

6

Value of Supply



**Think GST !
Think Vishal Sir...!!**

1. The value of supply of goods and services shall be the -

- a. Transaction value
- b. Retail sale price
- c. Wholesale price
- d. None of above

Ans: (a) (b) (c) (d)

2. Value of supply shall be the transaction value, if _____

- a. Transaction is between unrelated parties
- b. Price is the sole consideration
- c. Both (a) and (b)
- d. None of the above

Ans: (a) (b) (c) (d)

3. Which of the following is included while computing the value of supply of goods under GST?

- a. Price of the goods
- b. Packing charges of the goods
- c. Tax levied by Municipal Authority on sale of the goods
- d. All of the above

Ans:- (a) (b) (c) (d)

4. What shall be the treatment of subsidies received from BAC Private limited while deriving transaction value?

- a. Shall be included in the transaction value, even if not directly linked with supply
- b. Shall be included only when such subsidy is directly linked with supply
- c. (a) or (b)
- d. None of the above

Ans: (a) (b) (c) (d)

5. Subsidies not directly linked to the price ----- subsidies provided by the Central and State Governments are includible in value for charge of GST

- a. Including
- b. Excluding
- c. Either (a) or (b)
- d. None of the above

Ans:- (a) (b) (c) (d)

6. A deposit,-----, given in respect of the supply of goods or services or both shall not be considered as payment made for the supply unless the supplier applies the deposit as -----?

- a. Which is refundable, consideration for the supply
- b. Which is not refundable, taxable value for the supply
- c. Whether refundable or not, consideration for the supply
- d. Whether refundable or not, taxable value for the supply

Ans:- (a) (b) (c) (d)

7. Mr. A supplied goods worth of 1,00,000 for which he

received payment in US dollars. Does the consideration as received falls within the ambit of money

- a) Yes
- b) No
- c) As per the opinion of Appropriate authority
- d) None of the above

Ans: (a) (b) (c) (d)

8. Consideration excludes:

- a. Payment in money or otherwise for supply
- b. Monetary value of an act or forbearance
- c. Subsidy by the Central and State Government
- d. All of the above

Ans: (a) (b) (c) (d)

9. Value of supply shall be construed to include:

- a. Any taxes, duties, cess, fees and charges levied under any Act, except GST
- b. Any amount that the supplier is liable to pay which has been incurred by the recipient and is not included in the price.
- c. All the incidental expenses, subsidies linked to supply and other interest, late fee and penalty
- d. All of the above

Ans: (a) (b) (c) (d)

10. Value of supply is considered to exclude:

- a. Taxes, duties, cesses and fees levied under any other Act
- b. SGST and UTGST
- c. Compensation Cess
- d. Both (b) and (c)

Ans: (a) (b) (c) (d)

11. Discount given after the supply is deducted from the value of taxable supply, if –

- a. such discount is given as per the agreement entered into at/or before the supply
- b. such discount is linked to the relevant invoices
- c. proportionate input tax credit is reversed by the recipient of supply
- d. all of the above

Ans:- (a) (b) (c) (d)

12. Mr. A sells the goods to Mr. B for Rs.20,000 on 1st April, 2018 and allows him a credit period on 15 days post that penalty of Rs.10 per day shall be levied on the same. Mr. B makes a payment of Rs.20,000 on 30th April, 2018 and Mr. A agreed for the same. What shall be the value on which tax shall be levied?

- a. Rs.20,000
- b. Rs.20,150
- c. Rs.20,300
- d. Any of the above

Ans: (a) (b) (c) (d)

13. ABC consultancy firm is engaged to register a company for XYZ Ltd. Other than professional fees ABC consultancy also recovers fees paid to ROC on behalf of the XYZ Ltd. Determine Value of Supply?

- a. Professional Fees
- b. ROC fees paid on behalf of XYZ Ltd.
- c. Both (a) and (b)
- d. None of the above

Ans: (a) (b) (c) (d)

14. Mr. A is providing construction services to Mr. B. In addition to the consideration, Mr. B is also supplying construction material to Mr. A. determine Value of Supply to levy of GST?

