

**TEST 7 – TIME AND VALUE OF SUPPLY****Q 1**

Determine Time of Supply of Goods.

|          | <b>Concept illustration section 12(2)</b> | <b>Invoice date</b> | <b>Invoice due date [date of removal]</b> | <b>Payments entry in suppliers book</b> | <b>Credit in bank account</b> |
|----------|-------------------------------------------|---------------------|-------------------------------------------|-----------------------------------------|-------------------------------|
| <b>1</b> | Invoice raised before removal             | 10-OCT-17           | 20-OCT-17                                 | 26-OCT-17                               | 30-OCT-17                     |
| <b>2</b> | Advance received                          | 30-OCT-17           | 20-OCT-17                                 | 10-OCT-17                               | 12-OCT-17                     |

## Q 2

|   | Supply involves movement of goodssection 12(2) r/w section 31(1)(a)                                 | Invoice document date | Removal of goods | Delivery of goods | Receipt of payment   |
|---|-----------------------------------------------------------------------------------------------------|-----------------------|------------------|-------------------|----------------------|
| 1 | Delayed issue of invoice                                                                            | 26-10-17              | 20-10-17         | 26-10-17          | 26-10-17             |
| 2 | Inter- state stock transfer                                                                         | 10-10-17              | 20-10-17         | 26-10-17          | -                    |
| 3 | Advanced received,invoice for full amount issued on same day (40% advance, 60% post supply payment) | 30-10-17              | 10-11-17         | 14-11-17          | 30-10-17<br>20-11-17 |

## Q 3

Gas is supplied by a pipeline. Monthly payments are made by the recipient as per contract. Every quarter, invoice is issued by the supplier supported by a statement of the goods dispatched and payment made, and the recipient has to pay the differential amount, if any. The details of the various events are

[ICAI material]

|                                        |                                                                                                                  |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------|
| August 5,<br>September 5,<br>October 6 | Payments of ₹ 2 lakh made in each month                                                                          |
| October 3                              | Statements of accounts (SOA) issued by supplier with invoice for the quarter July - September                    |
| October 17                             | Differential payments of 56000 received by supplier for the quarter July - September as per statement of account |

## Q 4

|   | Reverse charge<br>section 12(3)   | Date of<br>invoice issued<br>by<br>supplier | Removal of<br>goods | Receipt of<br>goods | Paymentsby<br>recipients |
|---|-----------------------------------|---------------------------------------------|---------------------|---------------------|--------------------------|
| 1 | General                           | 31-oct-17                                   | 31-oct-17           | 20-nov-17           | 30-nov-17                |
| 2 | Advance paid                      | 31-oct-17                                   | 31-oct-17           | 20-nov-17           | 5-oct-17                 |
| 3 | No payment made<br>for the supply | 31-oct-17                                   | 30-oct-17           | 05-jan -<br>18      | -                        |

## Q 5

|                                                                                                         | Case 1          | Case 2          |
|---------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Date of invoice                                                                                         | August 31, 2017 | August 31, 2017 |
| Date of supply of service                                                                               | August 7, 2017  | August 7, 2017  |
| Payments received by way of check and the entry for receipt of payment is recorded in books of accounts | August 10, 2017 | August 10, 2017 |
| Amount credited to bank account of supplier                                                             | August 12, 2017 | August 12, 2017 |

## Q 6

Determine the time of supply for the following case; [ICAI material]

|   | Continuous supply of services section 13(2)<br>r/w section 31(5)                                                                 | Invoice date                       | Date as per contract                | Receipt of payment                  |
|---|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| 1 | Section 31(5) (a) contract provides for payments monthly on the 10 <sup>th</sup> of succeeding month                             | 2-nov-17<br>17-dec-17<br>10-jan-18 | 10-nov-17<br>10-dec-17<br>10-jan-18 | 15-nov-17<br>15-dec-17<br>06-jan-18 |
| 2 | Section 31(5) (c) contract provides for payments on completion of event. Recipient to pay within 1 month from date of completion | 12-nov-17<br>24-apr-18             | 10-nov-17<br>24-apr-18              | 25-nov-17<br>20-apr-18              |

## Q 7

Determine the time of supply for the following cases:

|   | Reverse charge section 13(3)                                                                  | Date of invoice issued by supplier | Date of completion of service | Payment by recipient | Entry of receipt |
|---|-----------------------------------------------------------------------------------------------|------------------------------------|-------------------------------|----------------------|------------------|
| 1 | General advance paid                                                                          | 31-oct-17                          | 31-oct-17                     | 20-nov-17            | 30-nov-17        |
| 2 | Advanced paid                                                                                 | 31-oct-17                          | 31-oct-17                     | 05-oct-17            | 31-oct-17        |
| 3 | Delay in payment (max. 60 days from date of invoice )                                         | 31-oct-17                          | 31-oct-17                     | 10-jan-18            | 31-oct-17        |
| 4 | Service received from associated enterprise located outside India (no time extension allowed) | 31-oct-17                          | 30-nov-17                     | 5-apr-18             | 31-mar-18        |
| 5 | Service by un- registered person no payment made                                              |                                    | 30-nov-17                     |                      | 05-dec-17        |

**Q 8**

State whether the following can be categorized as a voucher ?

- 1) Shopping gift card purchased for 5000/
- 2) Coupons or token given to customer by pizza outlet on making purchase of ₹1000/- which allows 10% discounts on next purchase
- 3) Money deposited into digital wallet
- 4) Points credited into digital wallet
- 5) Transfer of liability towards accumulated loyalty points credited to customers
- 6) Pre-paid instruments;  
Telephone calling card/ recharge card  
Multi-currency travelers card  
DTH recharge card