

# GST MCQs - SERIES A

## CA INTERMEDIATE - NOV 2023 EXAM

For Admission / Inquiry - WhatsApp at 8527230445 [11am to 5pm]  
[No Amendments – Except changes in answer of MCQ 16]

1. [Composition Scheme] X & Co., a supplier registered under GST in Meghalaya, wants to opt for composition levy under Section 10(1). The aggregate turnover limit for composition levy is-
- (a) ₹50 lakh
  - (b) ₹75 lakh
  - (c) ₹1.5 crore
  - (d) none of the above

Correct Answer – (b) ₹ 75 Lakh

2. [Registration] The person making inter-State supplies (taxable goods) from Madhya Pradesh which is not notified handicraft goods or predominantly hand-made notified products, is compulsorily required to get registered under GST,
- (a) if his aggregate turnover exceeds ₹20 lakh in a financial year
  - (b) if his aggregate turnover exceeds ₹10 lakh in a financial year
  - (c) irrespective of the amount of aggregate turnover in a financial year
  - (d) in case of making inter-State supply of taxable goods, irrespective of the amount of aggregate turnover in a financial year

Correct Answer – (d)

3. [Exemption] Which of the following supply of services are exempt under GST?
- (i) testing of agricultural produce
  - (ii) supply of farm labour
  - (iii) warehousing of agricultural produce
- (a) (i)
  - (b) (i) and (ii)
  - (c) (ii) and (iii)
  - (d) (i), (ii) and (iii)

Correct Answer – (d)

4. [Input Tax Credit] Input tax credit is not available in respect of \_\_\_\_\_.
- (i) services on which tax has been paid under composition levy
  - (ii) goods given as free samples
  - (iii) goods used for personal consumption
- (a) (i)
  - (b) (i) and (ii)
  - (c) (ii) and (iii)
  - (d) (i), (ii) and (iii)

Correct Answer – (d)

5. [Tax Invoice] Subhas & Co., a registered person, supplies taxable goods to unregistered persons. It need not issue tax invoice, if the value of supply of goods to such persons is \_\_\_\_\_ and the recipient does not require such invoice.
- (a) ₹1,200
  - (b) ₹600
  - (c) ₹150
  - (d) ₹200

Correct Answer – (c) [Less than ₹ 200]

6. **[Important] Basics of GST** - Various taxes have been subsumed in GST to make one nation one tax one market for consumers. Out of the following, determine which taxes have been subsumed in GST.

- (i) Basic customs duty levied under Customs Act, 1962
  - (ii) Taxes on lotteries
  - (iii) Environment tax
- (a) (ii)  
(b) (ii) and (iii)  
(c) (iii)  
(d) (i), (ii) and (iii)

**Correct Answer – (a)**

7. **[Important] Exemption**- Services by way of transportation of \_\_\_\_\_ by rail from Chennai to Gujarat is exempt from GST.

- (i) Pulses / Rice
  - (ii) military equipment
  - (iii) electric equipment
  - (iv) Jaggery
- (a) (i) & (ii)  
(b) (i) & (iii)  
(c) (ii) & (iv)  
(d) (i), (ii), (iii) & (iv)

**Correct Answer – (a)**

8. **[Important] Reverse Charge** - GST is **not payable** by recipient of services in the following cases:-

- (i) Services provided by way of sponsorship to ABC Ltd. located in India.
  - (ii) Services supplied by a director (registered under GST) of Galaxy Ltd. to Mr. Krishna
  - (iii) **Services by Department of Posts** by way of speed post to MNO Ltd. located in India.
  - (iv) Services supplied by a recovering agent to SNSP Bank located in India.
- (a) (i) & (iii)  
(b) (i) & (iv)  
(c) (ii) & (iii)  
(d) (ii) & (iv)

**Correct Answer – (c) (ii) & (iii)**

9. **[Registration]** Mr. X, a casual taxable person, is not involved in making taxable supplies of notified handicraft goods or predominantly hand-made notified products. Which of the following statements is true for Mr. X - a casual taxable person?

- (a) Mr. X is not required to take registration under GST under any circumstances.
- (b) Mr. X is required to get registration under GST if the aggregate turnover in a financial year exceeds ₹20 lakh.
- (c) Mr. X is required to get registration under GST if the aggregate turnover in a financial year exceeds ₹40 lakh.
- (d) Mr. X has to compulsorily get registered under GST irrespective of the threshold limit.

**Correct Answer – (d)**

10. **[Registration]** The registration certificate granted to non-resident taxable person is valid for \_\_\_\_\_ days from the effective date of registration or period specified in registration application, whichever is earlier.

- (a) 30
- (b) 60
- (c) 90
- (d) 120

**Correct Answer – (c)**

**11. [Supply under GST]** Which of the following activities shall be treated neither as supply of goods nor supply of services?

