



CA KARAN SHETH
TAX KA TEACHER

GST MCQs SEP'24

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#TaxKaTeacher

MY COME BACK STORY!

I Left CA, Half way because....

I had promised myself that I'd only give maximum

3 CA final attempts to myself, and if I still didn't pass, I'd give up.

And that's exactly what happened...

I had cleared one group of the CA finals by May 2015 and i quit my CA journey

Also

I was already making more money than many CA Peers, so I just felt that the entire purpose of doing CA had got defeated

IN 2019, something unexpected happened.

Teaching career : I was teaching CA Intermediate students, but I wasn't allowed to teach CA final students because my boss back then said

- "Become a CA first and then we shall have a conversation. You can Leave now"

Betraying my Students : Even though I had quit my CA journey i kept feeling inauthentic and more so a hypocrite when i had to tell my students to keep going and not give up, where I had myself given up four years ago.

Shaadi: I was 26, and was already into the process of bride hunting and I fairly remember that I had met a prospect that I thought I had a connection with but she did not go ahead with the rishta because I wasn't a CA and she was.

I felt stuck in every aspect of my life

So, I decided to give it another shot and started studying for my CA final exams once again, with more zeal and even more enthusiasm.

It was tough because -

Padh bhi Raha tha aur

Padha bhi Raha tha...

It was May 2019, I didn't clear it in first time as i fell short of 2marks. Total was 198

I was going to quit again, it wasn't easy to go through it all again...

But a friend of mine some how convinced me and said with a lot of conviction -

Last try kar le hojayega

(Her conviction was impeccable and i some how convinced myself to keep going)

It was 16th Jan, 2020 1.45pm

I was teaching some 300 students, my phone was on silent, I saw 50 missed calls of my mom

I was worried, so I called her while standing on the podium and..

We asked - **Su thayu mummy**

She said - **Tu CA bani gyo beta, Tu CA bani gyo (Gujarati)**

& that was followed by a thunderous applause by my students.

To all the students out there, my message is simple:

Be clear on **WHY** you want to do it

And

You shall figure out **HOW** you can do it!

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Multiple Choice Question

Basics

1. The functions of Goods and Services Network (GSTN) include:
 - (a) facilitating registration
 - (b) forwarding the returns to Central and State authorities
 - (c) computation and settlement of IGST
 - (d) All of the above

2. Tobacco products are subject to:
 - (a) Excise duty
 - (b) Excise duty plus GST
 - (c) Only GST
 - (d) VAT

3. India has adopted its GST model from
 - (a) US
 - (b) UK
 - (c) Europe
 - (d) Canada

4. Which is known as the GST common portal?
 - (a) www.cbic.gov.in
 - (b) www.gstn.gov.in
 - (c) www.gst.gov.in
 - (d) all of the above

5. Which one of the following is/are correct?
 - (a) Direct Taxes are regressive in nature; Indirect Taxes are progressive in nature.
 - (b) Direct Taxes are progressive in nature; Indirect Taxes are regressive in nature.
 - (c) Direct Taxes are progressive in nature; Indirect Taxes are progressive in nature.
 - (d) Direct Taxes are regressive in nature; Indirect Taxes are regressive in nature.

6. Which of the following is not a feature of GST?
 - (a) GST is a destination-based tax.
 - (b) GST is a Value Added Tax.
 - (c) GST is an Origin based tax.
 - (d) None of the above.

7. India has adopted_____of GST.
 - (a) National Model.
 - (b) Australian Model.
 - (c) Dual Model.
 - (d) None of the above.

8. The First Country to implement GST was
 - (a) Canada.
 - (c) Australia.
 - (d) France.
 - (b) India.

Taxes subsumed & not subsumed into GST

9. Which of the following taxes have not been subsumed in GST?
- (a) Entertainment Tax (except those levied by local bodies)
 - (b) Entertainment tax charged by local bodies.
 - (c) Both of the above.
 - (d) None of the above.
10. Which of the following taxes have been subsumed in GST?
- (a) Central Sales Tax
 - (b) Central Excise Duty
 - (c) VAT
 - (d) All of the above
11. 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)

Constitutional Provisions

12. List-I of the Constitution contains matters in respect of which _____ has the exclusive right to make laws.
- (a) Central Government
 - (b) State Government
 - (c) Both Centre and State Governments
 - (d) None of the above

Article 279A - GST Council

13. Which article of the Constitution outlines the composition & function of GST Council
- (a) 270
 - (b) 279A
 - (c) 246A
 - (d) 269A
14. Which of the following is not the correct option?
- (a) Centre has a weightage of one-third of total votes cast and State government together have a weightage of two-thirds of the total votes cast.
 - (b) Centre has a weightage of two-third of total votes cast and State government together have a weightage of one-thirds of the total votes cast.
 - (c) Centre has a weightage of half of total votes cast and State govt together have a weightage of half of the total votes cast.
 - (d) Both (b) & (c).

