



Subject Code: IMT-117

Subject Name : VAT IN DELHI

Notes:

- Write answers in your own words as far as possible and refrain from copying from the text books/handouts.*
 - Answers of Ist Set (Part-A), IInd Set (Part-B), IIIrd Set (Part – C) and Set-IV (Case Study) must be sent together.*
 - Mail the answer sheets alongwith the copy of assignments for evaluation & return.*
 - Only hand written assignments shall be accepted.*
- A. First Set of Assignments: 5 Questions, each question carries 1.5 marks.
- B. Second Set of Assignments: 5 Questions, each question carries 1.5 marks.
- C. Third Set of Assignments: 5 Questions, each question carries 1.5 marks. Confine your answers to 150 to 200 Words.
- D. Forth Set of Assignments: Two Case Studies : 7.5 Marks. Each case study carries 3.75 marks.

ASSIGNMENTS

FIRST SET OF ASSIGNMENTS
Marks

Assignment-I = 5

PART– A

Explain the provision of Delhi Value Added Tax Act 2004 regarding:

1. Amendment/ Cancellation of registration
2. Credit for stock brought forward during transition period.
3. Adjustment for Bad Debts.
4. Adjustment to tax credit in case of recovery of Bad Debts.
5. The manner in which a claim for refund is to be made.

SECOND SET OF ASSIGNMENTS

Assignment-II = 5 Marks

PART– B

1. When the liabilities to pay tax arise and how and when the dealer has to pay tax?
2. What are the consequences for delay in payment of tax and also state how interest is calculated on delayed payment of tax.
3. What are rights and responsibilities of a dealer once registered in Delhi Value Added Tax Act 2004?
4. When a person apply for registration in Delhi Vat. He has to submit security for this purpose. However certain deductions are allowed against submission of various documents. Explain
5. Explain the provisions of Delhi Value Added Tax Act 2004 regarding Adjustment to tax in case of goods used for mixed purposes.

THIRD SET OF ASSIGNMENTS**Assignment-III = 5 Marks****PART- C**

1. When the return in Delhi Value Added Tax should be filed. When and how a return filed can be revised ?
2. What do you mean by annual Reconciliation Statement under Delhi Value Added Tax?
3. Explain the provisions of Delhi Value Added Tax Act 2004 regarding adjustment to tax credit due to change of use.
4. Explain the provisions of Delhi Value Added Tax Act 2004 regarding adjustment to tax credit due to change in price
5. Explain the provision of Delhi Value Added Tax Act 2004 regarding the interest. Give an example.

FOURTH SET OF ASSIGNMENTS**Assignment-IV = 2.5 Each Case Study****CASE STUDY - I**

Manufacturer A of Punjab extracted raw produce X and raw produce Y from mines at Rs. 15,000 and Rs. 20,000 respectively and sold the same at 150% margin to Manufacturer B of Delhi (CST rate is 3 %). Manufacturer B of Delhi used X and Y as raw material; added 100% of cost of raw materials towards manufacturing expenses and profits and sold the resultant product to wholesaler C of Delhi (VAT rate is 4%).. Wholesaler C of Delhi sold the same to Retailer D of Delhi at 25. % above cost (VAT rate is 4 %). The retailer D sold the same to a consumer at 20% above cost (VAT rate is 4 %). Show the amount of VAT payable by each person under the invoice method of computation of VAT.

CASE STUDY-II

ABC Mfg. Co. Ltd. of Delhi purchased raw material A from Delhi for Rs.30,900 (inclusive of 3% CST), raw material B from UP for Rs.67,500 (inclusive of 12.5% DVAT), raw material C from China for Rs.99,000 (inclusive of 10% import duty) and raw material D from Tamil nadu for Rs. 46,350 (inclusive of 3% CST). The plant and machinery required for manufacture was purchased for Rs.6,24,000 (inclusive of 4% DVAT). The manufacturing and other expenses (excluding depreciation) were Rs.1,84,650. The plant is to be depreciated at 15% p.a.. The manufacturer's margin is 20% on cost. The DVAT rate on the manufactured product is 4%.

By way of necessary workings, show the mode of operation of DVAT system. Ignore the Central Excise implications, assuming that there is no excise duty on the manufactured product.