Tax-I

Time: 2 & 1/2 Hours

Marks: 75

#### **Instructions:**

1.	All questions are comp	lsory carrying	15	Marks each,	subject to	internal	choice.
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2. Use of a simple calculator is allowed.

3. Working note should form part of your answer.

Q.1. Multiple Choice: (Any eight)

(8)

A). 1. If a dealer failed to comply with any notice, the penalty may be equal to

a). the amount of tax found due to such act

c). five thousand rupees

b). one and a half times the tax which would have become payable otherwise d). half the amount of tax which would

have been under assessed or one thousand rupees, whichever is more

2. Provision regarding registration are laid down in the MVAT Act under

a). Section 16

b). Section 22

c). Section 61

d). Section 29

3. 'Goods' as defined under MVAT, 2002 include

a). immovable property

b). newspaper

c). growing crops

d). shares

4. Sale' as defined under MVAT, 2002 includes

a). Mortgage

b). Hypothecation

c). Pledge

d). Transfer of property in goods involved in the execution of a work contract

5. Export Sale are

a). sale of tax free goods

b). exempt sales

c). sale of goods specified in schedule A

d). none of the above

6. VAT does not apply to

a). Importer

b). Retailer

c). Works contractor

d). Consumer

7. Every dealer liable to pay tax should get his accounts audited by an Accountant if his turnover of sales or as the case may be, of purchases exceeds

a). Rs.1 Crore

b). Rs. 25 Lakhs

c). Rs 50 Lakhs

d). Rs. 5 Lakhs

8 A person who voluntarily desires to get registered has to deposit an amount of

a). Rs. 5,000

b). Rs. 50,000

c). Rs. 25,000

d). none of the above

9. A Tax Invoice is to be issued

a). only by an importer

b). only by a manufacture

c). only by a registered dealer

d). by an dealer registered or unregistered

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## OP3 AEA

- 10. Provision regarding tax audit are laid down in the MVAT Act under
  - a). Section 16

b). Section 22

c). Section 61

d). Section 29

Q.1

Match the Following: (Any seven) B)

Group B

- Group A 1. Departmental Business Audit
- 2. Konkan Railway Corporation Ltd
- 3. State Government can levy
- 4. Dealer registered based on limit of turnover
- 5. Sale in the course of inter-state trade
- 6. Taxable Purchases
- 7. Penalty for wrongful collection of
- 8. Penalty for failure to file return
- 9. Central Government can levy
- 10. Registration irrespective of turnover

- 1. Only Local Transaction
- 2. Liable to pay tax on sale before date of registration
- 3. Liable to pay tax on sale after date of registration
- 4. Rs. 2000
- 5. Rs. 5000
- 6. Not taxable vide section 8 of MVAT
- 7. Section 22
- 8. Section 61
- 9. Successor of dealer
- 10. VAT
- 11. Dealer
- 12. Service Tax
- Q.2 B Ltd., commenced on 17th Mar. 2016. From the following particulars regarding purchases and sales transactions, find out from which month he will be liable for registration and to pay tax as per the provisions of MVAT Act, 2002. (Give Reasons)

(08)

(7)

Month	De	tails of Purcha	ases Details of Sales		
	Out of State	With in State			
	Taxable	Taxable	Tax Free	Taxable	Tax Free
	Goods Rs	Goods Rs	Goods Rs	Goods Rs	Goods Rs
17-3-16	8,000	6,000	13,000	8,000	15,000
18-3-16	7,000	3,000	14,000	21,000	11,000
19-3-16	8,000	2,000	18,000	10,000	20,000
31-3-16	11,000	4,000	10,000	5,000	6,000
4-4-16	15,000	8,000	12,000	19,000	21,000
5-4-16	20,000	6,000	16,000	40,000	15,000
6-4-16	12,000	12,000	11,000	10,000	12,000
7-4-16	10,000	14,000	12,000	18,000	28,000

Q.2 B).

Calculate Tax payable of M Lto Details of Sales (Exclusive	Details of Sales (Exclusive of Tax)		(Inclusive of Tax)
Schedule. A Out Maharashtra sale Sch (B) Export Schedule. D Schedule. F	3,00,000 4,00,000 5,00,000 1,95,000 12,00,000	Schedule. A Schedule. D Schedule E	4,00,000 1,00,000 2,00,000
Schedule E 12,00,000  Details of Sales Returns (Exclusive of Tax)		Details of Purcl (Inclusive	

2

(07)

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Schedule, A	1,00,000	Schedule. A	40,000
Schedule. D	95,000	Schedule. D	10,000
Schedule. E	6,00,000	Schedule E	20,000

From the above information, calculate MVAT for JAN 2016 assuming that there was an sett-off of Rs 12,000 available for the month of January 2016.

