

UNIT-3
INTRODUCTION TO GST

COMPUTATION OF PROBLEMS UNDER GST TAX RATES

Question:1

For the following transaction within Delhi, fill in the blanks to find the amount of bill:

MRP = Rs. 12,000, Discount % = 30%, GST = 18%

Discount =

Selling price (discounted value) =

CGST =

SGST =

IGST =

Amount of Bill =

Solution:

MRP = Rs. 12,000, Discount % = 30%, GST = 18%

$12,000 \times 30/100 = \text{Rs.}3600$

Discount = 30% of 12,000 = **Rs.3600**

Selling price (discounted value) = **$12000 - 3600 = \text{Rs.} 8400$**

CGST = **9% of 8400 = Rs. 756**

SGST = **9% of 8400 = Rs. 756**

IGST = 0

Amount of Bill = Selling price + CGST + SGST = **$8400 + 756 + 756 = \text{Rs.} 9912$**

Question:2

‘M/s. Real Paint’ sold 2 tins of lustre paint and taxable value of each tin is Rs 2800. If the rate of GST is 28%, then find the amount of CGST and SGST charged in the tax invoice.

Solution:

Total taxable value of 2 tins of lustre paint = **Rs 2,800 × 2 = Rs 5,600**

Rate of GST = 28%

∴ Rate of CGST = Rate of SGST = **14%**

Amount of CGST charged = Amount of SGST charged = **14/100*5,600=Rs.784**

Thus, the amount of CGST charged is Rs 784 and the amount of SGST charged is Rs 784 in the tax invoice.

Question:3

An article is marked at ₹ 15000. A dealer sells it to a consumer at 10% profit.

If the rate of GST is 12%, find:

(i) the selling price (excluding tax) of the article.

(ii) the amount of tax (under GST) paid by the consumer.

(iii) the total amount paid by the consumer.

Solution:

(i) Marked price of the article = ₹15000

When sold at 10% profit

Profit = (10/100) x ₹15000 = **₹1500**

Thus, the selling price (excluding tax) = ₹15000 + ₹1500 = **₹16500**

(ii) The rate of GST is 12%

Thus, the amount of tax (GST) paid by the consumer would be

= (12/100) x **₹16500**

= **₹1980**

(iii) Therefore, the total amount paid by the consumer = Selling price + GST

$$= ₹16500 + ₹1980$$

$$= ₹18480$$

Question:4

A manufacture sells a T.V to a dealer for Rs.18000 and the dealer sells it to a consumer at a profit of Rs 1500. If the sales are intra state and the rate of G.S.T is 12 %, Find:

- (i) The amount of GST paid by the dealer to the State Government.**
- (ii) The amount of GST received by the Central Government.**
- (iii) The amount of GST received by the State Government.**
- (iv) The amount that the consumer pays for the TV.**

Solution:

It is a case of intra-state transaction of goods and services.

$$\text{SGST} = \text{CGST} = \frac{1}{2} \text{ GST}$$

Given:

Manufacturer sells T.V to a dealer = ₹ 18000

Amount of GST collected by manufacturer from dealer,

$$\text{CGST} - \text{SGST} = 6\% \text{ of } 18000$$

$$= \left(\frac{6}{100}\right) \times 18000$$

$$= ₹ 1080$$

So, Manufacturer will pay ₹ 1080 as CGST and ₹ 1080 as SGST

CP of a TV for dealer = ₹ 18000

Profit = ₹ 1500

Selling Price of a TV for dealer to customer = Cost Price + Profit = ₹ 18000 + ₹1500

$$= ₹ 19500$$

Amount of GST collected by dealer from customer,

$$\text{CGST} = \text{SGST} = 6\% \text{ of } ₹ 19500$$

$$= (6/100) \times 19500$$

$$= ₹ 1170$$

(i) Amount of GST paid by the dealer to the State Government.

$$₹ 1170 - ₹ 1080 = ₹ 90$$

(ii) Amount of GST received by the Central Government.

$$\text{CGST paid by manufacturer} + \text{CGST paid by dealer} = ₹ 1080 + ₹ 90$$

$$= ₹ 1170$$

(iii) Amount of GST received by the State Government.

$$\text{SGST paid by manufacturer} + \text{SGST paid by dealer} = ₹ 1080 + ₹ 90$$

$$= ₹ 1170$$

(iv) Amount that the consumer pays for the TV.

$$\text{CP of TV} + \text{CGST paid by customer} + \text{SGST paid by customer}$$

$$= ₹ 19500 + ₹ 1170 + ₹ 1170 = ₹ 21840$$
