

Case Study Based MCQ - 8



**Listen Audio Solutions On Case Study Based MCQs
By CA. Yashvant Mangal**

<https://www.ymconcepts.com/free-pdfs-and-amendment-notes/>

Join Our Telegram Group for Doubts and Queries :-

<https://t.me/cayashvantmangal>

Subscribe Our Youtube Channel For Amendments Lectures, Chapter Wise Revision Lectures, Last Day Revision Strategy For Exams, Past Attempts ICAI MTPs, RTPs Solutions :

<https://www.youtube.com/channel/UCuNLbppCz8few300kPpKsRw>

Bright Public School, New Delhi, under the aegis of Bright Minds Society, has provided/received following services/supplies in the month of March:

- (i) Provided transportation services to its students, teachers and other staff for commuting to and from school. Such transportation services are provided to Bright Public School by Ambaji Transporters.

An amount of Rs. 1,500 per month is charged from students whereas such services are provided free of cost to teachers and other staff, being part of their employment contract. Consolidated amount of Rs. 2 lakh per month is paid to Ambaji Transporters.

- (ii) It conducted entrance examination for students of Class 11 for upcoming academic year. It charged entrance fee of Rs. 1,000 from external students and nominal entrance fee of Rs. 200 was charged from internal students at school. A total of 2000 students gave entrance exam out of which 1000 were internal students.

- (iii) The school was an examination centre for Class XII Examination conducted on 27th March. A sum of Rs. 15,000 was received from the Central Board of Secondary Education (CBSE) for hosting the examination in school premises.

- (iv) Bright Public School also provides boarding and lodging facilities to its students belonging to other cities of India. A consolidated amount of Rs. 1,75,000 per annum is charged per student as a consideration for educational services as well as for services of boarding and lodging provided to them.

Note: The above amounts are exclusive of GST, wherever applicable.

1. Choose the most appropriate option in relation to service of transportation of students, teachers and other staff provided by Bright Public School:
- (a) The amount of Rs. 1,500 charged per student is a supply in terms of section 7 of the CGST Act, 2017 and GST is payable on the same.

- (b) The transportation services provided to students, teachers, other staff is exempt from GST.
- (c) The transportation services provided to students is not a supply as it has been specifically exempted from GST under section 11 of the CGST Act, 2017.
- (d) Transportation services provided to teachers and staff are exempt from GST. However, since Rs. 1,500 is being charged from students for their transportation, it is not an exempt supply and GST is payable on the same.

Answer : (b)

2. Choose the most appropriate option in relation to entrance fee charged by Bright Public School from the students:
- (a) No GST is leviable on entrance fee charged from internal students. However, GST is payable by school on entrance fee charged from outside students as it is a service in relation to entrance examination provided to outsiders who are not students of school and therefore, supply is not eligible for exemption.
 - (b) GST is payable on whole of the consideration received from students (internal and external both) as only services provided to educational institution relating to admission or conduct of examination are exempt and not the services provided by educational institution for conduction examination.
 - (c) No GST is payable on consideration of Rs. 12,00,000 received from students in the form of entrance exam fee as such amount is exempt from GST. However, it still qualifies to be a supply as per the CGST Act, 2017 and needs to be reported in the return for the month of May as exempt supply.
 - (d) Since, entrance exam fee is received for admission to the upcoming academic session, the amount of consideration needs to be amortized over the year and value of such supply would be reported in the respective month as nil rated supply.

Answer : (c)

3. Choose the most appropriate option in relation to Bright Public School being an examination centre for conducting conduct of Class XII examination:
- (a) It is not an exempt supply under section 11 of the CGST Act, 2017 as services are provided to CBSE which is not an educational institution (but a governing body) as per the provisions of the Act.
 - (b) It is an exempt supply under section 11 of the CGST Act, 2017 as CBSE is treated as educational institution for the limited purpose of providing services by way of conduct of examination to the students.
 - (c) It is not an exempt supply under section 11 of the CGST Act, 2017 as only those services provided by an educational institute by way of conduct of examination are exempt which are provided against consideration in the form of entrance fee.
 - (d) There is no exemption for services provided by an educational institution for conduct of examination.

Answer : (b)

4. Choose the most appropriate option in relation to boarding and lodging facilities provided by Bright Public School in addition to educational services and consideration charged thereto:
- (a) It is a composite supply where the principal supply is educational services. Since the principal supply is exempt, the entire consideration of Rs. 1,75,000 is also exempt from tax.

- (b) It is a composite supply where the principal supply is that of boarding and lodging services and educational services are incidental to boarding and lodging services. Therefore, the tax is payable at the rate applicable to principal supply, i.e., boarding and lodging services.
- (c) It is a mixed supply where educational services and boarding and lodging services are independent of each other. Therefore, the tax is payable at the highest rate of tax applicable among these supplies.
- (d) It is a mixed supply where educational services and boarding and lodging services are independent of each other. Since educational services are exempt, the tax is payable at the rate of tax applicable on boarding and lodging services.

Answer : (a)

5. Choose the most appropriate option in relation to supply of service by Ambaji Transporters to Bright Public School:
- (a) GST is payable on the services provided by Ambaji Transporters as they are covered under section 9(3) of the CGST Act, 2017 which includes services by a transporter.
 - (b) GST is not payable on the services provided by Ambaji Transporters as services provided by it do not qualify as supply under the CGST Act, 2017.
 - (c) GST is not payable on the services provided by Ambaji Transporters as they have been specifically exempted under section 11 of the CGST Act, 2017. However, section 9(3) of the CGST Act, 2017 overrides all other provisions of the CGST Act, 2017 which are contrary to it, thereby making Ambaji Transporter liable to pay GST.
 - (d) GST is not payable on the services provided by Ambaji Transporters as they have been specifically exempted under section 11 of the CGST Act, 2017. Tax is not payable on reverse charge basis on the same under section 9(3) of the CGST Act, 2017.

Answer : (d)