- a. Consideration excluding construction material
- b. Consideration including construction material
- c. Neither of the two above
- d. As provided by the appropriate authority

Ans: (a) (b) (c) (d)

15. A Chartered Accountant issued following bill –

- (i) Professional fees – ₹ 1,00,000
- (ii) Out of pocket expenses – ₹ 10,000
- (iii) MCA for e-filing of documents on MCA portal – ₹ 5,000.

His value of service for tax purposes is:

- a. ₹ 1,15,000
- b. ₹ 1,10,000
- c. ₹ 1,05,000
- d. ₹ 1,00,000

Ans:- (a) (b) (c) (d)

16. Varun purchased certain goods worth INR 17,000 from Dushyant foods Pvt. Ltd. As a matter of security, Varun made a request to the supplier to provide for an additional packaging on the given item for safe transportation which cost around INR 1500. The supplier charged value of the additional packaging separately after the supply was made. What is the final value of such supply made?

- a. INR 17000
- b. INR 18500
- c. INR 15500
- d. None of the above

Ans:-

(a) (b) (c) (d)

17. Ram of Jaipur provides online gaming services. He earns ₹ 2,00,000 from Jammu & Kashmir, ₹ 10,00,000 from foreign users and ₹ 20,00,000 from other users in India. The taxable value of service will be:

- a. ₹ 32,00,000
- b. ₹ 20,00,000
- c. ₹ 22,00,000
- d. Nil.

Ans:-

(a) (b) (c) (d)

18. Jiffy foods Pvt. Ltd gives discount of 30% on the list

price to its distributors as per its contract. As per invoice raised on the items supplied per carton, the list price on the same amounts to INR 500. What shall be the taxable value of such supply, given that the discount is allowed at the time of supply and shown in invoice?

- a. INR 300
- b. INR 350
- c. INR 500
- d. None of the above

Ans:- (a) (b) (c) (d)

19. Toll receipts from highway of Kolkata to Durgapur is ₹ 80,00,000 and commission earned on toll receipts is ₹ 8,00,000. The value of taxable supply will be:

- a. ₹ 80,00,000
- b. ₹ 8,00,000
- c. ₹ 88,00,000
- d. Nil

Ans:- (a) (b) (c) (d)

20. Mr. A is selling a product for Rs.1,050 inclusive of GST. Rate of CGST and SGST will be 2.5% each. Determine the value of supply.

- a. INR 1,000
- b. INR 1,025
- c. INR 1,050
- d. None of the above

Ans: (a) (b) (c) (d)

21. Mr. A supplied services of ₹20,000 to Mr. B and such services are covered in reverse charge mechanism. What shall be the taxable value in this case?

- a. 20,000
- b. 10,000
- c. 10,714
- d. Any of the above

Ans: (a) (b) (c) (d)

22. What shall be the value of a token, voucher, coupon or stamp which is redeemable against a supply of goods and services?

- a. Money value of such token, voucher, coupon or stamp
- b. Money value of the goods or services or both redeemable against such token, voucher, coupon, or stamp
- c. Both (a) and (b)
- d. None of the above

Ans: (a) (b) (c) (d)

23. Mr. Santa located in Nashik purchases 10,000 Hero ink pens worth Rs.4,00,000 from Lekhana Wholesalers located in Mumbai. Mr. Mohan's wife is an employee in Lekhana Wholesalers. The price of each Hero pen in the open market is ₹52. The supplier additionally charges ₹5,000 for delivering the goods to the recipient's place of business. The value of such supply will be :

- a. ₹ 5,20,000
- b. ₹ 5,25,000
- c. ₹ 4,00,000
- d. ₹ 4,05,000

Ans:

- (a) (b) (c) (d)

24. Determine the value of taxable supply as per provisions of Section 15 of the CGST Act, 2017?
Contracted value of supply of goods (including GST @ 18%) ₹ 11,80,000

The contracted value of supply includes the following :

- 1) Cost of Primary Packing ₹ 25000
- 2) Cost of protective packing at recipients request for safe transportation ₹ 15,000
 - a) ₹ 10,00,000
 - b) ₹ 11,80,000
 - c) ₹ 11,55,000
 - d) ₹ 11,40,000

Ans:

- (a) (b) (c) (d)

25. Determine the value of taxable supply as per provisions of section 15 of the CGST Act, 2017?
Contracted value of supply of goods (including GST @ 18%) ₹ 11,00,000

Not included in above are:

- i) Commission paid to agent by recipient on instruction of supplier ₹ 5,000
- ii) Freight and insurance charges paid by recipient on behalf of supplier ₹ 75,000
 - a) ₹ 11,00,000
 - b) ₹ 11,80,000
 - c) ₹ 10,00,000
 - d) ₹ 11,75,000

Ans:

- (a) (b) (c) (d)

26. Comment: If the amount is the contractual liability of the supplier but paid by the recipient on his behalf, that amount will be includible in value' for purpose of payment of GST.

