

(N.B. : All questions are compulsory and carries 15 marks each.)

1. (a) Rewrite the following statements and state whether it is True or False as per Service Tax Law (any eight) :— 8

1. Service Tax Law extends to Whole of India.
2. The term 'Service' includes Declared Services.
3. Electronic Payment of Service Tax is mandatory for all assessees.
4. Construction of a Building is not included under Declared Services.
5. Fees payable to a Court of Law is covered under Excluded Services.
6. The Certificate of Registration under Service Tax is issued in Form ST-1.
7. Services by way of coaching in recreational activities related to sports is covered under Exempt Services.
8. Service Tax Return is required to be filed monthly.
9. Service Tax is a Direct Tax.
10. Negative List specifies the services which are Liable for Service Tax.

(b) Re-write the following statements by selecting the appropriate option as per Maharashtra Value Added Tax Act, 2002 (any seven) :— 7

1. Sales Returns within _____ months from the date of sales can be deducted from the gross turnover of sales.
 - Three
 - Six
 - Nine
2. Dealer as defined under MVAT includes _____
 - Air Transport Cos
 - Auctioneer
 - Both of the above
3. Gross Sales Turnover for the purpose of Registration by an Importer should exceed _____
 - Rs. 10,000
 - Rs. 1,00,000
 - Rs. 10,00,000
4. The set-off can be adjusted against _____ for that period.
 - VAT payable
 - CST payable
 - Both the above
5. A Tax Invoice can be issued only by _____.
 - A Manufacturer
 - An Importer
 - A Registered Dealer
6. Under Composition Scheme, tax rate of 1.50% is applicable to _____.
 - Construction Contracts
 - Second hand car dealers
 - Mandap keeper

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7. Goods listed under Schedule D includes _____.
- Declared Goods
 - Precious Metals
 - Petroleum Products
8. Raj of Pune, purchased goods costing Rs. 51,000 (Inclusive of CST Rs. 1,000) from Bhavesh of Baroda (Gujarat). He sold these goods to Dixit of Mumbai for Rs. 63,000 (Inclusive of VAT Rs. 3,000). The VAT payable is _____.
- Rs. 1,000
 - Rs. 2,000
 - Rs. 3,000
9. A Retailer who opted for Composition Scheme has Sales of Rs. 25,00,000 for both taxable goods and tax free goods. His purchases from Registered Dealer is Rs. 15,00,000. The tax payable under composition scheme is _____.
- Rs. 10,000
 - Rs. 15,000
 - Rs. 25,000
10. Set-off under rule 52 is available for taxes paid-on purchase of _____.
- Capital Assets
 - Goods debited to Profit & Loss Account
 - All of the above.

2. Apna Bank has furnished following information for April 2016.

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Particulars	Amount (Rs)
Interest Received on Term Loans	7,00,000
Penal Interest Received on Delayed Repaymet of Loans	3,00,000
Annual Fees On Debit Cards	1,50,000
Bank Charges on Current Account	2,50,000
Bank Charges for issue of Demand Drafts	1,60,000
Loan Processing charges	3,40,000
Interest Received on Credit Cards	1,20,000
Late Payment Fees on Credit Cards	40,000
Rent of Sale Deposit Lockers	3,60,000
Commission From Governemnt For Collection of Income Tax	1,30,000
Interest Received from Reserve Bank of India	90,000
Charges Received for Conversion of Foreign Currency	70,000
Amount Received for Sale of Old Furniture	30,000
Fees Received for Investment Consultancy Sevices	80,000

As per provision of service tax laws, classify above items as taxable or non taxable and calculate the value of taxable services, assuming that service tax is not included in above amounts (ignore threshold exemption and abatement).

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2. Mr. Amit gives you following information of his transactions for May, 2016.

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Particulars	Amount (Rs)
Rent Received :	
For Factory Building	6,00,000
For Machinery in Factory	1,20,000
For Residential House	3,00,000
For Furniture in Residential House	80,000
For Open Plot of Land Rented to Circus	2,40,000
For Agricultural Plot	90,000
For Hotel Rooms (Declared Tariff per day Rs. 1,200)	4,20,000
For Hostel For Working Women	5,40,000
For Renting Building to Sarswati High School	2,70,000
For renting premises for ATM Machines of Bank	1,40,000
For Renting Premises to United Nations	1,50,000
For Open Plot of Land For Animal Husbandry	90,000
Remuneration Received as a member of Parliament (MP)	3,60,000
Pension Received From Ex-Employer	72,000

As per provisions of service tax laws, classify above items as taxable or non taxable and calculate the value of taxable services, assuming that service tax is not included in above amounts (ignore threshold exemption and abatement.)

