

T. Y. B. COM. SEMESTER VI DIRECT & INDIRECT TAXES (GST)
SAMPLE MULTIPLE CHOICE QUESTIONS SEPT 2020

1. Which of the following taxes will be levied on imports ?
 - a) CGST
 - b) SGST
 - c) **IGST**
 - d) None of the above

2. Which of the following activity is outside the scope of supply and not taxable under GST ?
 - i. Services by an employee to the employer In the course of or in relation to this employment.
 - ii. Services of funeral
 - iii. Actionable claims, other than lottery, betting and gambling.
 - iv. **All of the above.**

3. Renting of immovable property is _____
 - a) Supply of goods
 - b) **Supply of services**
 - c) Neither as a supply of goods nor a supply of services.
 - d) Either as a supply of goods or a supply of services.

4. Works contract as defined in section 2 (119) shall be treated as _____
 - i. Supply of goods
 - ii. **Supply of Services**
 - iii. Neither as a supply of goods nor a supply of services.
 - iv. Either as a supply of goods or a supply of services.

5. Gifts not exceeding _____ in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.
 - a) **50,000**
 - b) 1,00,000
 - c) 2,00,000
 - d) 2,50,000

6. The _____ shall be treated as supply even if made without consideration.
 - i. Supply of goods by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal.
 - ii. Supply of goods by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
 - iii. Permanent transfer or disposal of business assets where input tax credit has been awaited. On such asserts.
 - iv. **All of the above.**

7. Which of the following is – the supply in which possession of the goods are transferred but the title on the same will be transferred at the future date ?
 - a) Rent a car
 - b) **Hire Purchase**
 - c) Normal sale of goods
 - d) None of the above.

8. What would be the tax rate applicable in case of composite supply ?
- Tax rate as applicable on principal supply
 - Tax rate as applicable on ancillary supply
 - Tax rate as applicable on respective supply
 - None of the above
9. _____ means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.
- | | |
|------------------|---------------------|
| a) Mixed supply | b) Principal supply |
| c) Inward supply | d) Exempt supply |
10. What is the threshold limit of turnover in the preceding financial year for opting to pay tax under composition scheme for states other than special category states ?
- | | |
|----------------|-------------------|
| a) Rs. 20 lacs | b) Rs. 10 lacs |
| c) Rs. 50 lacs | d) Rs. 1.5 crore. |
11. Can composition scheme be availed if the registered person effects inter-state supplies ?
- Yes
 - No
 - Yes, subject to prior approval of the Central Government.
 - Yes, subject to prior approval of the concerned State Government.
12. Which of the following will be excluded from the computation of aggregate turnover?
- Value of taxable supplies
 - Value of exempt supplies
 - Non taxable supplies
 - Value of inward supplies on which tax is paid on reverse charge basis.
13. Which of the following persons can opt for composition scheme?
- Person making any supply of goods which are not leviable to tax under this act.
 - Person making any inter-state outward supplies of goods.
 - Person effecting supply of goods through an e-commerce operator liable to collect tax at source.
 - None of the above
14. Services to a single residential unit is, exempted if :
- It is pure labour service only
 - It is works contract only
 - It is a part of residential complex only
 - It is on ground floor without further super structure.

15. Services by educational institution is exempted if the services are to –
- a) Any common man
 - b) Its own student, faculty / staff
 - c) Both a & b
 - d) None of the above
16. Transportation of passengers by _____ are exempt from GST
- a) Railway in first class
 - b) Railway in an air-conditioned coach
 - c) Metro
 - d) All of the above.
17. What is time of supply of goods in case of forward charge ?
- i. Date of issue of invoice
 - ii. Due date of issue of invoice
 - iii. Date of receipt of consideration by the supplier
 - iv. earlier of a & b
18. Mr. A sold goods to Mr. B. Determine the TOS in accordance with the provisions of section 12 of the CGST Act, 2017 in case supply involves movement of goods.
- i. Date of removal – 1st Oct 2019
 - ii. Date of invoice – 2nd Oct 2019
 - iii. Date when goods made available to the recipient – 3rd Oct 2019
 - iv. Date of receipt of payment – 15th Nov., 2019
- a) 1st Oct, 2019
 - b) 2nd Oct 2019
 - c) 3rd Oct 2019
 - d) 15th Nov 2019
19. Tax invoice must be issued by _____ on supplies made by him.
- a. Every supplier
 - b. Every taxable person
 - c. Every registered person not paying tax under composition scheme
 - d. All the above.
20. Where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued
- a) before/at the time of supply
 - b) 6 months from the date of removal
 - c) earlier of (a) & (b)
 - d) none of the above.
21. What is time of supply of goods liable to tax under reversed charge mechanism ?
- a. Date of receipt of goods
 - b. Date on which the payment is made
 - c. Date immediately following 30 days from the date of issue of invoice by the supplier.
 - d. Earlier of (a) or (b) or (c)
22. What is date of receipt of payment ?
- a. Date of entry in the books.
 - b. Date of payment credited into bank account
 - c. Date of deposit of cheque into bank account.
 - d. Earlier of (a) and (b)