- a. Correct
- b. Incorrect
- c. Partially correct
- d. None of the above

Ans:

- (a) (b) (c) (d)

27. What are the deductions allowed in case of transaction value consideration?

- a. Discounts specified in the invoice
- b. Any payment made by customer on behalf of supplier
- c. Packing charges
- d. All of the above

Ans:

- (a) (b) (c) (d)

RULE 27 -

28. What shall be the value of supply of goods/services where the consideration is not wholly in money?

- a. be the open market value of such supply
- b. sum total of consideration in money and any such further amount in money as is equivalent to the consideration not in money, if such amount is known at the time of supply
- c. value of supply of goods or services or both of like kind and quality
- d. any of the above

Ans:- (a) (b) (c) (d)

29. What does goods or services of like kind and quality means?

- a. The supply that resembles similar characteristics
- b. Supply resembling similar functional components
- c. Supply of similar quality and quantity
- d. All of the above

Ans: (a) (b) (c) (d)

30. What are the conditions prescribed for deduction of discount from the value of taxable supply, when made after supply?

- a. Discount allowed is linked to the relevant invoices
- b. Reversal of Proportionate ITC by the recipient of supply
- c. The discount is given as per agreement entered into at or before such supply
- d. All of the above

Ans: (a) (b) (c) (d)

31. What will be the value of supply if Giriya supply Sony television set for ₹ 85000 along with the exchange of an old TV and if the price of the Sony television set without exchange is ₹ 1,00,000, the open market value of the Sony television set is:

- a. Rs. 85,000
- b. Rs. 1,00,000
- c. Rs. 15,000
- d. Rs. 1,15,000

Ans: (a) (b) (c) (d)

RULE - 28

32. The value of the supply of goods or services or both between distinct persons as specified in Sec. 25(4) or Sec 25(4) of the CGST Act, 2017 or where the supplier and recipient are related, other than where the supply is made through an agent, shall be determined under CGST Rules by:

- a. Rule 27
- b. Rule 28
- c. Rule 29
- d. Rule 30.

Ans:- (a) (b) (c) (d)

33. ABC Ltd., a holding company gave its car for business purposes to XYZ Ltd. one of its

subsidiaries having open market value of INR 5 lacs for free. What shall be the valuation of such supply for the purposes of calculation of taxes?

- a. INR 5 lacs
- b. Shall not be considered as is executed between related parties
- c. At the option of appropriate authority
- d. None of the above

Ans: (a) (b) (c) (d)

34. Mr. A makes a supply of 30 shoes to Mr. B. Here both are related persons. Mr. B as such intends to further supply such shoes to his customers for Rs. 3,000. Open market value of such shoes is Rs.3,000. In such case, what shall be the value of supply per shoes?

- a. Rs. 60,000 or Rs.54,000
- b. Rs. 3,000
- c. Rs. 2,700
- d. (b) or (c) depending on the option of the supplier

Ans: (a) (b) (c) (d)

35. B is selling a product to A for Rs. 40,000. Open market value of the product is Rs.72,000. Both of them are related parties. Further, A is eligible to claim the ITC on the product. What shall be the value of supply in this case?

- a. INR 40,000
- b. INR 72,000
- c. INR 28,000
- d. None of the above

Ans: (a) (b) (c) (d)

36. What shall be the value of a supply, where the supply is made between related parties for consideration of Rs.1,00,000 which is half of the market value of such supply? (Assume that the person who has procured such goods is able to claim full ITC of the taxes paid)

- a. Open market value of such supply i.e. Rs.2,00,000
- b. Value of supply of goods or services of like kind and quality
- c. Value as determined by the application of Rule 30 or 31
- d. ₹.1,00,000

Ans: (a) (b) (c) (d)

37. ABC Enterprises sold a bike for ₹ .40,000 to XYZ Enterprises. Open market price of the bike is ₹.80,000. Both firms are registered under the same PAN. Determine the value of supply keeping in mind the fact that XYZ enterprises cannot take the credit of the same.