- (i) Permanent transfer of business assets where input tax credit has been availed on such assets
- (ii) Temporary transfer of intellectual property right
- (iii) Transportation of the deceased
- (iv) Services by an employee to the employer in the course of employment

- (a) (i) & (iii)
- (b) (ii) & (iv)
- (c) (i) & (ii)
- (d) (iii) & (iv)

**Correct Answer – (d)**

**12. [Payment of Tax]** Balance in electronic credit ledger can be utilized against payment of \_\_\_\_\_.

- (a) output tax
- (b) interest
- (c) penalty
- (d) late fees

**Correct Answer – (a)**

**13. [Registration]** How the aggregate turnover is calculated for determining threshold limit of registration?

- (a) Aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis and inter-State supplies), exempt supplies and export of goods/services.
- (b) Aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and inter-State supplies of a person computed for each State separately.
- (c) Aggregate value of all taxable intra-State supplies, export of goods/services and exempt supplies of a person having same PAN computed for each State separately.
- (d) Aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and inter-State supplies of a person having same PAN computed on all India basis and excluding taxes if any charged under CGST Act, SGST Act and IGST Act.

**Correct Answer – (d)**

**14. [Registration]** Within how many days a person should apply for registration under GST, apart from provisions of voluntary registration?

- (a) Within 60 days from the date he becomes liable for registration.
- (b) Within 30 days from the date he becomes liable for registration.
- (c) No time limit
- (d) Within 90 days from the date he becomes liable for registration.

**Correct Answer – (b)**

**15. [Important] Registration -** Kalim & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved w.e.f. 4th September by the proper officer by passing an order for the same on 14th September. In the given case, Kalim & Associates is:

- (a) required to file Final Return on or before 4<sup>th</sup> December
- (b) not required to file Final Return
- (c) required to file Final Return on or before 30<sup>th</sup> September
- (d) required to file Final Return on or before 14<sup>th</sup> December

**Correct Answer – (d)**

**16. [VERY IMPORTANT] Registration** - Xylo & Co. has three branches, in Jalandhar, Amritsar and Ludhiana, in the State of Punjab. Amritsar and Ludhiana branches are engaged in supply of garments and Jalandhar branch engaged in supply of shoes. Which of the following options is/are legally available for registration to Xylo & Co.?

- (i) Xylo & Co. can obtain single registration for Punjab state declaring any one of the branches as principal place of business and other two branches as additional place of business.
  - (ii) Xylo & Co. can obtain separate GST registration for each of the three branches - Amritsar, Jalandhar and Ludhiana.
  - (iii) Xylo & Co. can obtain one GST registration for shoe business (Jalandhar branch) and another GST registration which is common for garments business (Amritsar and Ludhiana).
- (a) ii  
(b) Either i, ii or iii  
(c) Either i or ii  
(d) Either ii or iii



**Correct Answer – (b) Answer Corrected**

**17. [Registration]** What is the validity of the registration certificate granted under GST for a normal tax payer?

- (a) One year
- (b) Two years
- (c) Valid till it is cancelled
- (d) Five years.

**Correct Answer – (c)**

**18. [Registration]** Within how many days an application for revocation of cancellation of registration can be made provided no extension to said time-limit has been granted?

- (a) Within 7 days from the date of service of the cancellation order.
- (b) Within 15 days from the date of the cancellation order.
- (c) Within 45 days from the date of the cancellation order.
- (d) Within 30 days from the date of service of the cancellation order.

**Correct Answer – (d)**

**19. [Composition Scheme]** Can a registered person under composition scheme collect GST on his outward supplies from recipients?

- (a) Yes, in all cases
- (b) Yes, only on such goods as may be notified by the Central Government
- (c) Yes, only on such services as may be notified by the Central Government
- (d) No

**Correct Answer – (d)**

**20. [Important] Exemption** Which of the following services are not exempt from GST?

- (a) Yoga camp conducted by a charitable trust registered under section 12AB (erstwhile under section 12AA) of the Income-tax Act, 1961.
- (b) Services provided by business correspondent with respect to Savings Bank Accounts in the rural branch of a bank
- (c) Services provided by cord blood bank for preservation of stem cells.
- (d) Service provided by umpire to a recognized sports body

**Correct Answer – (c)**

21. [Supply under GST] Which of the following activities is a supply of services?

- (i) Transfer of right in goods/ undivided share in goods without transfer of title in goods
- (ii) Transfer of title in goods
- (iii) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date upon payment of full consideration as agreed.

- (a) (i)
- (b) (iii)
- (c) (i) and (iii)
- (d) (i), (ii) and (iii)

**Correct Answer – (a)**

22. [Registration] Rama Ltd. has provided following information for the month of September:

Intra-State taxable outward supply	₹8,00,000
Inter-State exempt outward supply	₹5,00,000
Turnover of exported goods	₹10,00,000
Payment made for availing GTA services	₹80,000

Calculate the aggregate turnover of Rama Ltd.

- (a) ₹8,00,000
- (b) ₹23,80,000
- (c) ₹23,00,000
- (d) ₹18,00,000

**Correct Answer – (c)**

23. [Registration] 'P' Ltd. has its registered office, under the Companies Act, 2013, in the State of Maharashtra from where it ordinarily carries on its business of taxable goods. It also has a warehouse in the State of Telangana for storing said goods. What will be the place of business of 'P' Ltd. under the GST law?

