

QP Code : 16810

(2 Hours)

[Total Marks : 60]

- N.B. :** (1) All questions are **compulsory**.
 (2) **Figures** to the **right** indicate **full marks**.
 (3) Use of **simple calculator** is **permitted**.
 (4) **Working Notes** form part of answer.

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1. M/s AV Advertising Agency provided the following services during the month of April, 2016 :

Particulars	₹ Excluding Service Tax
Sale of space for advertisement in newspaper	64,000
Services related to preparation of advertisement	1,24,000
Sale of time for Advertisement to be broadcast on FM Radio	84,000
Advertisement via banner at public places at Mumbai	1,28,000
Advertisement via banner at public places at Jammu & Kashmir. Place of service provided is Jammu & Kashmir	75,000
Sale of time for advertisement to be broadcast on TV Channel	74,000
Aerial bill boards	5,00,000
Canvassing advertisement for publishing on a commission basis of Mr. A and place of service is Mumbai	1,00,000
Canvassing advertisement for publishing on a commission basis of Mr. A and place of service is Jammu & Kashmir	85,000
Canvassing advertisement for publishing on a commission basis to the Government	95,000

Compute the service tax liability. Rate of Service Tax is 14.5%. Point of taxation for all the aforesaid cases falls during the month. Small service providers' exemption need not be taken into account.

OR

1. Mr. A gives the following details to calculate his service tax liability for the month of April, 2016. Rate of Service Tax is 14.5%. Small service providers' exemption need not be taken into account. Point of taxation for all the cases falls during the month. 15

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Particulars	₹ Excluding Service Tax
Cultivation of ornamental flowers	12,00,000
Packing of tomato ketchup	1,25,000
Warehousing of potato chips	78,500
Sale of tea leaves on commission basis	65,200
Packaging of pulses in retail packs	3,21,000
Training of farmers on use of scientific tools and agro machinery	75,000
Leasing of vacant land to a stud farm	24,000
Grading of rice according to its quality	25,000
Testing of samples from parts for pest detection	26,000
Rearing of silk worms	3,45,000
Renting of vacant land for poultry farming	6,42,000
Cultivation of fruits	8,80,000
Warehousing of biscuits	77,000

2. Mr. A commenced business from 01/02/2017. From the following particulars regarding purchase and sales transactions, you are required to find out the date from which he will be liable for registration as per the provision of Maharashtra Value Added Tax Act, 2002. Give reasons. 15

Date	Outside the State		Within the State		
	Sale of Schedule A goods (₹)	Purchase of Schedule A goods (₹)	Sale of Schedule A goods (₹)	Sale of Schedule B goods (₹)	Purchase of Schedule B goods (₹)
01/02/2017	1000	1500	8000	2000	2000
02/02/2017	2000	1250	-	2000	4000
05/02/2017	5000	250	12000	4000	16000
08/02/2017	2500	2000	15000	6000	16000
12/02/2017	2500	2000	8000	6000	18000
15/02/2017	2000	2000	4000	2000	10000
18/02/2017	2000	1000	3000	1000	10000
21/02/2017	2000	5000	15000	2000	20000
25/02/2017	4000	6000	12000	3000	20000
28/02/2017	4000	6000	4000	4000	12000
01/03/2017	5000	10000	1800	7000	14000
05/03/2017	5000	10000	2000	8000	26000

OR

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2. Calculate the Net VAT payable from the following details of Mr. B for the month of January, 2017. 15

	₹
Sales within Maharashtra (Excluding VAT)	
Schedule A goods	5,00,000
Schedule C goods	6,00,000
Schedule D goods	7,00,000
Sale out of Maharashtra	
Schedule C goods	1,00,000
Schedule D goods	2,00,000
Purchases within Maharashtra (Excluding VAT) from Registered Dealer	
Registered Dealers	
Schedule A goods	3,00,000
Schedule C goods	2,00,000
Schedule D goods	1,00,000
Purchases within Maharashtra (Excluding VAT) from Unregistered Dealers	
Schedule A goods	50,000
Schedule C goods	60,000
Schedule D goods	70,000

There was opening balance in Vat Credit Receivable Account amounting to ₹ 25,000.

Tax Rate :

Schedule A 0%, Schedule C 5%, Schedule D 20%, Schedule E 12.5%.