- a. INR 40,000
- b. INR 80,000
- c. INR 22,000
- d. None of the above

Ans: (a) (b) (c) (d)

38. Mr. C sold a product for Rs. 90,000 to Mr. X. A product with the same features of other company having

similar features is being sold in the market for Rs. 1,50,000. Mr. X is employee of the Mr. C. Determine the value of supply for the purpose of levy of GST considering the fact that Mr. X cannot take the credit of the taxes paid.

- a. INR 90,000
- b. INR 96,000
- c. INR 1,50,000
- d. None of the above

Ans: (a) (b) (c) (d)

39. A Ltd. sold a product for Rs.34,000 to Mr. B. Open market value of such supply is Rs. 60,000. Mr. B is selling the same like kind of product to his consumer for Rs.60,000. Mr. B holds 30% share in A Ltd. Determine the value of supply for the purpose of levy of GST.

- a. INR 34,000
- b. INR 54,000
- c. INR 60,000
- d. Either (b) or (c), depending on the option of Mr. A.

Ans: (a) (b) (c) (d)

40. XY, Bangalore, Karnataka furnishes following information:

- (i) 10 MT of inputs stock transferred to branch located in Chennai, Tamil Nadu on 10th April, 20XX. Transfer value of the inputs shown in the invoice is ₹ 10,000.
 - (ii) 5 MT of inputs supplied to customer loacted in Chennai at ₹ 12,500 on 10th April, 20XX.
 - (iii) Cost of production of 1 MT of input is ₹ 750.
 - (iv) Chennai branch is eligible for full input tax credit
- The value of the inputs stock transferred to Chennai Branch is-

- a. ₹ 10,000
- b. ₹ 25,000
- c. ₹ 8,250
- d. ₹ 12,500

Ans:- (a) (b) (c) (d)

RULE - 30

41. Rule 30 of the CGST Rules inter alia provides value of supply of goods or services or both based on cost shall be% of cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services

- a. 100
- b. 10
- c. 110
- d. 120

Ans: (a) (b) (c) (d)

RULE - 31

42. As per Rule 31 of the CGST Rules, residual method for determination of value of supply of goods or services or both will apply when:

- a. Value of supply cannot be determined under Rules 27 to 30
- b. Value of supply determined is more than the open market value of goods
- c. Value of supply determined is more than the Value of supply of like kind and quality
- d. All of the above

Ans: (a) (b) (c) (d)

43. In the case of supply of services, the supplier may opt for Rule 31 ignoring Rule 30 of the CGST Rules?

- a. True
- b. False

Ans: (a) (b) (c) (d)

RULE -31 A

44. What shall be the value of supply in case of lottery run by the state government?

- a. 100/112 of the face value of ticket
- b. price as notified in the official gazette by the organising state
- c. 100/114 of the face value of ticket
- d. 100/112 of the face value of ticket or price as notified in the official gazette by the organising state, whichever is higher

Ans: (a) (b) (c) (d)

RULE-32

45. What shall be the applicable rate of exchange for the determination of the value of taxable goods or services or both in case of any valuation under foreign supply?

- a. The RBI reference rate as on the date of agreement to supply
- b. The customs rate as on the date of time of supply
- c. Any of the two at the option of Proper officer
- d. None of the above

Ans: (a) (b) (c) (d)

46. Mr. A, a second hand car dealer purchased a second hand car for ₹3,00,000. Dealer has sold the same to Suresh Ltd. for ₹3,50,000. Determine value of supply?

- a. INR 3,00,000
- b. INR 3,50,000
- c. INR 50,000
- d. None of the above

Ans: (a) (b) (c) (d)

47. Mr. A is an Air Travel agent. He collected ₹ 50,000 (Basic fare for domestic booking) and ₹ 1,00,000 (Basic fare for International Booking). What shall be the value of supply under this case?