- (a) Telangana
- (b) Maharashtra
- (c) Both (a) and (b)
- (d) Neither (a) nor (b)

**Correct Answer – (c)**

24. [Registration] An exempt supply includes-

- (i) Supply of goods or services or both which attracts Nil rate of tax.
- (ii) Non-taxable supply
- (iii) Supply of goods or services or both which are wholly exempt from tax under section 11 of the CGST Act or under section 6 of IGST Act

- (a) (i)
- (b) (i) and (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

**Correct Answer – (d)**

25. [Important] Exemption - Which of the following services are exempt from GST?

- (a) Services by an artist by way of a performance in classical art forms of painting/sculpture making etc. with consideration thereof not exceeding ₹1.5 lakh.
- (b) Services by an artist by way of a performance in modern art forms of music/ dance/ theatre with consideration thereof not exceeding ₹1.5 lakh.
- (c) Services by an artist by way of a performance in folk or classical art forms of music/ dance/theatre with consideration thereof exceeding ₹1.5 lakh.
- (d) Services by an artist by way of a performance in folk or classical art forms of music/ dance / theatre with consideration thereof not exceeding ₹1.5 lakh.

**Correct Answer – (d)**

**26. [Exemption]** Services by way of admission to \_\_\_\_\_ is not exempt from GST.

- (a) Museum
- (b) National park
- (c) Tiger reserve
- (d) Recognised sporting event where the admission ticket costs ₹600 per person.

**Correct Answer – (d)**

**27. [Value of Supply]** Discount given after the supply has been effected is deducted from the value of taxable supply, if –

- (i) such discount is given as per the agreement entered into at/or before the time of such supply
- (ii) such discount is linked to the relevant invoices
- (iii) proportionate input tax credit is reversed by the recipient of supply

- (a) (i)
- (b) (i) and (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

**Correct Answer – (d)**

**28. [Input Tax Credit]** In which of the following situations, recipient needs to add the input tax credit availed by him to his output tax liability?

- (a) If payment for supplies along with tax payable thereon under forward charge is not made to the supplier within 45 days from the date of invoice
- (b) If payment for supplies along with tax payable thereon under forward charge is not made to the supplier within 90 days from the date of invoice
- (c) If payment for supplies along with tax payable thereon under forward charge is not made to the supplier within 180 days from the date of invoice
- (d) If payment for supplies along with tax payable thereon under forward charge is not made to the supplier within 1 year from the date of invoice

**Correct Answer – (c)**

**29. [Registration]** Which of the following statements are correct?

- (i) Revocation of cancellation of registration under SGST/UTGST Act shall be deemed to be a revocation of cancellation of registration under CGST Act.
- (ii) Cancellation of registration under SGST/UTGST Act shall be deemed to be a cancellation of registration under CGST Act.
- (iii) Revocation of cancellation of registration under SGST/UTGST Act shall not be deemed to be a revocation of cancellation of registration under CGST Act.
- (iv) Cancellation of registration under SGST/UTGST Act shall not be deemed to be a cancellation of registration under CGST Act.

- (a) (i) and (ii)
- (b) (i) and (iv)
- (c) (ii) and (iii)
- (d) (iii) and (iv)

**Correct Answer – (a)**

**30. [Input Tax Credit]** If the goods are received in lots/instalment, \_\_\_\_\_

- (a) 50% ITC can be taken on receipt of 1st lot and balance 50% on receipt of last lot.
- (b) ITC can be availed upon receipt of last lot.
- (c) 100% ITC can be taken on receipt of 1st lot.
- (d) Proportionate ITC can be availed on receipt of each lot/instalment.

**Correct Answer – (b)**

31. [Input Tax Credit] For banking companies using inputs and input services partly for taxable supplies and partly for exempt supplies, which of the following statement is true?

- (a) ITC shall be compulsorily restricted to credit attributable to taxable supplies including zero rated supplies
- (b) 50% of eligible ITC on inputs, capital goods, and input services shall be mandatorily taken in a month and the rest shall lapse.
- (c) Banking company can choose to exercise either option (a) or option (b).
- (d) ITC shall be compulsorily restricted to credit attributable to taxable supplies excluding zero rated supplies.

Correct Answer – (c)

32. [Input Tax Credit] A supplier takes deduction of depreciation on the GST component of the cost of capital goods as per Income-tax Act, 1961. The supplier can-

- (a) avail only 50% of the said tax component as ITC
- (b) not avail ITC on the said tax component
- (c) avail 100% ITC of the said tax component
- (d) avail only 25% of the said tax component as ITC

Correct Answer – (b)

33. [Exemption] Warehousing services of \_\_\_\_\_ is exempt from GST.

- (i) Rice
  - (ii) Apple
  - (iii) Pulse
  - (iv) Potato
- (a) i, ii, iii and iv
  - (b) i and iii
  - (c) ii, iii and iv
  - (d) iii

Correct Answer – (a)

34. [VERY IMPORTANT] Supply under GST - Which of the following services received, in the course or furtherance of business, without consideration amount to supply?