3. (A) AB Ltd. started its business from 1st April, 2016. It provides coaching services. Find out the registration liability of the company and the service tax liability for the month of April, 2016 from the following details : 8

Particulars	₹ Excluding Service Tax
Gross Bills raised	8,00,000
Advances received	7,00,000

- (B) The details of purchases and sales of Mr. D from Mumbai who started business during the financial year 2016-17 are given below. 7

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Particulars	Purchases (₹)		Sales (₹)
	Within State	Outside State	Within State
Schedule C Goods	35,000	40,000	3,45,000
Schedule E Goods	1,20,000	50,000	3,00,000
Schedule D Goods	80,000	50,000	1,25,000

Calculate tax liability under the MVAT Act, 2002 of Mr. D.

Tax rate :—

Schedule A 0%, Schedule C 5%, Schedule D 20%, Schedule E 12.5%.

OR

3. (a) Determine the Point of Taxation in each of the following cases, in accordance with Point of Taxation Rules. 8

- (1) AT Pvt. Ltd provides taxable services. It received advances of ₹ 55,000 on 21st June, 2016. Services are rendered in the Month of August, 2016.
- (2) KK Ltd. provides taxable services to Mr. BT on 11th June, 2016. The bill of ₹ 51,525 was sent to him on 15th June, 2016. Payment was received on 29th June, 2016.
- (3) BT Security Services provides security services to Mr. MT for the month of August, 2016. It sent the bill of ₹ 85,000 on 5th September, 2016 for the services of the month August, 2016. But, the payment was received on 5th September, 2016.
- (4) JJ Ltd. provided taxable services to NT on 18th June, 2016. The bill was prepared on 20th June, 2016. Payment received on 26th June, 2016.
- (5) MJ provided taxable services to his client on 16th July, 2016. Invoice was prepared on 10th August, 2016. The payment received on 28th August, 2016.
- (6) KK provided taxable services to his client on 15th July, 2016. Invoice was prepared on 20th August, 2016. The payment was received in advance on 12th July, 2016.
- (7) RJ provided taxable services to his client on 14th July, 2016. Invoice was prepared on 20th August, 2016. The payment was received in advance on 22th August, 2016.
- (8) MR provided taxable services on 15th July, 2016. Invoice was prepared on 20th September, 2016. The payment received on 20th September, 2016.

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3. (B) Mr. G, a Registered Dealer is manufacturing goods. He gives the following details to calculate his tax liability under MVAT Act, 2002. 7

Particulars	₹ Excluding VAT
Sales of E schedule goods within Maharashtra	8,00,000
Sales of A schedule goods within Maharashtra	1,00,000
Purchase of Material A from Registered dealers within the State (Schedule C)	2,00,000
Purchase of Material B from Registered dealers within the State (Schedule E)	1,50,000

Material B was utilised for the manufacturing exempted goods.
Tax Rate : Schedule C 5%, Schedule E 12.5%.

4. (A) Determine the following as **True** or **False** as per **Service Tax**. 7
- (1) Service tax is always paid by the service provider.
 - (2) Service tax is not payable if it has not been charged in bill.
 - (3) Services provided by institutions in relation to campus recruitment are exempt services.
 - (4) Mr. A received ₹ 5,00,000 from his employer on termination of his service is liable for payment of service tax in his hands.
 - (5) All services provided by a partnership firm to RBI are not taxable services.
 - (6) Due date of payment of service tax is same for all the types of assesseees.
 - (7) Penalty for delay in payment of service tax is ₹ 10 per day for individuals.

- (B) Determine the following as **True** or **False** as per **MVAT**. 8
- (1) Input credit under VAT is available on account of Central Sales Tax paid on the purchases.
 - (2) VAT avoids cascading effect.
 - (3) Sale of scrap is not treated as a business transaction for the purpose of VAT.
 - (4) An auctioneer is not a dealer under MVAT Act, 2002.
 - (5) Taxable purchases for the purpose of registration include purchases from other States.
 - (6) For the purpose of section 42, a dealer shall be considered to be engaged in the business of selling at retail if 50% of his turnover of sales consists of sales made to persons who are not dealers.
 - (7) The set off can be adjusted against the tax payable according to the return.
 - (8) If gross turnover of a retailer, inclusive of tax @ 5% is ₹ 1,05,000; the amount of tax is ₹ 5,000.

OR

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4. (A) Write short notes on any **two** as per MVAT Act, 2002.
- (i) Payment of tax and filing of return under MVAT Act, 2002.
 - (ii) Exempt sales under MVAT Act, 2002.
 - (iii) Sales price as define under MVAT Act, 2002.
- (B) Write short notes on any **two** as per Service Tax.
- (i) Procedure for registration
 - (ii) Exemption available to Small Service Provider
 - (iii) Filing of service tax return.
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