23. Value of services rendered is Rs. 1,18,000. Date of issue of invoice is 5th Sept, 2019. Advance received is Rs. 20,000 on 20th August, 2018. Balance amount received on 7th Sept 2019. What is the TOS of service ?
- 5th sept, 2019 – Rs. 1,18,000
 - 20th August, 2019 – Rs. 1,18,000
 - 20th August, 2019 – Rs. 20,000 and 5th Sept., 2019 – Rs. 98,000
 - 20th August, 2019 – R. 20,000 and 7th Sept., 2019 – Rs. 98,000
24. In case of taxable supply of services, invoice shall be issued within a period of _____ from the date of supply of service.
- 30 days
 - 45 days
 - 60 days
 - 90 days.
25. Continuous supply of services means a supply of services who provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding _____ Months, with periodic payment obligations and includes supply of such services as the Government may subject to such conditions, as I may, by notification, specify
- Three
 - Four
 - Six
 - Twelve
26. What is the time of supply of service in case of reverse charge mechanism ?
- Date of payment as entered in the books of account of the recipient
 - Date of immediately following 60 days from the date of issue of invoice
 - Date of invoice
 - Earlier of (a) or (b).
27. There was increase in tax rate from 20% to 24% w.e.f. 01.09.2019. which of the following rate is applicable when services are provided after change in rate of tax in September, 2019 but invoice issued and payment received, both in August, 2019 :
- 20% as it is lower of the two
 - 24% as it is higher of the two
 - 20% as invoice and payment were received prior to rate change.
 - 24% as the supply was completed after rate change.
 -
28. Which of the following is an inter-state supply ?
- Supplier of goods located in Delhi and place of supply of goods I to an SEZ located in Delhi.
 - Supplier of goods located in Delhi and place of supply of goods in Jaipur.
 - Supplier of goods loacated in Delhi and place of supply of goods is to an SEZ located in Chandigarh.
 - All the above

29. _____ is levied on inter-state supply of goods and services.
- | | |
|---------|---------------------|
| a) CGST | b) SGST |
| c) IGST | d) Both (a) and (b) |
30. IGST means
- | | |
|--------------------|----------------------|
| a) Inter-state GST | b) Integrated GST |
| c) Import GST | d) International GST |
31. Place of supply of goods, other than supply of goods imported into, or exported from India, when supply involves movement of goods, is the
- Location of the goods at the time at which the movement terminates for delivery.
 - Location of the goods at the time at which the movement starts for delivery
 - Location of the principal place or business of the recipient
 - Location of the principal place of business of the supplier.
32. Where will be the place of supply when the goods are supplied on the direction of the third party ?
- | | |
|--------------------------------|------------------------------|
| a) Location of the supplier | b) Location of the recipient |
| c) Location of the third party | d) Any of the above. |
33. Where will be the place of supply of goods supplied in a train which is heading towards Delhi from Chennai, if the goods are taken on board at Coimbatore ?
- | | |
|---------------|-----------------------|
| a) Delhi | b) Chennai |
| c) Coimbatore | d) None of the above. |
34. Real estate agent in Delhi charges brokerage fee to Company A located in Chandigarh for assistance in getting a commercial property in Kolkata. Which is the place of supply in this case ?
- | | |
|------------|-----------------------|
| a) Delhi | b) Chandigarh |
| c) Kolkata | d) None of the above. |
35. The default rule of place of supply of services made to a registered person shall be the
- | | |
|--------------------------------------|-------------------------------------|
| a) Location of the registered person | b) Location of the service provider |
| c) Location of the recipient | d) Any of the above |
36. The place of supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle shall be the
- Location of the supplier of service
 - Place where the passenger embarks on the conveyance for a continuous journey.
 - Location of the first scheduled point of departure of that conveyance for the journey
 - Any of the above.