- (i) Import of services by a person in India from his son well-settled in USA
  - (ii) Import of services by a person in India from his brother well-settled in Germany
  - (iii) Import of services by a person in India from his brother (wholly dependent on such person in India) in France
  - (iv) Import of services by a person in India from his daughter (wholly dependent on such person in India) in Russia
- (a) i, iii and iv
  - (b) ii, iii and iv
  - (c) ii and iii
  - (d) i and ii

Correct Answer – (a)

35. [Composition Scheme] Which of the following persons engaged in making intra-state supplies from Uttar Pradesh, as prescribed below, is not eligible for composition levy under sub-sections (1) and (2) of the CGST Act, 2017 even though their aggregate turnover does not exceed ₹ 1.5 crore in preceding FY?

- (a) A person supplying restaurant services
- (b) A person supplying restaurant services and earning bank interest
- (c) A person manufacturing ice cream
- (d) A person trading in ice cream

Correct Answer – (c)

**36. [Time of Supply]** The time of supply of service in case of reverse charge mechanism is:

- (a) Date on which payment entered in the books of account of the recipient
- (b) Date immediately following 60 days from the date of issue of invoice
- (c) Date on which the payment is debited in the bank account of recipient
- (d) Earlier of (a), (b) and (c)

**Correct Answer – (d)**

**37. [Reverse Charge]** Which of the following services does not fall under reverse charge provisions as contained under section 9(3) of the CGST Act?

- (a) Services supplied by arbitral tribunal to business entity located in Ladakh
- (b) Sponsorship services provided to a partnership firm located in Jammu & Kashmir
- (c) Sponsorship services provided to a body corporate located in Kerala
- (d) Service of renting of motor vehicle for passengers provided to a recipient other than body corporate.

**Correct Answer – (d)**

**38. [Exemption]** Which of the following services are exempt from GST?

- (a) Admission to a circus where entry ticket costs ₹ 550 per person
- (b) Interest charged on outstanding credit card balances
- (c) Services by an organiser to any person in respect of a business exhibition held in India
- (d) Services by a foreign diplomatic mission located in India

**Correct Answer – (d)**

**39. [Input Tax Credit]** ITC of motor vehicles used for making \_\_\_\_\_ is allowed.

- (i) Transportation of goods
  - (ii) Taxable supplies of transportation of passengers
  - (iii) Taxable supplies of imparting training on driving
- (a) (i)
  - (b) (i) and (ii)
  - (c) (ii) and (iii)
  - (d) (i), (ii) and (iii)

**Correct Answer – (d)**

**40. [Registration]** Which of the following persons is required to obtain compulsory registration?

- (a) Persons exclusively engaged in making intra-State supplies, tax on which is to be paid by the recipient on reverse charge basis under section 9(3) of the CGST Act, 2017.
- (b) Persons making inter-State supplies from other than special category states of taxable services up to ₹ 20,00,000
- (c) Persons making supplies of services from other than special category states through an ECO required to collect TCS (other than supplies specified under section 9(5) of the CGST Act) with aggregate turnover up to ₹ 20,00,000
- (d) Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise.

**Correct Answer – (d)**

**41. [Registration]** A non-resident taxable person is required to apply for registration:

- (a) within 30 days from the date on which he becomes liable to registration
- (b) within 60 days from the date on which he becomes liable to registration
- (c) at least 5 days prior to the commencement of business
- (d) within 180 days from the date on which he becomes liable to registration

**Correct Answer – (c)**



**42. [Registration]** Registration certificate granted to casual taxable person or non-resident taxable person will be valid for:

- (a) Period specified in the registration application
- (b) 90 days from the effective date of registration
- (c) Earlier of (a) or (b)
- (d) Later of (a) or (b)

**Correct Answer – (c)**

**43. [Tax Invoice]** In case of taxable supply of services by a non-banking financial company (NBFC) to, other than a distinct person, invoice shall be issued within a period of \_\_\_\_\_ from the date of supply of service.

- (a) 30 days
- (b) 45 days
- (c) 60 days
- (d) 90 days

**Correct Answer – (b)**

**44. [Tax Invoice]** 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) or (b)
- (d) Later of (a) or (b)

**Correct Answer – (c)**

**45. [Tax Invoice]** Invoice shall be prepared in \_\_\_\_\_ in case of taxable supply of goods and in \_\_\_\_\_ in case of taxable supply of services.

- (a) Triplicate, Duplicate
- (b) Duplicate, Triplicate
- (c) Duplicate, Duplicate
- (d) Triplicate, Triplicate

**Correct Answer – (a)**

**46. [Payment of Tax]** Which of the following shall be discharged first, while discharging liability of a taxable person?

- (a) All dues related to previous tax period
- (b) All dues related to current tax period
- (c) Demand raised under section 73 and 74
- (d) No such condition is mandatory.

