

Case Study Based MCQ - 17



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Mr. A is a practicing Chartered Accountant who is supplying the service in the field of auditing and assurance. His earnings during the current financial year are as follows-

- (i) Income from the auditing and assurance service provided during the year- Rs. 1,86,00,000
- (ii) Income for acting as an examiner from the ICAI and ICSI (not on their rolls) in the month of June – Rs. 2,50,000
- (iii) Rental income from a commercial property, during the year - Rs. 13,90,000

Further, in the month of April, Mr. B purchased 10 computers at a price of Rs. 25,000 each, for his office as new staff has been recruited by his HR team and had availed and utilized ITC on the same.

On 31st October, out of these 10 computers, Mr. A shifted 2 computers at his residence for his son for learning purpose. Open market value of each of these computers, on 31st October, is Rs. 10,000.

Mr. A belatedly filed GSTR-3B for the month of December, by 5 days. Value of taxable supply for the month of December is Rs. 10,00,000 (included in his details of earnings mentioned above). Applicable rate of tax on said supply is 18%.

Note:

- (i) All the above amounts are exclusive of taxes, wherever applicable.
- (ii) The opening balance of input tax credit of Mr. A for the relevant tax period is nil. Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.
- (iii) There is no other inward or outward supply transaction for Mr. A in the relevant period apart from the aforementioned transactions.

1. Assuming that the current financial year is the financial year 2019-20, Mr. A is required to maintain and retain the books of accounts for said financial year under the GST law up to _.

- (a) 31st December 2025 (b) 31st December 2026
(c) 31st December 2027 (d) 31st December 2028

Answer : (b)

2. Aggregate turnover for the purpose GST audit is_____.

- (a) Rs. 2,02,50,000 (b) Rs. 2,02,90,000
(c) Rs. 2,02,65,000 (d) Rs. 2,02,60,000

Answer : (d)

3. Total taxable turnover of Mr. A for the current financial year is_____.

- (a) Rs. 2,00,10,000 (b) Rs. 2,00,40,000
(c) Rs. 2,02,60,000 (d) Rs. 2,02,50,000

Answer : (a)

4. Which of the following is/are not a supply under GST law?

- (a) Service provided as an examiner to ICAI and ICSI
(b) Rental income as it is not related to business
(c) Shifting of computers at home for personal purpose as there is no consideration
(d) None of the above

Answer : (d)

5. Which of the following statement(s) is/are correct with respect to interest liability of Mr. A, for the month of December?

- (a) Interest liability of Mr. A is Rs. 444 and he can pay the same either from input tax credit available in electronic credit ledger or in cash.
(b) Interest liability of Mr. A is Rs. 444 and he cannot utilize the input tax credit for the payment of interest. He needs to pay the interest in cash.
(c) Interest liability of Mr. A is Rs. 2,466 and he can pay the same from input tax credit available in electronic credit ledger or in cash.
(d) Interest liability of Mr. A is Rs. 2,466 and he cannot utilize the input tax credit for the payment of interest. He needs to pay the interest in cash.

Answer : (b)