

# Case Study Based MCQ - 18



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Kunj Manufacturers, a registered supplier under GST in Surat, Gujarat, has opted to pay tax under composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017. It is engaged in manufacturing textile products.

The following information is available in relation to Kunj Manufacturers for the current financial year:

- (i) Total turnover during the quarter April-June is Rs. 1,50,00,000.
- (ii) The option to pay tax under composition scheme lapses from 1st July.
- (iii) Tax paid on inputs lying in stock as on 30th June (Invoice dated 4th May) - CGST Rs. 10,000 and SGST Rs. 10,000.
- (iv) Tax paid on inputs contained in semi-finished goods held in stock as on 30th June- CGST Rs. 5,000 and SGST Rs. 5,000 (Invoice was dated 31st December of preceding financial year).
- (v) A machinery was purchased on 15th March of preceding financial year for Rs. 10,00,000 (taxable value). Applicable GST rate was 12%.
- (vi) On 10th August, KunjManufacturers sold goods worth Rs. 2,40,000 to Surat Municipal Corporation (SMC). The contract with SMC was to supply only goods and not any services.
- (vii) On 15th August, Kunj Manufacturers sold goods worth Rs. 10,00,000 to Finance Department of Gujarat Government.
- (viii) Apart from the information provided above, sales and purchases worth Rs. 15,00,000 and Rs. 12,00,000 respectively were also reported during the period of July - February.

- (ix) During the month of March of the current financial year, Kunj Manufacturers manufactured 2,500 meters of fabric (Value of the fabric is Rs. 200 per meter). ITC pertaining to such output was CGST Rs. 27,500 and SGST - Rs. 27,500. Mr.Kunj exported 1,500 meters of fabric under bond and sold the balance 1,000 meters of fabric in Gujarat, India.

**Notes:**

- (i) There is no other outward or inward supply transaction apart from the aforesaid transactions.
- (ii) Subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled.
- (iii) It is also assumed that due date for any return required to be filed by the taxpayer has not been extended by the Government.
- (iv) Rate of GST applicable on goods manufactured by Kunj Manufacturers under regular scheme is 12%. GST rate applicable on inward supplies is 12% unless otherwise specified.
- (v) All the purchases and sales are made within the State except the export sales.
- (vi) All the amounts given above are exclusive of taxes, wherever applicable.

1. The net GST payable in cash by Kunj Manufacturers during the period from April to February is\_\_\_\_\_.

- (a) Rs. 1,76,800                      (b)Rs. 3,46,800                      (c) Rs.18,26,800                      (d) Rs.18,46,800

**Answer : (a)**

2. Input Tax Credit (ITC) available to Kunj Manufacturers during the period from April to February is\_\_\_\_\_.

- (a) Rs. 2,72,000                      (b) Rs. 2,82,000                      (c) Rs. 2,88,000                      (d) Rs. 3,02,000

**Answer : (b)**

3. The amount of GST refund available to Kunj Manufacturers for the month of March in the current financial year is \_\_\_\_\_.

- (a) Rs. 24,000                      (b) Rs. 33,000                      (c) Rs. 31,000                      (d) Rs. 22,000

**Answer : (c)**

4. Which of the following statements is correct?

- (a) Kunj Manufacturers is required to file Form GSTR-9, Form GSTR-9A and Form GSTR-9C.
- (b) Kunj Manufacturers is required to file only Form GSTR-9.
- (c) Kunj Manufacturers is required to file Form GSTR-9 and Form GSTR-9C.
- (d) Kunj Manufacturers is required to file both Form GSTR - 9 and Form GSTR - 9A.

**Answer : (d)**

5. Assuming that goods have been sold by Kunj Manufacturers to Finance Department of Gujarat Government for a value of Rs. 1,00,000 instead of Rs. 10,00,000, net GST payable by Kunj Manufacturers in cash during the period from July to February will be\_\_\_\_\_.

(a) Rs. 15,88,800

(b) Rs. 83,800

(c) Rs. 82,800

(d) nil

**Answer : (d)**