#### OR

Q.2 V Ltd., commenced their business on 27<sup>th</sup> Mar. 2015. From the following particulars regarding purchases and sales transactions, find out from which month he will be liable

for registration and to pay tax as per the provisions of MVAT Act, 2002. (Give

Re	eas	on	s):

Date	Purcha	ases	Sales		
	Taxable Goods Rs	Tax Free Goods Rs	Taxable Goods Rs	Tax Free Goods Rs	
27-3-2015	7,000	13,000	9,000	60,000	
28-3-2015	6,000	12,000	2,000	50,000	
29-3-2015	5,000	1,10,000	8,000	1,75,000	
31-3-2015	4,000	90,000	12,000	1,10,000	
04-4-2015	3,000	1,25,000	6,000	3,00,000	
06-4-2015	6,000	60,000	7,000	1,25,000	
10-4-2015	4,000	1.35,000	12,000	1,00,000	
15-4-2015	5,000	2,00,000	6,000	75,000	

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Details of Sales (Exclusive	of Tax)	Details of Purchases (Inclusive of Tax)		
Schedule, A	40,000	Schedule. A	10,000	
Out Maharashtra sale Sch (B)	3,00,000	Schedule C	60,000	
Schedule, C	2,00,000	Schedule. D	94,000	
Schedule. D	95,000	Schedule E	69,000	
Schedule E	2,00,000	673		
Details of Sales Return	ns	Details of Purchases Retur	ns	
(Exclusive of Tax)		(Inclusive of Tax)		
Schedule. A	4,000	Schedule. A	4,000	
Schedule. C	2,000	Schedule. C.	60,000	
Schedule. D	5,000	Schedule. D	40,000	
Schedule, E	1,10,000	Schedule E	60,000	

From the above information, calculate MVAT for JAN 2016 assuming that there was an sett-off of Rs 40,000 available for the month of January 2016.

Q.3 KK Ltd commenced their business on 7<sup>th</sup> Mar. 2015. From the following particulars regarding purchases and sales transactions, find out from which date they will be liable

for registration and to pay tax as per the provisions of MVAT Act, 2002. (Give Reasons):

(08)

Month	De	Details of Purchases			of Sales	
	Out of State	With in State		(3, a) (3, a)		
	Taxable Goods Rs	Taxable Goods Rs	Tax Free Goods Rs	Taxable Goods Rs	Tax Free Goods Rs	
7-3-15	10,000	4,000	12,000	2,000	25,000	
8-3-15	6,000	2,000	18,000	1,000	24,000	
9-3-15	13,000	3,000	27,000	3,000	21,000	
24-3-15	10,000	6,000	23,000	2,000	21,500	
3-4-15	4,000	6,000	25,000	3,000	28,000	
9-4-15	9,000	8,000	31,000	8,000	42,000	
10-4-15	12,000	12,000	43,000	16,000	56,000	
22-4-15	12,000	14,000	15,000	10,000	41,000	

Q.3
B). Calculate Tax payable of PK Ltd for the month of Jan 2016:

Details of Sales (Exclusive	of Tax)	Details of Purchases (Inclusive of Tax)		
Schedule. A	1,88,000	Schedule. A	80,000	
Out Maharashtra sale Sch (B)	4,00,000	Schedule. D	88,000	
Export	5,00,000	Schedule E	1,66,000	
Schedule. D	2,60,000	4,000   1984   1935		
Schedule E	6,77,000	000	4-2015	
Details of Sales Return	ns	Details of Purchases	Returns	
(Exclusive of Tax)		(Inclusive of Ta	ix)	
Schedule. A	18,000	Schedule. A	8,000	
Schedule. D	6,000	Schedule. D	9,000	
Schedule. E	1,000	Schedule E	10,000	

From the above information, calculate MVAT for JAN 2016 assuming that there was an sett-off of Rs 14,000 available for the month of January 2016.

OR

Q.3 DJ Ltd. commenced his business as a Manufacturer on 1st Feb. 2014. From the

following particulars regarding purchases and sales transactions, find out from which month he will be liable for registration and to pay tax as per the provisions of MVAT

Act. 2002. (Give Reasons):

Year &	Deta	ils of Purchas	es	Details of Sales		
Month	Out of State	With in State		alista pre al secolo	and those	
	Taxable	Taxable	Tax Free	Taxable	Tax Free	
	Goods Rs	Goods Rs	Goods Rs	Goods Rs	Goods Rs	
Feb. 2014	8,000	28,000	16,000	40,000	20,000	
Mar. 2014	1,000	20,000	15,000	23,000	16,000	
Apr. 2014	5,000	8,000	28,000	18,000	24,000	
May. 2014	4,000	20,000	18,000	26,000	18,000	
June. 2014	3,000	15,000	24,000	20,000	16,000	
July. 2014	6,000	12,000	26,000	24,000	28,000	
Aug. 2014	8,000	16,000	14,000	12,000	16,000	

Calculate Tax payable of KD Ltd for the month of Jan 2016:

(07)

(08)

Q.3 B).