**Correct Answer – (a)**

**47. [Return]** The due date of filing Final Return is \_\_\_\_\_.

- (a) 20<sup>th</sup> of the next month
- (b) 18<sup>th</sup> of the month succeeding the quarter
- (c) within 3 months of the date of cancellation or date of order of cancellation, whichever is later
- (d) 31<sup>st</sup> December of next financial year

**Correct Answer – (c)**

**48. [Important] Supply under GST - Which of the following statements is true under GST law?**

- (a) Grand-parents are never considered as related persons to their grand-son/grand-daughter
- (b) Grand-parents are always considered as related persons to their grand-son/grand-daughter
- (c) Grand-parents are considered as related persons to their grand- son/grand-daughter only if they are wholly dependent on their grand-son/grand-daughter
- (d) Grand-parents are considered as related persons to their grand- son/grand-daughter only if they are not dependent on their grand-son/grand-daughter

**Correct Answer – (c)**

**49. [Basics of GST] Alcoholic liquor for human consumption is subjected to**

- (a) State excise duty
- (b) Central Sales Tax/Value Added Tax
- (c) Both (a) and (b)
- (d) GST

**Correct Answer – (c)**

**50. [Input Tax Credit] Mr. A has a tax invoice [date of issue: 20-1-2023] of services received by him. Its input tax credit is lost, if ITC is not availed on or before–**

- (a) 20-1-2023
- (b) 31-12-2023
- (c) 20-1-2024
- (d) 30<sup>th</sup> November after the end of FY or date of filing of annual return for F Y 2022-23, whichever is earlier.

**Correct Answer – (d)**

**51. [Input Tax Credit] Input tax credit shall not be available in respect of:**

- (i) Goods used for personal consumption
- (ii) Membership of a club provided by the employer to its employees as per company's internal policy.
- (iii) Travel benefits extended to employees on vacation such as leave or home travel concession as per company's internal policy.

- (a) (i)
- (b) (i) and (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

**Correct Answer – (d)**

**52. [Important] Supply under GST - Which of the following is not considered as 'goods' under the CGST Act, 2017?**

- (i) Ten-paisa coin having sale value of ₹100.
- (ii) Shares of unlisted company
- (iii) Lottery tickets

- (a) (i)
- (b) (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

**Correct Answer – (b)**

**53. [Registration] Mr Ram, a jeweller registered under GST in Mumbai, wants to sell his jewellery in a Trade Expo held in Delhi. Which of the following statements is false in his case?**

- (a) He needs to get registration in Delhi as casual taxable person.
- (b) He needs to pay advance tax on estimated tax liability.
- (c) He needs to mandatorily have a place of business in Delhi.
- (d) He needs to file GSTR-1/ IFF and GSTR-3B for Delhi GSTIN for the month or quarter, as the case may be, when he gets registered in Delhi.

**Correct Answer – (c)**

**54. [Important] Which of the following is treated as exempt supply under the CGST Act, 2017?**

- (i) Sale of liquor
- (ii) Supply of health care services by a hospital
- (iii) Transmission of electricity by an electricity transmission utility

- (a) (i)
- (b) (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

**Correct Answer – (d)**

**55. [Exemption]** Which of the following is a recognised system of medicine for the purpose of exemption for health care services?

- (i) Allopathy
  - (ii) Unani
  - (iii) Siddha
- (a) (i)  
(b) (ii)  
(c) (ii) and (iii)  
(d) (i), (ii) and (iii)

**Correct Answer – (d)**

**56. [Exemption]** Which of the following services is exempt under health care services provided by clinical establishments?

- (a) Chemist shop in the hospital selling medicines to public at large.
- (b) Food supplied by canteen run by the Hospital to in-patients as per diet prescribed by the hospital's dietician.
- (c) Food supplied to the visitors or attendants of the patients in the hospital by canteen run by the Hospital.
- (d) Advertisement services provided by the hospital to a pharmaceutical company for their asthma pump by displaying it prominently in the hospital building

**Correct Answer – (b)**

**57. [Time of Supply]** In case of supply of goods for ₹ 5,00,000, following information is provided- Advance received on 1<sup>st</sup> April; Invoice issued on 15<sup>th</sup> April; Goods removed on 25<sup>th</sup> April, What is the time of supply of goods, where tax is payable under forward charge?

- (a) 1<sup>st</sup> April
- (b) 15<sup>th</sup> April
- (c) 25<sup>th</sup> April
- (d) 30<sup>th</sup> April

**Correct Answer – (b)**

**58. [Time of Supply]** Sham Ltd., located in Mumbai, is receiving legal services from a lawyer Mr. Gyan, registered under GST. The aggregate turnover of Sham Ltd. in the preceding financial year is ₹ 42 lakh. The information regarding date of payment, invoice etc. is as follows-

Invoice issued by Mr. Gyan on 15<sup>th</sup> April  
Payment debited in the bank account of Sham Ltd. on 5<sup>th</sup> May  
Date of payment entered in books of accounts of Sham Ltd.: 1<sup>st</sup> May  
What is time of supply of services?