3. Dinesh & Co. a manufacturer & registered dealer provides the following information for May, 2016. You are required to calculate the VAT liability for May 2016 as per the provisions of Maharashtra Value Added Tax Act, 2002. 15

Particulars	Amount (Rs.)
1. Sales (excluding VAT)	
• Schedule B goods	80,000
• Schedule C goods	2,00,000
• Schedule E goods	5,20,000
• Labour Charges received	40,000
• Sales outside Maharashtra - Schedule C goods	42,000
2. Purchases (excluding VAT)	
• Raw Materials-Schedule A goods	32,000
• Raw Materials-Schedule C goods	2,00,000
• Raw Materials-Schedule E goods	2,80,000
• Spares for Machinery Repairs - Schedule E goods	60,000
• Office Furniture - Schedule E goods	20,000
• Office Computer - Schedule E goods	10,000
• Labour Charges paid	60,000
• Motor Car purchased form unregistered Dealer - Schedule E goods	2,50,000
3. Balance (Credit) brought forward from last month in VAT	
Credit Receivable Account	3,300
4. Tax Rate for goods listed under Schedule A = NIL, Schedule B = 1%. Schedule C = 5%, Schedule E = 12.50%	

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3. Sudhakar & Co., a reseller and Registered dealer, provides the following information for June, 2016. You are required to calculate the VAT liability for June, 2016 as per the provisions of Maharashtra Value Added Tax Act, 2002. 15

Particulars	Amount (Rs.)
1. Sales (excluding VAT)	
• Schedule A goods	25,000
• Schedule B goods	1,25,000
• Schedule C goods	2,00,000
• Schedule E goods	4,00,000
• Outside Maharashtra State Sales - Schedule E goods	1,25,000
2. Sales Returns (excluding VAT)	
• Schedule E goods (sold in November 2015)	15,000
• Schedule E goods (Outside Maharashtra State Sales and Sold in January 2016)	10,000
3. Purchase (excluding VAT) -	
• Schedule A goods	42,000
• Schedule B goods	3,80,000
• Schedule C goods	1,00,000
• Schedule E goods	1,00,000
4. Purchase from Unregistered Dealer	
• Schedule E goods	25,000
5. Purchase of Motor Car (passenger vehicle and treated as capital asset) (excluding VAT) • Schedule E goods	3,60,000
6. Balance (Credit) brought forward from last month in VAT Credit Receivable Account	8,700
7. Tax Rate for goods listed under Schedule A = NIL, Schedule B = 1% Schedule C = 5%, Schedule E = 12.50%	

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4. (a) Druelit Traders commenced their business from 1st June, 2016 from the following particulars of their purchase and sales transactions, you are required to find out the date from which they will be liable for registration as per the provisions of Maharashtra Value Added Tax Act, 2002. Give reasons for your answer. 8

Date	Purchase of goods			Sales of goods	
	Out of State	Within State	Within State	Within State	Within
	Taxable Rs.	Taxable Rs.	Tax-Free Rs.	Taxable Rs.	Tax-Free Rs.
1 st June 2016	8,000	1,000	20,000	2,000	20,000
5 th June 2016	1,000	3,000	30,000	4,000	42,000
10 th June 2016	2,000	4,000	40,000	8,000	25,000
15 th June 2016	5,000	2,500	50,000	3,000	30,000
22 nd June 2016	4,000	1,000	60,000	4,000	45,000

4. (b) Determine the point of taxation in each of the following independent cases with reference to the point of taxation Rules, 2011. 7

Sr.No.	Date of Completion of Service	Date of Invoice	Date on which payment is received
1.	5 January, 2016	20 January, 2016	10 February, 2016
2.	5 January, 2016	3 February, 2016	20 January, 2016
3.	5 January, 2016	8 February, 2016	25 January, 2016
4.	5 January, 2016	6 February, 2016	4 January, 2016
5.	5 January, 2016	1 February, 2016	29 January, 2016

Further in following two cases, service tax was chargeable at the rate of 14% upto 31st March, 2016. However, with effect from 1st April, 2016, the rate has been increased to 14.50%. Determine the point of Taxation in each of the following independent cases in accordance with Point of Taxation Rules, 2011.

Sr.No.	Date of Completion of Service	Date of Invoice	Date on which payment is received
6.	28 March, 2016	2 April, 2016	8 April, 2016
7.	3 April, 2016	31 March, 2016	6 April, 2016

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4. (c) Compute 'Sales Price' chargeable to tax as per the provisions of Maharashtra Value Added Tax Act, 2002. 8

Particulars	Amount Rs.
1. Basic Sale Value (2500 units @ Rs. 400 each)	10,00,000
2. Excise Duty @ Rs. 50 per unit	1,25,000
3. Packing Charges	5,000
4. Transport Charges	2,000
5. Installation Charges Separately charged	8,000
6. Transit Insurance Separately charged	3,000
7. Maharashtra Value Added Tax	30,000

4. (d) Mr. Pankaj provides the details of his service tax liability as under - 7

Month	Amount Rs.	Month	Amount Rs.
April, 2016	15,000	July, 2016	20,000
May, 2016	5,000	August, 2016	40,000
June, 2016	18,000	September, 2016	10,000

You are requested to advise Mr. Pankaj on the following questions -

1. What is the due date for electronic payment of service tax ?
 2. What is the amount of service tax payable for each period ?
 3. What is the challan number used for payment of service tax ?
 4. What is the due date for filling service tax returns for the above period.
 5. What is the penalty if the service tax return is filed late by 30 days ?
5. (a) Explain with reasons whether the following transactions are 'Sales' or not as per Maharashtra Value Added Tax Act, 2002 (any four) :- 8
1. Hypothecation of Plant & Machinery
 2. Sale of Refrigerator under Hire Purchase
 3. Sale of second hand vehicles
 4. Sale of food by a restaurant
 5. Free samples of new product distributed by X Ltd.
- (b) List any seven services covered under exempt services vide notification 25/2012. 7

OR

5. Write short notes (any three) :- 15
1. Activity for Consideration
 2. List any five services covered under Negative List
 3. Turnover of Sales
 4. Taxes eligible for set-off under rule 52
 5. Composition scheme.

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