37. The value of supply of goods and services shall be the
- a) Transaction value
 - b) MRP
 - c) Market Value
 - d) None of above
38. The value of supply should include
- a) Any non-GST taxes, duties, cesses, fees charged by supplier separately.
 - b) Interest, late fee or penalty for delayed payment of any consideration for any supply of goods or services.
 - c) Subsidies directly linked to the price except subsidies provided by the Central and State Government
 - d) All of the above.
39. Which of the following shall not be included in value of supply ?
- a) GST
 - b) Interest
 - c) Late fee
 - d) Commission
40. Whether credit on inputs should be availed based on receipt of documents or receipt of goods
- a) Receipt of goods
 - b) Receipt of Documents
 - c) Both
 - d) Either receipt of documents or receipt of goods.
41. The time limit to pay the value of supply with taxes to avail the input tax credit ?
- a) Three months
 - b) Six months
 - c) One hundred and eighty days
 - d) Till the date of filling of Annual Return
42. Whether depreciation on tax component of capital goods and plant and Machinery And whether input tax credit is permissible ?
- a) Yes
 - b) No
 - c) Input tax credit is eligible if on tax component is not availed.
 - d) None of the above
43. Can unutilized input tax credit be transferred in case of change in constitution of business?
- a. Not possible
 - b. No, it will be exhausted
 - c. Yes, it will be transferred only if there is provision for transfer of liabilities
 - d. It will be transferred only if it is shown in books of accounts of transferor

44. ITC can be claimed by a registered person for
- Taxable supplies for business purpose
 - Exempted supplies
 - Non-taxable supplies
 - All of above
45. Whether all persons are mandatorily required to obtain registration ?
- Yes
 - Not required if he is an agriculturist or person exclusively engaged in supplying exempt goods or services, if specified threshold limit does not exceed in a financial year.
 - Not required if he is an agriculturist person exclusively engaged in supplying exempt goods or services
 - No, only if specified threshold is exceeded in a calendar year, only then liable for registration.
46. Which one of following statements is correct ?
- Voluntary registration is not possible under GST.
 - Voluntarily registered person not liable to comply with all the provisions of the GST.
 - A person may get himself registered voluntarily and shall comply with all the provisions of GST.
 - None of the above
47. Which of the following require compulsory registration, irrespective of threshold limit?
- Casual taxable person
 - Non Resident taxable person
 - Person liable to pay under Reverse Charge Mechanism
 - All of the above.
48. Mr. A has started supply of goods and services in Delhi, He is required to obtain registration if his aggregate turnover exceeds _____ during a financial year.
- | | |
|----------------|----------------|
| a) Rs. 10 lakh | b) Rs. 20 lakh |
| c) Rs. 30 lakh | d) Rs. 50 lakh |
49. Aggregate turnover includes
- | | |
|---------------------|---------------------|
| a) Taxable supplies | b) Exempt supplies |
| c) Exports | d) All of the above |

50. Which of these registers/ledgers are maintained online ?

- a) Tax liability register
- b) Credit ledger
- c) Cash ledger
- d) All of them

51. Balance in electronic credit ledger can be utilized against which liability ?

- a) Output tax payable
- b) Interest
- c) Penalty
- d) All of them

52. Balance in electronic credit ledger under IGST can be used against which liability ?

- a) IGST liability only
- b) IGST and CGST liability
- c) IGST, CGST and SGST liability
- d) None of them

53. Which of the following statements is true ?

- a) ITC of CGST is first utilized for payment of CGST and the balance is utilized for payment of SGST/UTGST
- b) ITC of SGST is first utilized for payment of SGST and the balance is utilized for payment of CGST
- c) ITC of CGST is first utilized for payment of CGST and the balance is utilized for payment of IGST
- d) All of the above