

Answer Key : April 2018

Q-1 A Multiple choice questions: (1 mark each)

1. lottery tickets 2. A registered dealer 3. Sales Tax department 4. 5% 5. Construction contracts
6. Rs 25000 7. Sales under schedule A 8. 3% 9. Consumer 10. Section 16

B True or False

1. True 2. True 3. False 4. True 5. True 6. True 7. False 8. False 9. False 10. False

Q-2 Category: Mr. Amit belongs to the category of others

Conditions: An Importer is liable to pay VAT under MVAT Act 2002 if he satisfies both the following conditions

- i. His turnover of sales exceeds Rs. 10 Lakh and
- ii. His turnover of taxable sales or taxable purchase is at least Rs. 10,000

Computation:

Particulars	Apr to Nov	Dec	Jan	Feb	Mar
Taxable Purchase	3000	5000	5000	-	20000
Cumulative Taxable purchase	3000	8000	13000	13000	3300
Taxable Sale	1000	7000	6000	20000	40000
Cumulative taxable sale	1000	8000	14000	34000	74000
Tax Free sales	40000	60000	20000	40000	100000
Total sales	41000	67000	26000	60000	140000
Cumulative sales turnover	41000	108000	134000	194000	334000

2. Conclusion – From the above table it can be seen that the value of aggregate taxable sale is 14,000 in Jan'15 hence Mr. A satisfies this condition in Jan'15

The value of aggregate sales is 3,34,000 in the month of March'15 hence Mr. A is not liable for registration as he does not satisfy both the conditions.

OR

Q2

1. Category: Mr. Ashok belongs to the category of importer
2. Conditions: An Importer is liable to pay VAT under MVAT Act 2002 if he satisfies both the following conditions
 - i. His turnover of sales exceeds Rs. 1 Lakh and
 - ii. His turnover of taxable sales or taxable purchase is at least Rs. 10,000
3. Computation:
 - i. Taxable Purchase is 26,000

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- ii. Taxable sale is 52,000
 - iii. Total Sale is 1,02,000
4. Conclusion : Mr. Ashok satisfies both the conditions given above, hence, he is liable for payment of sales tax under MVAT Act

Q-3 Computation of tax liability of Mr Ramesh for the month of June 2015

Particulars	Rs	VAT (Rs)	VAT (Rs)
Tax on Sales:			
1. Sch A goods	5000	Nil	
2. Sch C ggoods	5,50,000	27500	
3. Sch E goods (15,00,000- 2,00,000)	13,00,000	162500	
Total tax collected :			190000
Tax on purchase :			
1.Sch A goods	20,000	Nil	
2. Sch C goods	3,50,000	17500	
3. Sch E goods (10,00,000-1,00,000)	9,00,000	112500	
4.Purchase from un registered delaer	1,50,000	Nil	
5. Purchase outside Maharashtra	3,50,000	Nil	
Total Tax paid on purchase			130000
Tax Payable			60000
Less Set off brought forward			7,000
VAT payable			53000

OR

Q-3 Computation of tax liability of Mr suresh for the month of Feb 2017

Particulars	Rs	VAT (Rs)	VAT (Rs)
Tax on Sales:			
1. Sch C ggoods (500000-35000)	4,65,000	23,250	
2. Sch E goods (15,00,000- 2,00,000)	20,00,000	2,50,000	
3.Sale outside maharashtra	1,50,000	Nil	
Total tax collected :			273250
Tax on purchase :			
2. Sch C goods	6,00,000	30,000	
3. Sch E goods	20,00,000	2,50,000	
4.Purchase from un registered delaer	1,00,000	Nil	
5. Purchase packing material	20,000	1000	
Total Tax paid on purchase			281000
Tax Payable			(6750)
Less Set off brought forward			(3000)
VAT Refund			(9750)

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Q-4 A Tax under composition scheme: $500000 \times 8\% = 40,000$
(-) Tax on schedule E goods $50,000 \times 12.5\%$ 6250
Tax payable 33750

B Manufacturing cost 5000×100 5,00,000
Excise duty 5000×50 50,000
Installation cost and transit insurance price not included in sale price.

OR

- C
1. News papers : Not goods (specifically excluded)
 2. Land & building : Not goods (immovable property)
 3. CD player : Yes
 4. Preference share of Y Ltd : NO (specifically excluded)

D Tax on sales $20,00,000 \times 12.5\%$ 2,50,000
Less : Tax on RD purchase $12,00,000 \times 12.5\%$ 1,50,000
Less : reduction U/R 53 $(14,00,000 \times 20\%) \times 4\%$ 11,200 1,38,800
1,11,200
Less : opening balance 10,000
VAT payable 1,01,200

Working : % of stock transfer = $4,00,000 / 20,00,000$
= 20%