



FINAL EXAMINATION
MODEL QUESTION PAPER
PAPER – 19

SET - 1
TERM – JUNE 2026
SYLLABUS 2022

INDIRECT TAX LAWS AND PRACTICE

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

- 1) Choose the correct option: [15 × 2=30]
- (i) Services to a single residential unit is, exempted if:
- It is pure labour service only
 - It is works contract only
 - It is a part of residential complex only
 - It is on ground floor without further super structure
- (ii) What document shall a person under composition scheme issue to its customer?
- Bill of supply
 - Tax invoice
 - Invoice
 - Debit note
- (iii) M/s Vijaya & Co. a registered person initiates action of winding up his business due to any non-compliance clause under legal verdict of court. As a result of such incidence he shall cease to be registered person under GST. All the stocks of which ITC has already been taken, standing as on date of winding up of business shall hence be classified as:
- Supply of services
 - Supply of goods
 - Does not qualify as supply
 - None of the above
- (iv) Where value cannot be determined under any prescribed rule, which method is used?
- Cost-based valuation
 - Declared value
 - Best judgment under Rule 31
 - Comparable value
- (v) ABC Ltd. in Mumbai organises an event in Chennai for a registered client from Hyderabad. What is the place of supply?
- Mumbai
 - Chennai
 - Hyderabad
 - Where payment is received
- (vi) Which of the following cross-utilisations of ITC (credit) is allowed (assuming credit balances exist)?
- SGST credit can be used to pay CGST liability
 - CGST credit can be used to pay SGST liability



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- c. UTGST credit can be used to pay SGST liability
d. CGST credit can be used to pay IGST liability
- (vii) GSTR-7 is a return to be filed by:
a. A composition dealer
b. A non-resident taxable person
c. A person liable to deduct TDS under GST
d. An Input Service Distributor
- (viii) Refund under inverted duty structure is not available for:
a. Input services
b. Input goods
c. Capital goods
d. Both A and C
- (ix) An advance ruling issued by the Authority is binding on:
a. The applicant only
b. The applicant and the officer dealing with the applicant
c. The applicant, officer, and any other person
d. All registered taxpayers in the State
- (x) The minimum period for which accounts and records must be retained under GST is:
a. 5 years from the date of filing annual return
b. 8 years from the due date of filing the annual return.
c. 6 years from the due date of filing the annual return.
d. 8 years from the date of invoice
- (xi) Calculate Free on Board value from following: Ex-factory price of exporter- ₹10,000; Expenses upto loading of goods by foreign exporter- ₹12,000. Post importation cost- ₹8000:
a. ₹30,000
b. ₹22,000
c. ₹18,000
d. ₹20,000
- (xii) Calculate Custom Free on Board value from following: Ex-factory price of exporter- ₹10,000; Expenses upto loading of goods by foreign exporter- ₹12,000; Post importation activity cost (included in ex- factory price) - ₹8000; Cost under Rule 10[1]- ₹5,000 (not included earlier):
a. ₹35,000
b. ₹22,000
c. ₹19,000
d. None of the above
- (xiii) Which of the following items is not permitted to be imported as baggage under GFA?
a. Laptop
b. Alcohol exceeding 2 liters
c. Personal jewellery
d. Used clothes
- (xiv) Remission of duty under Section 23 must be claimed:



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- a. Within 30 days of import
b. Before the goods are cleared for home consumption
c. After payment of duty
d. After physical destruction of goods
- (xv) The Export Promotion Capital Goods (EPCG) scheme allows import of capital goods at:
a. Zero customs duty with an export obligation
b. Full customs duty with no export obligation
c. Half customs duty with a reduced export obligation
d. Duty-free without any conditions

SECTION – B

Answer any 5 questions out of 7 questions given. Each question carries 14 marks. [5 × 14 = 70]