- a. Rs. 2,500
- b. Rs. 10,000

- c. Rs. 12,500
- d. None of the above

Ans: (a) (b) (c) (d)

48. What shall be the value of supply in case of Life Insurance Business services?

- a. The gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of the policy holder
- b. In case of single premium annuity policies, 10% of single premium charged from the policy holder
- c. 25% of the premium charged from the policy holder in the first year and 12.5% of the premium charged from the policy holder in subsequent years
- d. Either of the above options

Ans: (a) (b) (c) (d)

49. ABC Private Ltd. being a registered person under GST purchased 2000 USD from XYZ at the rate of INR 70 per USD.

RBI reference rate as on the date was INR 70.50. What shall be the value of such supply?

- a. INR 1000
- b. INR 1500
- c. INR 2000
- d. None of the above

Ans: (a) (b) (c) (d)

50. ABC Pvt. Ltd. being a registered person under GST sold 2000 USD to XYZ at the rate of INR 70 per USD. RBI reference rate is not available. What shall be the value of such supply?

- a. INR 1300
- b. INR 1400
- c. INR 1500
- d. None of the above

Ans: (a) (b) (c) (d)

51. What would be the value of supply in case of exchange of currency from or to Indian Rupees (INR)?

- a. 1% of the gross amount of Indian Rupees provided or received by the person changing the money
- b. 1% of the lesser of the two amounts the person changing the money would have received by converting any of the two currencies into Indian Rupees on that day at the reference rate provided by RBI.
- c. Difference in the buying rate / selling rate and the RBI reference rate multiplied by the total units of the currency
- d. Any of the above

Ans: (a) (b) (c) (d)

RULE- 33

52. What are the conditions to be satisfied for excluding any expenditure incurred by a supplier as a pure

agent of the recipient of supply under valuation?

- a. The supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorization by such recipient.
- b. The payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service
- c. The supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the service he supplies on his own account
- d. All of the above

Ans: (a) (b) (c) (d)

Answers:-

1	a	23	d	45	b
2	c	24	a	46	c
3	d	25	c	47	c
4	b	26	a	48	d
5	b	27	a	49	a
6	c	28	d	50	b
7	a	29	d	51	d
8	c	30	d	52	d
9	d	31	b		
10	d	32	b		
11	d	33	a		
12	a	34	d		
13	a	35	a		
14	b	36	d		
15	b	37	b		
16	b	38	c		
17	c	39	d		
18	b	40	a		
19	b	41	c		
20	a	42	a		
21	a	43	a		
22	b	44	d		

Practice Question

1. Black and White Pvt. Ltd. has provided the following particulars relating to goods sold by it to Colorful Pvt. Ltd. [ICAI Material]

Particulars	(₹)
List price of the goods (exclusive of taxes and discounts)	50,000
Tax levied by Municipal Authority on the sale of such goods	5,000
CGST and SGST chargeable on the goods	10,440
Packing charges (not included in price above)	1,000

Black and White Pvt. Ltd. received ₹ 2000 as a subsidy from a NGO on sale of such goods. The price of ₹ 50,000 of the goods is after considering such subsidy. Black and White Ltd. offers 2% discount on the list price of the goods which is recorded in the invoice for the goods.

Determine the value of taxable supply made by Black and White Pvt. Ltd.

- a. 57,000
b. 58,000
c. 55,000
d. 59,000

Ans: (a) (b) (c) (d)

2. Samridhi Advertisers conceptualized and designed the advertising campaign for a new product launched by New Moon Pvt Ltd. for a consideration of ₹ 5,00,000. Samridhi Advertisers owed ₹ 20,000 to one of its vendors in relation to the advertising service provided by it to New Moon Pvt Ltd. Such liability of Samridhi Advertisers was discharged by New Moon Pvt Ltd. New Moon Pvt Ltd. delayed the payment of consideration and thus, paid ₹15,000 as interest. [ICAI Material]

Determine the value of taxable supply made by Samridhi Advertisers.

- a. 5,35,000
b. 5,32,712
c. 5,37,500
d. None of the above

Ans: (a) (b) (c) (d)

3. Maahi Ltd. of Bhopal (Madhya Pradesh) is a supplier of machinery. Maahi Ltd. has supplied machinery to ABC Enterprises in Indore (Madhya Pradesh) on 1st October, 2017. The invoice for supply has been issued on 1st October, 2017. Maahi Ltd. and ABC Enterprise are not related and price is the sole consideration for the supply.

