

Case Study Based MCQ – 36



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Sudershan Transport Agency (P) Ltd. (hereinafter referred to as “STAL”), registered under GST in Jaipur, Rajasthan, is providing services by way of transportation of goods by road for which it issues consignment notes, to all the sectors of industries.

It maintains trucks, trollers, advance carriages for heavy loads, lorries and small tractors, for the purpose of transportation and renting purposes. It also maintains special vehicles which has special storage features and other advance facilities for transporting defence equipments and other complex machineries, chemical and food products.

It has provided the following details for the current financial year:

- (i) STAL rendered transportation services to farmers in Punjab for transportation of agricultural produce to nearby cities for Rs. 2,00,000.
- (ii) STAL gave buses on rent to a higher secondary school in Rajasthan affiliated to CBSE and charged Rs. 5,00,000 for the same during the year.
- (iii) STAL also had a contract with local authority in Rajasthan to provide services by way of transportation of relief material to flood affected victims for which Rs. 2,50,000 is charged.
- (iv) Manimani Bank, (registered in Bareilly, Uttar Pradesh) sent its branch manager Mr. Champak on one year deputation on a special project to Bhopal, Madhya Pradesh. Mr. Champak’s family is stationed in Kanpur (U.P.). Manimani Bank enters into a contract with STAL for transportation of the household goods of Mr. Champak from Kanpur to Bhopal for Rs. 1,50,000.
- (v) STAL transported equipments to a military camp which also availed special storage facility from STAL and amount charged for such services is Rs. 5,50,000.

- (vi) STAL provided service of transportation of goods to a co-operative society which was newly constituted and hence was not registered under GST law and the amount charged was Rs. 3,00,000. While transporting the goods of the said co-operative society, STAL generated e-way bill on Monday at 2:00 pm. The goods were to be transported for a distance of 220 km.
- (vii) STAL owns and maintains its own petrol pump wherein the revenue from supply of petrol was Rs. 20,00,000.

Notes:

1. Assume that GST is payable on the transportation in the aforesaid case scenario at the following rates unless otherwise specified:

I. Intra-State supply - 6% CGST and 6% SGST

II. Inter-State supply - 12% IGST

2. All the above amounts are exclusive of GST, wherever applicable, unless otherwise specified.

Based on the facts of the case scenario given above, choose the most appropriate answer to Q. Nos. 16.1 to 16.5 below:

1. Determine the value of outward supplies made by STAL which are exempt from GST.

- (a) Rs. 35,00,000 (b) Rs. 15,00,000
(c) Rs. 16,00,000 (d) Rs. 5,50,000

Answer : (a)

2. Determine the place of supply of the services of transportation of household goods of Mr. Champak provided by STAL.

- (a) Jaipur, Rajasthan (b) Bareilly, Uttar Pradesh
(c) Kanpur, Uttar Pradesh (d) Bhopal, Madhya Pradesh

Answer : (b)

3. Calculate the aggregate turnover of STAL for the current financial year.

- (a) Rs. 35,00,000 (b) Rs. 39,50,000 (c) Rs. 19,50,000 (d) Rs. 38,00,000

Answer : (b)

4. Determine the period of validity of e-way bill generated by STAL for transporting the goods of the co-operative society.

- (a) Tuesday-Wednesday at 12.00 midnight
(b) Wednesday-Thursday at 12.00 midnight
(c) Wednesday at 12.00 noon
(d) Wednesday at 2.00 pm

Answer : (b)

5. Whether tax is required to be deducted under section 51 of the CGST Act, 2017 for the service provided by STAL to local authority in Rajasthan?

- (a) No; since the value of contract is not less than Rs. 2,50,000.
- (b) Yes; since the value of contract is Rs. 2,50,000.
- (c) Yes; since TDS is mandatorily to be deducted for any supplies made to a local authority irrespective of the value of supply.
- (d) No; since it is an exempt supply.

Answer : (d)