

# Case Study Based MCQ – 29

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SV Enterprises (P) Ltd. is a pharmaceuticals company engaged in the manufacturing of medicines. It has its head office in Rajasthan being registered under GST. It primarily sells two products in the market which are as under:

- (i) A (Taxable at 18%)
- (ii) B (Taxable at 28%)

From head office (HO), it makes sales on the basis of orders received from dealers and its branches. Total sales during the month of February is given below:

A		B	
Inter-State (Rs.)	Intra-State (Rs.)	Inter-State (Rs.)	Intra-State (Rs.)
50,00,000 (including branch transfers**)	50,00,000	50,00,000	30,00,000

\*\*The company transferred product A to its branch situated in Mumbai for Rs. 10,00,000. The open market value of product A was not known at the time of transfer, but the goods of like kind and quantity were sold at Rs. 12,00,000. Cost of product A is Rs. 8,00,000. Further, the branch also deals in product A and product B only.

The company purchases its raw material worth Rs. 60,00,000 taxable @18% to be used in product A, from a supplier located at Haryana and imported raw material worth Rs. 40,00,000 taxable @ 28% to be used in product B, from U.S.A based vendor.

The opening balance of input tax credit of SV Enterprises (P) Ltd. for the relevant tax period is nil. Further, subject to the information given above, assume that all the other conditions necessary for availing ITC have been fulfilled. All the above transactions are exclusive of GST, wherever applicable.

(ICAI MTP May 20)

1. What shall be the GST paid by SV Enterprises (P) Ltd. through Electronic Cash Ledger?

- (a) IGST: Rs.1,00,000, CGST: Rs. 8,70,000, SGST: Rs. 8,70,000
- (b) IGST: Rs. 11,20,000, CGST: Rs. 8,70,000, SGST: Rs. 8,70,000
- (c) IGST: Rs. 12,20,000, CGST: Rs. 8,70,000, SGST: Rs. 8,70,000
- (d) IGST: Nil, CGST: Rs. 8,70,000, SGST: Rs. 8,70,000

**Answer : (a)**

2. Suppose Product A is exempt from GST, what shall be the aggregate turnover of SV Enterprise?

- (a) Rs. 1,80,00,000
- (b) Rs. 80,00,000
- (c) Rs. 2,20,00,000
- (d) Rs. 1,40,00,000

**Answer : (a)**

3. What shall be the value of supply of product "A" transferred to its branch in Mumbai?

- (a) Rs. 10,00,000
- (b) Rs. 12,00,000
- (c) Rs. 8,00,000
- (d) Rs. 8,80,000

**Answer : (a)**

4. Suppose out of imported raw material amounting to Rs. 40,00,000, raw material amounting to Rs. 10,00,000 was sold to another local customer before clearance for home consumption. What shall be the net GST liability in this case?

- (a) IGST- Rs. 3,80,000, CGST- Rs. 8,70,000, SGST- Rs. 8,70,000
- (b) IGST- Rs. 1,00,000, CGST- Rs. 8,70,000, SGST- Rs. 8,70,000
- (c) IGST- Rs. 12,20,000, CGST- Rs. 8,70,000, SGST- Rs. 8,70,000
- (d) IGST- Rs. 20,60,000, CGST- Rs. 8,70,000, SGST- Rs. 8,70,000

**Answer : (a)**

5. If the payment for Product A was received on 25th February from one of the customers, goods supplied on 28th February and invoice issued on 3rd March, what shall be the time of supply in this case?

- (a) 25th February
- (b) 28th February
- (c) 3rd March
- (d) 20th March

**Answer : (b)**