Following information is provided:

Basic price of machinery excluding all taxes is ₹ 20,00,000. In addition to the basic price, Maahi Ltd. has collected the design and engineering charges of ₹ 10,000 and loading charges of ₹ 20,000 for the machinery.

Maahi Ltd. provides 1 year mandatory warranty for the machinery on payment of additional charges of ₹ 1,00,000. [Ca Final MTP Aug 2018]

Maahi Ltd. has collected consultancy charges in relation to pre-installation planning of ₹ 10,000 and freight and insurance charges from place of removal to buyer's premises of ₹ 20,000.

Maahi Ltd. received subsidy of ₹50,000 from Central Government for supplying the machinery to backward region since receiver was located in a backward region. Maahi Ltd. also received ₹ 50,000 from the joint venture partner of ABC Enterprises for making timely supply of machinery to the recipient.

A cash discount of 1% on the basic price of the machinery is offered at the time of supply, if ABC Enterprises agrees to make the payment within 30 days of the receipt of the machinery at his premises. Discount @ 1% was given to ABC Enterprises as it agreed to make the payment within 30 days.

Determine the value of Supply

- a. 22,40,000
b. 21,40,000
c. 21,90,000
d. 22,10,000

Ans:- (a) (b) (c) (d)

4. An Indian company is required to pay ₹ 1,00,000 to a German company for technical knowhow. It deducted ₹10,000 as income tax at source and paid ₹ 90,000 to the German company. On what amount the Indian company will be liable to pay GST under reverse charge?

- a. 1,00,000
b. 90,000
c. 1,10,000
d. None of the above

Ans: (a) (b) (c) (d)

5. M/s XYZ & co purchased goods worth ₹ 1,27,000 + GST @ 12% from M/s Ash Pvt Ltd for supply of electronic products as per the contract. M/s Ash Pvt Ltd is required to deliver the goods to the premises of M/s XYZ & co. M/s Ash pvt ltd hires transporter for delivery of goods to its premises. However, the lorry receipt of ₹ 22,000 indicates that the freight is payable by M/s XYZ & co. Determine the transaction value?

- a. 1,27,000
b. 1,49,000
c. 1,64,240
d. None of the above

Ans:- (a) (b) (c) (d)

6. Vsmart Ltd. owns coaching institute in Pune, the institute charges ₹12,000 per student for giving training in GST. However this training programme is subsidized by different institutes as follows- State Government of Maharashtra : ₹300 per student, Veer chargeable trust : ₹100 per student and Government of US : ₹100 per student. consequently, Vsmart Ltd. charges ₹11,000 per student. Determine the value of taxable supply + GST payable @ 18%.

- a. Value of taxable supply 11,200, GST 2,016
b. Value of taxable supply 11,100, GST 1,998

- c. Value of taxable supply 11,000, GST 1,980
d. Value of taxable supply 12,000, GST 2,160

Ans:- (a) (b) (c) (d)

7. A manufacturer of machinery supplied a special machine to LM Furnishers. Following details are provided in relation to amounts charged:

S.No.	Particulars	₹
(i)	Price of machinery excluding taxes (Before Cash discount)	6,00,000
(ii)	Transit Insurance	11,000
(iii)	Packing charges	9,000
(iv)	extra Charges for designing	20,000
(v)	Freight	12,000

Charges mentioned in (ii) to (v) are not included in (i) above. Other information furnished is

(a) Cash discount @ 2% on price of machinery has been allowed to the customer at the time of supply and also recorded in invoice.

(b) GST rate – 18%.

Calculate value of supply of the special machine.

- a. 6,40,000
b. 6,52,000
c. 6,20,000
d. 6,32,000

Ans:- (a) (b) (c) (d)

8. M/s Sam pvt ltd supplied tool parts to ABC pvt ltd for a consideration of ₹ 2,50,000 exclusive of taxes. ABC pvt ltd also gave some material to M/s Sam pvt ltd as consideration for such supply whose value was ₹50,000 exclusive of taxes. M/s Sam has supplied the same goods to another person at a price of ₹ 3,25,000 inclusive of GST @ 18%. Determine the value of supply.

