

March-2016

FYBAF  
OP3AFAF

Tax-I

Time : 2 & ½ Hours

Marks : 75

**Instructions:**

1. All questions are compulsory carrying 15 Marks each, subject to internal choice.
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 | b). one and a half times the tax which would have become payable otherwise                                |
| c). five thousand rupees                    | 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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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 (08)  
**A).** 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):

Date	Purchases		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

- Q.2** Calculate Tax payable of Y Ltd for the month of Jan 2016: (07)

**B).**

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		
Details of Sales Returns (Exclusive of Tax)		Details of Purchases Returns (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 (08)  
**A).** 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):

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Month	Details of Purchases			Details of Sales	
	Out of State	With in State		Taxable Goods Rs	Tax Free Goods Rs
		Taxable Goods Rs	Taxable 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		
Schedule E	6,77,000		
Details of Sales Returns (Exclusive of Tax)		Details of Purchases Returns (Inclusive of Tax)	
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 A). DJ Ltd. commenced his business as a Manufacturer on 1<sup>st</sup> 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 & Month	Details of Purchases			Details of Sales	
	Out of State	With in State		Taxable Goods Rs	Tax Free Goods Rs
		Taxable Goods Rs	Taxable 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:

Q.3  
B).

Details of Sales (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 Sales Returns (Exclusive of Tax)		Details of Purchases Returns (Inclusive of Tax)	
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

(07)

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)  
A)

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 details of August 2015 of L Ltd., (07)  
B).

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. (08)  
A).

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Year & Month	Details of Purchases			Details of Sales	
	Outside State	With in State		With in State	
	Taxable Goods Rs	Tax Free Goods Rs	Taxable Goods Rs	Tax Free Goods Rs	Taxable Goods Rs
2015					
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

- Q.4** From the following information provided by PK Ltd., you are required to compute their tax liability under the provisions of MVAT Act, 2002 for the month of December 2015 (07)
- B).**
- |   |           |
|---|-----------|
| (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 A  | 5,00,000  |
| (c) The dealer, PK Ltd., utilized Schedule C goods costing Rs.1,50,000 as input for manufacturing Schedule A goods. |           |

- Q.5** a. Define Manufacture as per Sec 2(15) (08)
- b. Explain the provisions for levy of penalty under the MVAT Act. (07)

OR

- Q.5** Short Notes (Any three out of five) 5 Marks each (15)
- Explain the provisions for levy of interest under the MVAT Act.
  - Explain the provisions for tax audit under the MVAT Act.
  - Explain the provision of MVAT Act, 2002 in respect of: Sales and Purchases not liable to tax.
  - Explain the provision of MVAT Act, 2002 in respect of Dealer
  - Define Business as per Sec 2(4)