- 2) (a) State and explain the GST exemption available for services relating to religious ceremonies and renting of precincts of religious places, along with the applicable exceptions. [7]
(b) Discuss the late fee structure prescribed for delayed filing of GSTR-1, GSTR-3B, GSTR-4 and GSTR-7 under Section 47 of the CGST Act, 2017, as rationalised through various notifications effective from June 2021 onwards, including maximum caps based on aggregate turnover and nil returns. [7]
- 3) (a) Asha Ltd. supplies raw material to a job worker Kareena Ltd. After completing the job-work, the finished product of 5,000 packets are returned to Asha Ltd. putting the retail sale price as ₹20 on each packet. The product in the packet is covered under MRP provisions. Determine the transaction value in the hands of Kareena Ltd. under GST law from the following details:

Particulars	Value in ₹
Cost of raw material supplied	30,000
Job worker's charges including profit	10,000
Transportation charges for sending the raw material to the job worker	3,000
Transportation charges for returning the finished packets to Asha Ltd.	4,500
Asha Ltd. paid certain technology transfer fees to 'Reena Ltd', so that 'Kareena Ltd' can use the said technology in the given job-work operation. This technology owned by Asha Ltd. for subsequent use as well.	22,500

Note: Kareena Ltd offered discount ₹2,000, provided full payment is made at the time of raising invoice and the same is mentioned in the invoice. Asha Ltd. made full payment at the time of issue of invoice.

[7]



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(b) X Ltd has following tax liabilities under the provisions of Act -

S. No.	Particulars	Amount (₹)
1.	Tax liability of CGST, SGST/UGST, IGST for supplies made during August 2024	1,00,000
2.	Interest & Penalty on delayed payment and filing of returns belonging to August 2024	20,000
3.	Tax liability of CGST, SGST/UGST, IGST for supplies made during September 2024	1,20,000
4.	Interest & Penalty on delayed payment and filing of returns belonging to September 2024	20,000
5.	Demand raised as per section 73 or section 74 under CGST Act, 2017 belonging to July 2024	8,00,000
6.	Demand raised as per the old provisions of Indirect Taxes	1,00,000

X Ltd has ₹5,00,000 in Electronic cash ledger. Suggest X Ltd in discharging the tax liability. [7]

- 4) (a) Explain the provisions relating to maintenance of accounts under the CGST Act, 2017. In your answer, state the accounts and records required to be maintained by a registered person, the additional records prescribed under the CGST Rules, and also discuss the period of retention of books of accounts along with the consequences of failure to maintain proper records. [7]
- (b) Analyse who can be considered as a 'related person' under Section 15 of the CGST Act, 2017. [7]
5. (a) M/s. X Ltd. of Chennai, engaged in various businesses has provided the following services, whose values are listed below. Compute its GST liability:
1. Service of interior decoration in respect of immovable property located in Jammu: ₹5 lakh;
 2. Service of renting of commercial buildings in Delhi: ₹15 lakh;
 3. Architectural services to an Indian Hotel Chain which has business establishment in Mumbai for its newly acquired property in Sydney: ₹25 lakhs;
 4. Services provided as an Indian agent undertaking marketing in India of goods of a foreign seller: ₹51 lakhs;
 5. Services provided as travel agent undertaking marketing in India of services of a foreign seller: ₹1 lakh.
- Applicable rate of GST 18%. [7]
- (b) Srinidhi Ltd. exported some goods to LG Inc. of USA. It received US \$ 9,000 as consideration for the same and sold the foreign currency @ ₹ 71 per US dollar. Calculate the value of supply of money changing service under GST law and rules made thereunder in the following cases:
- (i) RBI reference rate for US dollar at. That time is ₹ 72 per US dollar
 - (ii) RBI reference rate for US dollars is not available.