- (a) 1<sup>st</sup> May
- (b) 5<sup>th</sup> May
- (c) 15<sup>th</sup> June
- (d) 15<sup>th</sup> April

**Correct Answer – (a) [SATC Hint: Section 13(3)]**

**59. [Composition scheme]** Which of the following is not eligible for opting composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017?

- (a) M/s ABC, a firm selling garments solely in Ahmedabad, having aggregate turnover of ₹78 lakh in the preceding F.Y.
- (b) A start up company exclusively operating a restaurant in Delhi, having aggregate turnover of ₹98 lakh in the preceding F.Y.
- (c) A courier service company operating solely in Mumbai having aggregate turnover of ₹90 lakh in the preceding F.Y.
- (d) A trader selling grocery items solely in Orissa having an aggregate turnover of ₹95 lakh in the preceding F.Y.

**Correct Answer – (c)**

**60. [Supply under GST]** Assuming that all the activities given below are undertaken for a consideration, state which of the following is not a supply of service?

- (a) Renting of commercial office complex
- (b) An employee agreeing to not work for the competitor organization after leaving the current employment
- (c) Repairing of mobile phone
- (d) Provision of services by an employee to the employer in the course of employment

**Correct Answer – (d)**

**61.** During the month of May, Z Ltd. sold goods to Y Ltd. for ₹ 2,55,000 and charged GST @ 18%. However, owing to some defect in the goods, Y Ltd. returned some of the goods by issuing debit note of ₹ 40,000 in the same month. Z Ltd. records the return of goods by issuing a credit note of ₹ 40,000 plus GST in the same month. In this situation, GST liability of Z Ltd. for the month of May will be-

- (a) ₹ 45,900
- (b) ₹ 38,700
- (c) ₹ 53,100
- (d) ₹ 40,000

**Correct Answer – (b)**

**62. [Important]** C & Co., a registered supplier in Delhi, opted for composition levy under sub-sections (1) and (2) of section 10 of the CGST Act, 2017. It sold goods in the fourth quarter of a financial year for ₹ 15,00,000 (exclusive of GST). The applicable GST rate on these goods is 12%. C & Co. purchased goods from Ramesh & Co., registered in Delhi, for ₹ 9,55,000 on which Ramesh & Co. had charged CGST of ₹ 57,300 and SGST of ₹ 57,300. C & Co. had also purchased goods from E & Co., registered in Haryana, for ₹ 2,46,000 on which E & Co. had charged IGST of ₹ 29,520. GST liability of C & Co. for the fourth quarter of the financial year is-

- (a) CGST ₹ 7,500 & SGST ₹ 7,500
- (b) CGST ₹ 3,180 & SGST ₹ 32,700
- (c) CGST ₹ 32,700 & SGST ₹ 3,180
- (d) CGST Nil and SGST Nil

**Correct Answer – (a)**

**63. [Input Tax Credit]** Mr. Raghu avails services of Mr. Raja, a Chartered Accountant, as under-

- |   |          |
|---|----------|
| (i) Audit of financial accounts of Mr. Raghu                          | ₹ 55,000 |
| (ii) Tax audit and annual accounts filing of Mr. Raghu                | ₹ 10,000 |
| (iii) Income-tax return filing of Mr. Raghu 's wife (salaried-return) | ₹ 5,000  |

All the above amounts are exclusive of taxes and the applicable rate of GST on these services is 18%.

The accountant of Mr. Raghu has booked the entire expenses of ₹ 70,000 plus GST in the books of account. Mr. Raghu is eligible to take input tax credit of -

- (a) ₹ 13,500
- (b) ₹ 11,700
- (c) ₹ 9,900
- (d) ₹ 1,800

**Correct Answer – (b)**

**64. [Payment of Tax]** TT Pvt. Ltd., registered in Rajasthan, furnished following information for the month of June:

- (i) Inter-State sale of goods for ₹ 1,25,000 to JJ Enterprises registered in Haryana
- (ii) Inter-State purchases of goods from XYZ company, registered in Punjab, for ₹ 40,000
- (iii) Intra-State purchases of goods from RR Traders, registered in Rajasthan, for ₹ 65,000

The applicable rate of GST is 18%. There is no opening balance of ITC. All the above amounts are exclusive of taxes. GST liability payable in cash is-

- (a) CGST ₹1,800 & SGST ₹1,800
- (b) SGST ₹3,600
- (c) IGST ₹3,600
- (d) CGST ₹3,600

**Correct Answer – (c)**

**65. [VERY IMPORTANT] Value of Supply -** Pradeep Traders, registered in Haryana, sold goods inter-State for ₹2,05,000 to Balram Pvt. Ltd. registered in Uttar Pradesh (GST is leviable @ 5% on said goods). As per the terms of sales contract, Pradeep Traders has to deliver the goods at the factory of Balram Pvt.Ltd. For this purpose, Pradeep Traders has charged freight of ₹2,400 from Balram Pvt. Ltd. GST is leviable @ 12% on freight. What would be the output GST liability in this case assuming that the amounts given herein are exclusive of GST?

