

GST TEST 1**(Basics of GST)****Time : 30 minutes Marks : 20**

Question 1 : Mr. Suresh is a dealer registered under GST. He has submitted the information given below:

1. Purchased goods A for ₹10,00,000 + IGST @ 20% and sold these goods for ₹8,00,000 + CGST @ 10% + SGST @ 10%.
2. Purchased goods B for ₹8,00,000 + CGST @ 10% + SGST @ 10% and sold these goods for ₹18,00,000 + IGST @ 20%.
3. Purchased goods C for ₹8,00,000 + CGST @ 10% + SGST @ 10% and sold these goods for ₹6,00,000 + CGST @ 10% + SGST @ 10%.

Compute Net Tax payable by Mr. Suresh.

(5 marks)

Question 2 : Mr. Has Mukh, a supplier of goods, pays GST under regular scheme. He is not eligible for any threshold exemption. He has made the following outward taxable supplies in a tax period:

Particulars	(₹)
Intra-State supply of goods	8,00,000
Inter-State supply of goods	3,00,000

He has also furnished the following information in respect of purchases made by him in that tax period:

Particulars	(₹)
Intra-State Purchase of goods	3,00,000
Inter-State Purchase of goods	50,000

He has following ITCs with him at the beginning of the tax period:

Particulars	(₹)
CGST	30,000
SGST	30,000
IGST	70,000

Note:

- (i) Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively.
 - (ii) Both inward and outward supplies are exclusive of taxes, wherever applicable.
- All the conditions necessary for availing the ITC have been fulfilled. Compute the net GST payable by him during the tax period. Make suitable assumptions as required.

(5 marks)

Question 3 : From the following information, compute the Net GST payable for month of March 2022:

Amount in (₹)

	Output GST	Opening ITC as per credit ledger
CGST	2,000	Nil
SGST	15,000	1,000
IGST	24,000	37,000

(5 marks)

Question 4 : Under Goods and Services Tax (GST), only value addition is taxed and burden of tax is to be borne by the final consumer. Examine the validity of the statement. **(3 marks)**

Question 5 : A dual GST has been implemented in India. Elaborate. **(2 marks)**

GST TEST 1 SOLUTION**(Basics of GST)****Solution 1:****Goods A**

Cost	₹
	10,00,000
Add: IGST @20%	2,00,000
Input Tax Credit IGST	2,00,000
Sale	8,00,000
Add: CGST @10%	80,000
Add: SGST @10%	80,000
Total	9,60,000

Goods B

Cost	8,00,000
Add: CGST @10%	80,000
Add: SGST @10%	80,000
Total	9,60,000
Input Tax Credit CGST	80,000
SGST	80,000
Sale	18,00,000
Add: IGST @20%	3,60,000
Total	21,60,000

Goods C

Cost	8,00,000
Add: CGST @10%	80,000
Add: SGST @10%	80,000
Total	9,60,000
Input Tax Credit CGST	80,000

SGST	80,000
Sale	6,00,000
Add: CGST @10%	60,000
Add: SGST @10%	60,000
Total	7,20,000

Computation of Net Tax Payable

	IGST ₹
Output Tax	3,60,000
Less:	
ITC Goods A – IGST	(2,00,000)
ITC Goods C – CGST	(20,000)
ITC Goods C – SGST	(20,000)
Net Tax Payable	1,20,000

	CGST ₹
Output Tax	1,40,000
Less:	
ITC Goods B – CGST	(80,000)
ITC Goods C – CGST	(60,000)
Net Tax Payable	Nil

Excess credit of CGST of ₹20,000 can be adjusted from IGST.

	SGST ₹
Output Tax	1,40,000
Less:	
ITC Goods B – SGST	(80,000)
ITC Goods C – SGST	(60,000)
Net Tax Payable	Nil

Excess credit of SGST of ₹20,000 can be adjusted from IGST.

Solution 2 : Computation of GST payable by Mr. Has Mukh on outward supplies

S.No.	Particulars	(₹)	GST (₹)
(i)	Intra-State supply of goods		
	CGST @ 9% on ₹8,00,000	72,000	
	SGST @ 9% on ₹8,00,000	72,000	1,44,000
(ii)	Inter-State supply of goods IGST @ 18% on ₹3,00,000		54,000
	Total GST payable		1,98,000

Computation of total ITC

Particulars	CGST @ 9% (₹)	SGST @ 9% (₹)	IGST @ 18%(₹)
Opening ITC	30,000	30,000	70,000
Add: ITC on Intra-State purchases of goods valuing ₹3,00,000	27,000	27,000	Nil
Add: ITC on Inter-State purchases of goods	Nil	Nil	9,000

valuing ₹50,000			
Total ITC	57,000	57,000	79,000

Computation of Tax payable from cash ledger

Particulars	IGST (₹)
IGST payable	54,000
Less: ITC of IGST	(54,000)
Net IGST payable	Nil

Balance credit of IGST can be adjusted either from CGST/SGST. In the given case, we have adjusted 15,000 from CGST and balance from SGST

Particulars	CGST (₹)
CGST payable	72,000
Less: ITC of IGST	(15,000)
Less: ITC of CGST	(57,000)
Net CGST payable	Nil

Particulars	SGST (₹)
SGST payable	72,000
Less: ITC of IGST	(10,000)
Less: ITC of SGST	(57,000)
Net SGST payable	5,000

Solution 3: Computation of Net GST payable for the month of March 2022

	₹IGST
Output tax	24,000
Less: ITC-IGST	(24,000)
Net Tax Liability	Nil

	₹CGST
Output tax	2,000
Less: ITC-IGST	(2,000)
Net Tax Liability	Nil

	₹SGST
Output tax	15,000
Less: ITC-IGST	(11,000)
Less: ITC-SGST	(1,000)
Net Tax Liability	3,000

Note: Assessee has the option to adjust balance ITC of IGST either from CGST or SGST .

Solution 4 :

The statement is correct. Goods and Services Tax is a destination-based tax on consumption of goods

and services. It is levied at all stages right from manufacture up to final consumption with credit of taxes paid at previous stages available as setoff. Resultantly, only value addition is taxed and burden of tax is to be borne by the final consumer.

Solution 5 :

A dual GST has been implemented in India with the Centre and States simultaneously levying it on a common tax base. The GST levied by the Centre on intra-State supply of goods and / or services is called the Central GST (CGST) and that levied by the States/ Union territory is called the State GST (SGST)/ Union GST (UTGST). Similarly, Integrated GST (IGST) is levied and administered by Centre on every inter-State supply of goods and/or services.

India is a federal country where both the Centre and the States have been assigned the powers to levy and collect taxes through appropriate legislation. Both the levels of Government have distinct responsibilities to perform according to the division of powers prescribed in the Constitution for which they need to raise resources. A dual GST, therefore, keeps with the Constitutional requirement of fiscal federalism

