

TEST 4 REVERSE CHARGE

Q -1	What does the payment of Tax under reverse charge mean?
SOLUTION	
Q-2	What is the difference between reverse charge u/s 9(3) and U/S 9(4)?
SOLUTION	
Q -3	Whether reverse charge is applicable in case supply is exempted or non-taxable?
SOLUTION	
Q-4	What is the effect of reverse charge on input tax credit?
SOLUTION	
Q -5	<p>From the following information determine the person liable to pay goods and service tax both supplier and recipient are located in India-</p> <ol style="list-style-type: none"> 1) Mr Pankaj is agent of life insurance company the insurance company pays Commission including tax 600000 to him Mr Pankaj claims that no GST is liveable on services provided by him as his value of taxable service does not exceed 20 lacks. 2) xyz Limited availed services of Vimal goods transport agency for transportation of goods by road from factory located in New Delhi to its Jaipur depot and freight of 100000. 3) P N Gadgil Limited paid 50 lacs for sponsorship of of Miss India beauty pageant for sponsorship services. 4) legal services provided by vhb and Co partnership form of New Delhi to Tata Motors Limited Mumbai 70 00 000. 5) Service provided by a director of a company not in capacity of employee to the company 10 lakh.

	6) Infrastructural support services provided by government to a business entity 14 lakh. 7) Renting of immovable property services provided by government to you can register business entity 18 lakh.
SOLUTION	