- (a) IGST-₹37,332
- (b) IGST-₹10,370
- (c) CGST-₹18,666 and SGST-₹18,666
- (d) CGST-₹5,185 and SGST-₹5,185

**Correct Answer – (b) SATC Hint: Composite Supply [(2,05,000 + 2,400) x 5%]**

**66. [Registration]** Prem & Sons had taken GST registration on 1st January, but failed to furnish GST returns for the next 6 months. Owing to this, the proper officer cancelled its registration on 25th July and served the order for cancellation of registration on 31st July. Now, Prem & Sons wants to revoke the cancellation of registration. Upto which date an application for revocation of cancellation of registration can be filed assuming no extension to said time-limit has been granted?

- (a) 30<sup>th</sup> August
- (b) 31<sup>st</sup> August
- (c) 25<sup>th</sup> August
- (d) 29<sup>th</sup> October

**Correct Answer – (a)**

**67. [Supply under GST]** Goods as per section 2(52) of the CGST Act, 2017 includes:

- (i) Actionable claims
- (ii) Growing crops attached to the land agreed to be severed before supply.
- (iii) Money
- (iv) Securities

- (a) (i) and (iii)
- (b) (iii) and (iv)
- (c) (i) and (ii)
- (d) (ii) and (iii)

**Correct Answer – (c)**

**68. [Registration]** Mr. Z of Himachal Pradesh starts a new business and makes following supplies in the first month-

- (i) Intra-State supply of taxable goods amounting to ₹17 lakh
- (ii) Supply of exempted goods amounting to ₹1 lakh
- (iii) Inter-State supply of taxable goods amounting to ₹1 lakh

Whether he is required to obtain registration, if the aforesaid goods are not handicraft goods or predominantly hand-made products, as notified?

- (a) Mr. Z is liable to obtain registration as the threshold limit of ₹10 lakh is crossed.
- (b) Mr. Z is not liable to obtain registration as he makes exempted supplies.
- (c) Mr. Z is liable to obtain registration as he makes the inter-State supply of goods.
- (d) Mr. Z is not liable to obtain registration as the threshold limit of ₹20 lakh is not crossed.

**Correct Answer – (c)**

**69. [Supply under GST]** Determine which of the following independent cases will be deemed as supply even if made without consideration in terms of Schedule I of the CGST Act, 2017?

- (i) AB & Associates transfers stock of goods from its Mumbai branch to Kolkata depot for sale of such goods at the depot.
- (ii) Mr. Raghuveer, a dealer of air-conditioners permanently transfers the motor vehicle free of cost. ITC on said motor vehicle was blocked and therefore, was not availed.
- (iii) Mrs. Riddhi, an employee of Sun Ltd., received gift from her employer on the occasion of Diwali worth ₹21,000.

- (a) (i)
- (b) (ii)
- (c) (iii)
- (d) Both (i) and (ii)

**Correct Answer – (a)**

**70. [Input Tax Credit]** PZY Ltd. is engaged in manufacturing of motor car. The company paid following amount of GST to its suppliers against the invoices raised to it. Compute the amount of **ineligible** input tax credit under GST law:-

S.No.	Particulars	GST Paid (₹)
1.	General insurance taken on cars manufactured by PZY Ltd.	1,00,00,000
2.	Buses purchased for transportation of employees (Seating capacity 23)	25,00,000
3.	Life and health insurance for employees under statutory obligation	6,00,000
4.	Outdoor catering in Diwali Mela organized foremployees	3,50,000

- (a) ₹ 9,50,000
- (b) ₹ 3,50,000
- (c) ₹ 1,31,00,000
- (d) ₹ 28,50,000

**Correct Answer – (b)**

**71. [Tax Invoice]** Which of the following statements **is/are incorrect** under GST law:-

- (i) If the supplier has erroneously declared a value which is more than the actual value of goods or services provided, then he can issue credit note for the same.
- (ii) If the supplier declared some special discount which is offered after the supply is over, then he cannot issue credit note under GST law for the discount offer.
- (iii) If quantity received by the recipient is more than what has been declared in the tax invoice, then supplier can issue debitnote for the same.
- (iv) There is no time limit to declare the details of debit note in the return.

- (a) (i),(ii) and (iv)
- (b) (i) and (iv)
- (c) (iv)
- (d) (i) and (iii)

**Correct Answer – (c)**

**72. [Time of Supply]** Ms. Pearl is a classical singer. She wants to organize a classical singing function, so she booked an auditorium on 10th August for a total amount of ₹ 20,000. She paid ₹ 5,000 as advance on that day. The classical singing function was organized on 10th October. The auditorium owner issued invoice to Ms. Pearl on 25th November amounting to ₹ 20,000. Pearl made balance payment of ₹ 15,000 on 30th November. Determine the time of supply in this case.

- (a) Time of supply is 25<sup>th</sup> November for ₹ 20,000.
- (b) Time of supply is 25<sup>th</sup> November for ₹ 5,000 & 30<sup>th</sup> November for ₹ 15,000.
- (c) Time of supply is 10<sup>th</sup> August for ₹ 5,000 & 10<sup>th</sup> October for ₹ 15,000.
- (d) Time of supply is 10<sup>th</sup> October for ₹ 20,000.