Details of Sales (E	Exclusive of Tax)	Details of Purchases (Inclusive of Tax)		
Schedule. A	4,00,000	Schedule. A	3,00,000	
Schedule B	5,00,000	Schedule B	1,00,000	
Export	6,00,000	Schedule. D	2,00,000	
Schedule. D	7,95,000	Schedule E	4,00,000	
Schedule E	12,00,000			
Details of Sa	les Returns	Details of Purchases Returns		
(Exclusive	e of Tax)	(Inclusive		
Schedule, A	90,000	Schedule. A	20,000	
Schedule B	1,10,000	Schedule B	20,000	
Schedule. D	85,000	Schedule. D	40,000	
Schedule. E	5,00,000	Schedule E	45,000	

From the above information, calculate MVAT for JAN 2016 assuming that there was an sett-off of Rs 12,000 available for the month of January 2016.

Q.4 Determine from which month AC Ltd, who started business in April 2015 is liable for registration under MVAT Act. (08)

Month	Local Purchases		Purchases from Gujarat		Sales inside State	
	Taxable	Tax Free	Taxable	Tax Free	Taxable	Tax Free
May 2015	30,000	5,000	1,000	500	15,000	5,000
June 2015	1,000	1,000	4,000	22,000	20,000	4,000
July 2015	20,000	2,000	6,000	1,000	10,000	2,000
Aug. 2015	40,000	10,000	4,000	5,000	5,000	5,000
Sept. 2015	10,000	8,000	3,000	4,000	22,000	8,000
Oct. 2015	2,000	4,000	4,000	500	40,000	5,000

Q.4 Calculate the set off and Tax Payable under MVAT Act 2002 from the following (07) details of August 2015 of L Ltd.,

Particulars	Amount
Local purchases from Registered Dealers	12,00,000
Purchases from Unregistered Dealers	2,00,000
Sales Price of Goods	20,00,000
Inter State Stock Transfer	4,00,000

The ratio of Stock Transfer to total sales is 20%. L Ltd., had an opening balance in VAT Credit Receivable Account of Rs 12,500.

OR

Q.4 The following information regarding the turnover of purchase and sale transactions is submitted by Mr. HD, who started business on 1<sup>st</sup> May, 2015. Find out whether as per the provision of the MVAT Act, 2002, he is liable for registration and payment of Tax. Give reasons for your answer.

(07)

# OP3 AEA

Year &	Details of Purchases			Details of Sales	
Month	Outside State	With in State		With in State	
2015	Taxable Goods Rs	Tax Free Goods Rs	Taxable Goods Rs	Tax Free Goods Rs	Taxable Goods Rs
May	90,000	4,000	5,500	85,000	4,000
June	1,02,000	3,500	3,500	1,50,000	3,500
July	1,50,000	6,000	2,500	1,75,000	1,500
Aug	1,10,000	2,500	4,000	1,00,000	3,000
Sept.	1,75,000	1,500	3,000	2,50,000	3,500

В).	tax liability under the provisions of MVAT Act, 2002 for the month of December 2015  (a) Purchases (excluding tax)  Amount	
	Schedule C 2,00,000	
	Schedule E 3,00,000	
	(b) Sales (excluding tax)	
	Schedule C 4,00,000	
	Schedule E 10,00,000	
	Schedule E	
	Schedule A  (c) The dealer, PK Ltd., utilized Schedule C goods costing Rs.1,50,000 as input for manufacturing Schedule A goods.	
0.5	a. Define Manufacture as per Sec 2(15)	(08)
Q.5	b. Explain the provisions for levy of penalty under the MVAT Act.	(07)
	OR	
0.5	Short Notes (Any three out of five) 5 Marks each	(15)
Q.5	Explain the provisions for levy of interest under the MVAT Act.	
	a. Explain the provisions for tay audit under the MVAT Act.	
	Explain the provision of MVAT Act 2002 in respect of Sales and Purchases not	
	1 Fundamental and American of MVAT Act 2002 in respect of Dealer	
	A HVALSIN THE DEDVISION OF TALL AUGUST 1000000 OF DOMEST	
	e. Define Business as per Sec 2(4)	
Q.5	Short Notes (Any three out of five) 5 Marks each a. Explain the provisions for levy of interest under the MVAT Act. b. Explain the provisions for tax audit under the MVAT Act. c. Explain the provision of MVAT Act, 2002in respect of: Sales and Purchases not liable to tax. d. Explain the provision of MVAT Act, 2002in respect of Dealer	(15