TEST : VALUE ADDED TAX
CA IPCC GROUP -1
All Question are Compulsory.
Good Presentation will increase your Marks .
Working Notes Should form part of Your Answers.

DATE : ________

MAX.MARKS 50
TIME ALLOWED: 1 HOUR 30 MINUTE

Q.NO.1 Distinguish the following :
Attempt any Five :

a) Input Tax Vs. Output Tax
b) Tax Invoice Vs. Retail Invoice
c) Gross Variant Vs. Consumption Variant
d) Registered dealer Vs. dealer under Composition Scheme
e) Invoice Method Vs. Subtraction Method
f) Tax Exempted Vs. Non Vat Goods

(2*5 =10 Marks)

Q.NO.2 Write Short Note on following :
Attempt any Five :

A) Vat Audit from Chartered Accountants
B) Vat on Export outside India
C) Input credit on Capital goods
D) Goods not eligible for Input Credit
E) Contents of Tax Invoice
F) Self Assessment under VAT
G) TIN(Taxpayer Identification Number)

(3*5=15 Marks)

Q.NO.3 State whether following statements are correct in context on Vat System:

A) All Capital Goods are eligible for Input Credit.
B) A dealer Can Claim Input Credit on the basis of retail invoice.
C) A dealer under composition scheme are also eligible for Input credit.
D) Vat is applicable on all goods & services sold with in the state.
E) An Importer can take Input credit of Import duty.
F) Self Assessment under VAT means A dealer is self assessed , he has no need to file Tax Returns.
G) VAT is called multi point tax because under this system, a dealer has to pay tax many times.
H) All goods are eligible for Input tax credit whether sold or self consumed.

I) A dealer under composition scheme may issue tax Invoice.
J) VAT is not applicable on Works contracts and goods purchased under Hire purchase agreement.

(1/2*10=5 Marks)

Q.No.4 Multiple Choice Question

A)VAT Payable Means
a) Input Tax + CST
b) Input Tax + Output Tax
c) Input Tax – output Tax
d) Output Tax – Input Tax

B) VAT is Calculated by deducting Tax credit from Tax collected
a)during the Payment Period
b) during the financial Year
c) during any Period.

C)Input Credit is available on Production of :
a) CST Invoice
b) Retail Invoice
C) Goods & cash Book
d) Tax Invoice

D)TIN is numeral number of
a) 10 digits
b) 11 digits
c) Any digits
d) 12 digits

E) If the Gross turnover of a composition dealer is Rs.48 Lakhs and the rate of Composition Tax is 0.25% then what will be the amount of Vat credit passed by the dealer to his purchaser is :
a) Rs.12000
b) Rs.20000
c) Rs.15000
d) Nil

(1*5=5 Marks)

Q.No.5 Practical Problems

A) M/s Ram Pyare & Sons is registered dealer under Haryana VAT Act-2003 having registration No.06691605555 dealing in electronic goods sold following items as on 22.12.2009.
   1) 10 Colour TV to M/s Sham Lal & Sons having Vat Registration No.06691603455 @ 10000/- per TV Including VAT @12.5% against invoice No.55
   2) 2 colour TV to Mr Ram against Cash for Rs.19000/- plus Vat 12.5% against Invoice No.56

   Draft the Performa Invoice for these transactions & also calculate his VAT liability if he has Input Credit of Rs.10000/-at present.

   (5 Marks)

B) JOHN & CO has Purchased goods worth Rs.10 Lakhs after Paying VAT of 125000. out of these goods, a sum of Rs.100000/- used for personal purposes,Rs.5 Lakh sold in the state, Rs.200000/- in further production of final product,Rs.100000/- in inter state sales & rest in Branch Transfer. How much input credit available to dealer.
C) X & Co have Purchased Raw Material Worth Rs.50 Lakhs by Paying VAT of Rs.200000/-and 60% of the same is used in production of Tax Free Goods. The Other input credit of the company is Rs. 500000/- and OutPut Tax is Rs.12.26 Lakhs. Please calculate the Vat Payable by dealer.
D) Ram & Sons Purchased a Machinery of Rs.1000000 by paying VAT of Rs.125000/- in the Month of November 2009.As per State Vat Law, Input credit on capital goods is available in 10 equal monthly Installments.During the Month of November 2009, The company made the following sales:
   1) Rs.500000/- @4%
   2) Rs.1500000/- @12.5%

   The Other Input credit available on Raw Material is Rs.195000/-
   Find out Amount Payable as VAT & Amount of Input credit on Capital goods which is carried forward to subsequent months.
E) X ltd Purchased a Car for Rs.1000000/- on payment of VAT of Rs.125000/- which is used by directors of the Company & Further purchased a Cement of Rs.200000/-on Payment of VAT of Rs.8000/-. The Company wants to adjust it against Vat Payable. Can the Company Can do So.
F) Y ltd is a unit located in Special Economic zone. By some mistake, it has purchased some raw material on Payment of Input Tax. Later on, It come to Know that units located in SEZ are not required to Pay Input Tax on Raw Material. Now Y ltd seeks Your advise as a chartered Accountant, how can he take the benefit of Input Credit.

(2 * 5 =10 Marks)