What would be the value of supply if US \$9,000 are converted into UK £ 4,500. RBI reference rate at that time for US \$ is ₹ 73 per US dollar and for UK £ is ₹ 101 per UK Pound. [7]



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6. (a) Explain the provisions relating to remission of duty on lost, destroyed, or abandoned goods under Section 23 of the Customs Act, 1962. [7]
- (b) What is the Advance Authorisation (AA) Scheme? Explain the concept of self ratification scheme and the pre-import condition under this scheme. [7]

7. (a) 'A' exported a consignment under drawback claim consisting of the following items -

Particulars	Chapter Heading	FOB value ₹	Drawback rate
200 pieces of pressure stores mainly made of beans @ ₹80/piece	74.04	16,000	4% of FOB
200 Kgs. Brass utensils @ ₹200 per Kg.	74.13	40,000	₹24/Kg.
200 Kg. Artware of brass @ ₹300 per Kg.	74.22	60,000	17.50% of FOB subject to a maximum of ₹38 per Kg.

On examination in docks, weight of brass Artware was found to be 190 Kgs. and was recorded on shipping bill. Compute the drawback on each item and total drawback admissible to the party. [7]

- (b) ABC Technologies Ltd., has imported certain equipment from Japan at an FOB cost of 2,00,000 Yen (Japanese). The other expenses incurred by M/s. ABC Technologies in this connection are as follows:
- Freight from Japan to India Port 20,000 Yen
 - Insurance paid to Insurer in India ₹10,000
 - Designing charges paid to Consultancy firm in Japan 30,000 Yen
 - M/s. ABC Technologies had expended ₹1,00,000 in India for certain development activities with respect to the imported equipment
 - ABC Technologies had incurred road transport cost from Mumbai port to their factory in Karnataka ₹30,000
 - The Central Board of Indirect Taxes and Customs had notified for purpose of section 14(3)* of the Customs Act, 1962 exchange rate of 1 Yen = ₹0.3948. The interbank rate was 1 Yen = ₹0.40
 - M/s ABC Technologies had effected payment to the Bank based on exchange rate 1 Yen = ₹0.4150
 - The commission payable to the agent in India was 5% of FOB cost of the equipment in Yen.

Calculate the assessable value for purposes of customs duty under the Customs Act, 1962 providing brief notes wherever required with appropriate assumptions. [7]

8. (a) JE Engineers, a partnership firm, registered under GST for supplying Works Contract services. JE Engineers agreed to supply works contract services. Accordingly, company quoted an amount of ₹100 lakhs for a construction work. It is agreed that if B Ltd. supplied the steel and cement, the contract amount will be reduced on the agreed basis. B Ltd. supplied steel and cement of ₹10 lakh for use in the construction activities as a result the contract amount reduced to ₹90 lakhs. Further JE Engineers had billed and supplied goods to B Ltd. worth ₹2 lakhs under a separate agreement which was also used while providing above works contract service.

B Ltd. provided canteen facilities, electricity and water to JE Engineers free, without charge while providing the works contract service. Cost of such services was ₹1,50,000. Find out the taxable supply and GST liability?

Note: contract value excludes land value. [7]



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- (b) Praja Industries is a manufacturing company registered under GST. It manufactures two taxable products 'X' and 'Y' and one exempt product 'Z'. The turnover of 'X', 'Y' and 'Z' in the month of April, 2026 was ₹2,00,000, ₹10,00,000 and ₹12,00,000. Praja Industries is in possession of certain machines and purchases more of them. Useful life of all the machines is considered as 5 years. From the following particulars furnished by it, compute the amount to be credited to the electronic credit ledger of Praja Industries and amount of common credit attributable towards exempted supplies, if any, for the month of April, 2026.

Particulars	GST paid (₹)
Machine 'A' purchased on 01.04.2026 for being exclusively used for non-business purposes	19,200
Machine 'B' purchased on 01.04.2026 for being exclusively used in manufacturing zero- rated supplies	38,400
Machine 'C' purchased on 01.04.2026 for being used in manufacturing all the three products– X, Y and Z	96,000
Machine 'D' purchased on April 1, 2 years before 01.04.2026 for being exclusively used in manufacturing product Z. From 01.04.2026, such machine will also be used for manufacturing products X and Y.	1,92,000
Machine 'E' purchased on April 1, 3 years before 01.04.2026 for being exclusively used in manufacturing products X and Y. From 01.04.2026, such machine will also be used for manufacturing product Z.	2,88,000

[7]