**Correct Answer – (c)**

**73. [E-way Bill]** ABC Ltd. generated e-way bill on 12<sup>th</sup> February at 14.00 hrs. It used over-dimensional cargo for a distance of 100 km. When the validity period of the e-way bill will expire, if there is no extension of the same?

- (a) Midnight of 13<sup>th</sup>-14<sup>th</sup> February
- (b) Midnight of 17<sup>th</sup>-18<sup>th</sup> February
- (c) At 14.00 hrs. of 13<sup>th</sup> February
- (d) At 14.00 hrs. of 14<sup>th</sup> February

**Correct Answer – (b)**

**74. [Registration]** An exempt supply includes-

- (i) Supply of goods or services or both which attracts Nil rate of tax
- (ii) Non-taxable supply
- (iii) Supply of goods or services or both which are wholly exempt from tax under section 11 of the CGST Act or under section 6 of IGST Act

- (a) (i)
- (b) (i) and (ii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

**Correct Answer – (d)**

**75. [VERY IMPORTANT] Registration -** Ram, an individual, based in Gujarat, is in employment and earning ₹ 10 lakh as salary. He is also providing consultancy services to different organizations on growth and expansion of business. His turnover from the supply of such services is ₹ 12 lakh. Determine whether Ram is liable for taking registration as per provisions of the Act?

- (a) Yes, as his aggregate turnover is more than ₹20 lakh.
- (b) No, as his aggregate turnover is less than ₹40 lakh.
- (c) No, as services in the course of employment does not constitute supply and therefore, aggregate turnover is less than ₹20 lakh.
- (d) Yes, since he is engaged in taxable supply of services.

**Correct Answer – (c)**

**76. [Composition Scheme]** Harish Trading Company situated in Haryana, is a dealer of seeds (exempt by exemption notification) & chemical fertilizers (taxable). He is about to cross the threshold limit of registration under GST and wants to opt for Composition Scheme under section 10(1) and 10(2) of the CGST Act. His entire supply is made exclusively within the State of Haryana. You being his Chartered Accountant, advise whether he can do so or not?

- (a) Yes, since aggregate turnover is less than ₹ 1.5 crore.
- (b) No, a person effecting supply exempted by way of exemption notification cannot opt for composition scheme under section 10(1) and 10(2) of the CGST Act.
- (c) No, a trader cannot opt for composition scheme.
- (d) No, a supplier of chemical fertilizer cannot opt for composition scheme.

**Correct Answer – (a)**

**77. [Input Tax Credit]** Ash & Co, registered in Delhi, is a manufacturer of hardware items. He has purchased a machine on 01.06.2021 for ₹ 59,000 (₹ 50,000 + ₹ 9000 GST@ 18 %). GST of ₹ 9000 has been claimed by him as ITC. Now, on 01.01.2023, he sold his machinery to an unrelated party, Aggawal & Sons of Rajasthan for ₹ 47,200 (40,000 plus ₹ 7,200 GST @ 18%). Determine how much tax Ash & Co. is liable to pay?

- (a) ₹ 7,200
- (b) ₹ 5,850
- (c) ₹ 9,000
- (d) ₹ 3,150

**Correct Answer – (a) [SATC Hint: Section 18(6)]**

**78. [Input Tax Credit]** P.K. Traders, engaged in manufacturing of taxable as well as exempt goods, purchased a machinery worth ₹ 17,70,000 (₹ 15,00,000 plus ₹ 2,70,000 GST). It capitalized full amount including taxes in the books of accounts and claimed depreciation on it as per provisions of the Income Tax Act, 1961. Compute the amount of ITC that can be claimed by P.K. Traders?

- (a) ₹ 2,70,000
- (b) Zero
- (c) In proportion of taxable and exempt supply
- (d) By decreasing percentage points as prescribed

**Correct Answer – (b)**

**79. [Registration]** Mr. Rahim wants to start a new business of trading of footwear in Meghalaya. In order to expand his business he will also make such supplies through e-commerce operator who will collect tax at source. In this respect, he has approached you to seek an advice on GST registration. Determine when he is required to get registered under GST?

- (a) Required to get registered when the turnover reaches the threshold limit of ₹ 40 lakh.
- (b) Required to get registered mandatorily irrespective of the turnover limit as he will be making supplies through e-commerce platform.
- (c) Required to get registered when the turnover reaches the threshold limit of ₹ 20 lakh.
- (d) Required to get registered when the turnover reaches the threshold limit of ₹ 10 lakh.

**Correct Answer – (b)**

**80. [Exemption]** While conducting the GST audit of Vishwas Bank, it was discovered that bank has not charged GST on certain supplies made by it. In this respect, determine which of the following supplies made by Bank is taxable?

- (a) Discounting of bills receivable
- (b) Interest charged on loans
- (c) Interest charged on credit card services
- (d) Sale of foreign currency amongst banks

**Correct Answer – (c)**