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Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2019

Fourth Semester

VALUE ADDED TAX—CONCEPTS AND PRACTISES

[For the Optional Stream Finance and Taxation of Model I and Model II and U.G.C.
Sponsored B.Com. Taxation]

(2013—2016 Admissions)

Time : Three Hours

Maximum Marks : 80

Part A

Answer all questions.

Each question carries 1 mark.

1. How is VAT different from Sales Tax ?
2. What is Green card ?
3. Why are sales to SEZ Zero rated ?
4. What is De Registration ?
5. What is Annual Return ?
6. Write short notes on "Interlocutory Application".
7. What is output tax ?
8. What are exempt supplies ? Give examples ?
9. What is the penalty for illegal collection of tax ?
10. What is the relevance of certificate of ownership ?

(10 × 1 = 10)

Part B

Answer any eight questions.

Each question carries 2 marks.

11. What are the objectives of VAT ?
12. What are the provisions relating to rounding of turnover and Tax under VAT ?
13. What is special rebating ?

Turn over

14. What is Annual Return ?
15. Define Capital goods.
16. Who are liable to submit returns as per VAT Law ?
17. What is relevance of certificate of ownership ?
18. How will a dealer be assessed ?
19. What is provision regarding works contract assessment.
20. Define Capital Goods.
21. Compute the invoice value to be charged and amount of tax payable under VAT by a dealer who had purchased goods for Rs. 1, 20,000 and after adding for expenses of Rs. 10,000 and of profit Rs. 15,000 had sold out the same. The rate of VAT on purchase and sales is 12.5%.
22. X, a manufacturer sells goods to B, a distributor for Rs. 2,000 (excluding of VAT). B sells goods to K, a wholesale dealer for Rs. 2,400. The wholesale dealer sells the goods to a retailer for Rs. 3,000, who ultimately sells to the consumer for Rs. 4,000.

Compute the tax liability, input credit availed and tax payable by the manufacturer, distributor, wholesale dealer and retailer under invoice method assuming VAT rate at 12.5%.

(8 × 2 = 16)

Part C

Answer any six questions.

Each question carries 4 marks.

23. Explain the rules in connection with the refund of VAT remitted ?
24. What is audit visit ? What are the rules relating to audit visit ?
25. Write short notes on Settlement Commission.
26. Define Dealer as Kerala Value Added Tax.
27. Who all are liable to register under VAT ?
28. Explain the provisions relating to audit assessment.
29. Who all are liable to file returns other than dealers.
30. The following details have been obtained from the final accounting statement of a dealer for the year 2015-16. Calculate VAT payable assuming rate of VAT is 10%.

Input purchased Rs. 15,00,000, Profit Rs. 1, 00,000, Shop Rent and Salaries Rs. 2, 70,000

Electricity Charges Rs. 80,000, Other Expenses Rs. 50,000

31. Mr. A present following details for January , 2017-

Opening Balance of Input VAT Credit as on 01-01-2017 : Rs. 15,000

Inputs purchased during the month of January Rs. 15 lakh

Within the state sales of manufactured goods Rs. 20 lakh.

Inter-state Sales : Rs. 5 lakh.

CST rate is 2%. There is no inventory as on 01-01-2017 or 31-01-2017. The VAT law governing Mr. A provide for the refund of input -VAT credit after the end of the first financial year itself. VAT rate is 12.5% on inputs and 4% on sales. Compute the amount of refund available to Mr. A

(6 × 4 = 24)

Part D

Answer any two questions.

Each question carries. 15 marks.

32. Explain in detail the term 'Sale' for VAT purposes.
33. Elucidate the provisions in connection with the certificate of registration under VAT.
34. Mr. A, a manufacture of taxable as well as tax free goods, furnishes the information for the month of January :
- Sales of Product A (tax free goods) : Rs. 25 lakhs
 - Sales of Product B (taxable goods) : Rs. 50 lakhs (VAT @ 12.5%)
 - Purchase of Input "a" (used in manufacture of Product A only) Rs. 15 lakhs (VAT @ 4%)
 - Purchase of Input "b" (used in manufacture of Product B only) Rs. 30 lakhs (VAT @ 4%)
 - Purchase of Input "c" (used in manufacture of Product A and B) Rs. 8 lakhs (VAT @ 20%)

There were no opening or closing inventory. Compute the amount of VAT payable in cash by Mr. K for the month assuming that input "Z" is used in product A and B in ratio of 1 : 2. Ignore implication under other laws.

35. Manufacture A extracted raw product X and raw produce Y from mines at Rs. 15,000 and Rs. 20,000 respectively and sold the same at 150 % margin to manufacture B (VAT 4 % on product X and 12.5% on product Y). Manufacture B is a dealer operating under composition scheme who is also liable to VAT @ 0.40% of turnover. Manufacture B of Surat uses X and Y as raw material added 100% cost of raw material towards manufacturing expenses and profits and sold the resultant product to wholesaler C. C sold the same retailer to D at 25% above cost (VAT rate is 4%). The retailer D sold the same to a consumer at 20% above cost (VAT rate is 4%) Show the amount of VAT payable by each person.

(2 × 15 = 30)