 2015
(6)	30th September, 2015	10th August, 2015	10th August, 2015
(7)	30th September, 2015	10th August, 2015	25th September, 2015

OR

- (4) (c) From the following particulars furnished by Mr. Ashish, you are required to calculate the tax liability under Maharashtra Value Added Tax Act, 2002: (8)

Particulars	(₹)
(1) Local Sales (excluding tax)	
(a) Schedule A goods	40,000
(b) Schedule E goods	2,00,000
(c) Schedule C goods	1,00,000
(2) Local Purchases (excluding tax)	
(a) Schedule E goods	3,00,000
(b) Schedule C goods	60,000
(c) Purchase of stationery (debited to P & L A/c) Schedule C goods	20,000
(3) 30% of purchase of Schedule E goods were used to manufacture Schedule A goods	
(4) Tax Rate for goods under Schedule A = NIL, Schedule C = 5%, Schedule E = 12.50%	

- (d) Mr. Vijay's taxable services for April, May, June, July, August and September, 2015 is given below: (7)

	₹
April, 2015	20,00,000
May, 2015	35,00,000
June, 2015	40,00,000
July, 2015	10,00,000
August, 2015	0
September, 2015	5,00,000

What is his date of payment of service tax to be paid online and the amount of total service tax payable?
What is penalty in above case if return is filed on 30th October, 2015?

- (5) (a) Explain with reasons, whether the following are 'Goods' as per the provisions of Maharashtra Value Added Tax Act, 2002 (any four): (8)

- Office Premises
- Pen drive
- Trademark
- Preference Shares of X Ltd.
- Machinery.

- (5) (b) What are provisions for filing of Service Tax Return and Penalty for delay in non-filing of return? (7)

OR

- (5) Write short notes on any three of the following: (15)

(a) Exempt Sales under Section 8. (b) Tax Invoice. (c) Composition Scheme for construction contracts. (d) Rule 4 of Point of Taxation rules in case of change in rate of service tax. (e) List five services exempted under notification 25/2012.