

Case Study Based MCQ – 34

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Mr. Venkat, a practicing Chartered Accountant, based in Hyderabad, is registered under GST in the State of Telangana.

He undertook following transactions/activities during the current financial year:

- (1) He provided consultancy services to Kuick Tours, a UK based entity engaged in the business of e-commerce in the field of tour and travels, having its office at UK. Kuick Tours paid a sum of Euro 95,000 to Mr. Venkat billed @ 75 per Euro. Mr. Venkat made travel to UK several times during the year and incurred Euro 5,000 @ Rs. 75 as incidental expenses (including VAT paid Rs. 10,000) which was ultimately charged from Kuick Tours. Kuick Tours also paid a sum of EURO 5,000 @ Rs. 75 to Mr. Venkat as interest on account of delay in payment of agreed consideration.

Mr. Venkat also hired the services of a professional firm based in UK to complete the assignment of providing services to Kuick Tours and paid Euro 10,000 @ Rs. 75. This was not recovered from Kuick Tours.

- (2) Mr. Venkat's taxable earnings for services provided in India for the financial year are Rs. 85,00,000. In addition to this, Mr. Venkat also provided return filing services free of charge in the month of July to Indian residents who were economically weaker. Open market value of such services was Rs. 1,40,000.
- (3) In July, Mr. Venkat also provided financial services to his real brother Mr. Kamath who is working at an IT company and earning handsomely, for Rs. 75,000 (invoice value). However, Mr. Venkat offered him 90% discount on the invoice raised to him. Therefore, Mr. Kamath paid Rs. 7,500 only.
- (4) Dumdum Electricals Ltd., registered under GST in Guwahati, Assam approached Mr. Venkat to impart GST training to its accounts and finance personnel. Mr. Venkat imparted the said training to 50 employees of Dumdum Electricals Ltd. at a conference room of Swaraj Hotel located in Siliguri, West Bengal on 25th August.

Notes: The rates of tax are 9% (CGST), 9% (SGST) and 18% (IGST) on all inward/ outward supplies. All the amounts given above are exclusive of taxes, wherever applicable.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 1 to 4 below:-

1. Compute the value of supply made by Mr. Venkat to Kuick Tour (in Euros).

- (a) 120,000 (b) 105,000
- (c) 115,000 (d) 125,000

Answer : (b)

2. Compute aggregate turnover of Mr. Venkat for the current financial year.

- (a) Rs. 1,78,75,000 (b) Rs. 1,86,25,000
- (c) Rs. 1,63,82,500 (d) Rs. 1,80,90,000

Answer : (c)

3. What is value of supply made by Mr. Venkat to Mr. Kamath if Mr. Kamath is the son of Mr. Venkat and not his brother, other facts remaining the same?

- (a) Rs. 7,500
- (b) Rs. 75,000
- (c) Not a supply since they are related
- (d) Value cannot be determined

Answer : (b)

4. The place of supply of the GST training imparted by Mr. Venkat to the accounts and finance personnel of Dumdum Electricals Ltd. Is_____.

- (a) Hyderabad, Telangana
- (b) Guwahati, Assam
- (c) Siliguri, West Bengal
- (d) Either (a) or (b), at the option of Mr. Venkat

Answer : (b)