- a. 2,50,000
b. 2,75,000
c. 3,00,000
d. 2,75,424

Ans:- (a) (b) (c) (d)

9. An assessee sold certain goods to ABC Ltd. for ₹ 30,000 (excluding GST and other taxes) on 15.10.2017. The buyer, ABC Ltd., is a related person as defined under GST Act. It did not sell the goods, but used it as intermediary product. The cost of production of the said goods determined as per CAS-4 was ₹ 14,000. Determine the value of supply in the given case.

- a. 12,600
b. 15,400
c. 14,000
d. None of the above

Ans:- (a) (b) (c) (d)

10. Mr. X, a money changer, has exchanged US \$ 10,000 to Indian rupees @ ₹ 64 per US \$. Mr. X wants to value the supply in accordance with rule 32(2)(b) of CGST Rules.

Determine the value of supply made by Mr. X.

- a. 3200
b. 3700
c. 3400
d. 3600

Ans:- (a) (b) (c) (d)

11. M/s Ruby Airline Associates has sold tickets for transport of passengers to Dubai, and other foreign countries during the month of March, 2018. The total amount charged is ₹50,00,000 on the flight (100 tickets) of which ₹10,00,000 is towards passenger taxes.

Determine the value of taxable supply of services of M/s Ruby Airline Associates and tax thereon when GST rate is 18%. Amounts are exclusive of tax.

- a. value of taxable supply 4,00,000, GST 72,000
b. value of taxable supply 2,00,000, GST 36,000
c. value of taxable supply 5,00,000, GST 90,000
d. value of taxable supply 2,50,000, GST 45,000

Ans:- (a) (b) (c) (d)

12. Mr Rahul has taken a loan on 01-09-2017 from Smart ltd. worth of ₹ 5,00,000 and he purchased a Swift Car. He defaulted in paying the loan amount and subsequently the lending company repossessed the Swift Car from Mr Rahul on 01.04.2019. The said goods were sold by the company on 05.06.2019. Determine the purchase value for lending company.

- a. 3,00,000
b. 2,50,000
c. 3,50,000
d. 2,75,000

Ans:- (a) (b) (c) (d)

13. Easy Coupons Ltd. sells coupons that are redeemable against specified luxury food products at retail outlets. Each coupon has a face value of ₹900 but is redeemable for supplies worth ₹ 1000.

What is the value of supply of such coupon under GST laws?

- a. 900
b. 1000
c. Both a and b
d. None of the above

Ans:- (a) (b) (c) (d)

14. Venus Traders is an importer and Harsha Export & Import Agency is a customs broker. Venus Trader approaches Harsha Export & Import Agency for customs clearance work with respect to an import consignment. Harsha Export & Import Agency agrees to provide the clearance service for a consideration of ₹ 90,000.

The clearance of import consignment and delivery of the consignment to Venus Trader would also require taking service of a transporter. So Venus Trader authorizes Harsha Export & Import Agency to incur expenditure on their behalf for procuring the transportation and agrees to reimburse the actual expenditure to Harsha Export & Import Agency. Harsha Export & Import Agency incurred the following expenditure :

(i) Transportation Expense = ₹ 25,000

(ii) Customs Duty = ₹ 20,000

(iii) Dock charges = ₹ 5,000

Determine the taxable value as in accordance with applicable provisions of GST?

a. 90,000

b. 1,10,000

c. 1,20,000

d. 1,40,000

Ans:- (a) (b) (c) (d)

15. M/s ABC Ltd a business establishment in USA and has another establishment located in Mumbai (India) for which an interior design work is required to be done for this it undertakes the service of Nirmitee Interiors pvt ltd a registered person located at Mumbai. For the services rendered by Nirmitee developers it raises an invoice as on date of provision of service i.e 02.03.2017 , the amount of consideration for such supply is received in US Currency i.e. \$ 1050 as on 13.05.2017. As on date of invoice the following rates are available:-

Exchange rate of RBI = ₹67.54, CBIC rate = ₹ 66.94 , GAAP rate = ₹ 67.84

Determine the value of taxable supply.

a. 70,917

b. 70,287

c. 71,232

d. None of the above

Ans:- (a) (b) (c) (d)

Answers:-

01	a
02	b
03	c
04	a
05	b
06	a
07	a
08	d
09	b
10	b
11	a
12	a
13	b
14	a
15	c