15. On Petroleum Crude, High Speed Diesel, Motor Spirit, Natural Gas & Aviation Turbine Fuel:
- GST will not be levied at all
 - GST will be levied from a date to be notified on the recommendations of the GST Council
 - GST is levied, but exempted by notification in public interest.
 - None of the above
16. Which of the following statement is/are incorrect:
- Manufacture/production of alcoholic liquor for human consumption is subject to State excise duty and inter-state/intra-State sale of the same is subject to GST respectively.
 - Central excise duty is levied on manufacture/production of petroleum crude, diesel, petrol, ATF and natural gas and inter-State/intra-State sale of the same is subject to CST/ VAT respectively.
 - Union Govt retains the power to levy Central excise duties on tobacco and tobacco products manufactured in India. Tobacco is subject to GST as well as central excise duty.
 - Opium, Indian hemp and other narcotic drugs and narcotics are subject to VAT/CST as well as State excise duties.
 - (1), (2) & (3)
 - (1) & (4)
 - (1), (2), (3)&(4)
 - , (3) & (4)

Answer:

Q.	Ans	Reason
1.	d	Functions of GSTN include Facilitating Registration, Providing MIS report, Computation & settlement of IGST, matching of tax payment details with banking network, forwarding returns to central & state authorities, providing analysis of taxpayer's profile.
2.	b	Both Central excise duty and GST are levied on Tobacco products.
3.	d	India has adopted the GST model from Canada.
4.	c	The following are the common portals: www.gst.gov.in , ewaybillgst.gov.in , einvoicel- 10.gst.gov.in .
5.	b	Direct taxes are progressive in nature, as the rich pay more taxes compared to the poor. Indirect taxes are regressive in nature because they equally impact the rich and poor.
6.	c	Features of GST: It's a tax on supply of goods or service, it is a consumption tax, it is a destination-based tax, it is value added tax. GST is not origin-based tax.
7.	c	India has adopted the Dual model of GST which is imposed concurrently by the centre & the state.
8.	d	France was the first country to implement GST.
9.	b	Taxes not subsumed under GST: Basic custom duty, Entertainment tax levied by local bodies, property tax & stamp duty, electricity duty.

10.	d	Following are the taxes subsumed into GST. Central taxes subsumed - Central Excise duty, Service Tax, Central sales tax, CVD & Special CVD, Surcharges & cesses. State taxes subsumed - State surcharges & cesses, Tax on lottery, betting, gambling, entry tax, purchase tax, VAT & sales tax, Luxury tax. Since Central Sales Tax, Central Excise duty, VAT are subsumed, answer is D.
11.	a	(i) Basic customs duty: Not subsumed into GST (ii) Taxes on lotteries: Subsumed into GST (iii) Environment tax: Not subsumed into GST.
12.	a	Seventh Schedule to Article 246 divides legislative powers into List I - Union List, List II- State List, List III- Concurrent List, Matters enumerated in List I, the CG has the exclusive power to make law.
13.	b	Article 279A of the constitution provides the outline of the composition and functions of the GST Council.
14.	d	The Question is asking Which is not the correct option. (b) & (c) are not the correct option, hence answer is (d).
15.	b	GST on Petroleum crude, High speed diesel, Motor spirit, Natural gas and Aviation Turbine Fuel shall be levied from a date to be notified on the recommendations of GST Council.
16.	b	Correct Sentences are stated below 1. Manufacture/production of alcoholic liquor for human consumption is subject to State excise duty and inter-State/intra-State sale of the same is subject to CST/VAT respectively. 2. Central excise duty is levied on manufacture/production of petroleum crude, diesel, petrol, ATF and natural gas and inter-State/intra-State sale of the same is subject to CST/ VAT respectively. 3. Union Govt retains the power to levy Central excise duties on tobacco and tobacco products manufactured in India. Resultantly, tobacco is subject to GST as well as central excise duty. 4. Opium, Indian hemp and other narcotic drugs and narcotics are subject to GST as well as State excise duties.

Multiple Choice Question

Section 9(1) of CGST/5(1) of IGST act: Normal Levy

1. What is the maximum rate prescribed under CGST Act?
 - (a) 12%
 - (b) 28%
 - (c) 20%
 - (d) 18%
2. The maximum rate of IGST can be:
 - (a) 20%
 - (b) 30%
 - (c) 40%
 - (d) None of the above

Section 9(2): CGST on 5 specified products

3. On supply of which of the following item(s), GST shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council:
 - (a) Petroleum crude
 - (b) Alcoholic liquor for human consumption
 - (c) Both (a) and (b)
 - (d) None of the above

Section 9(3) of CGST Act: Reverse Charge Mechanism on Notified Services

4. XX, registered in Delhi, purchased books from PC Traders, registered in Uttar Pradesh. Books are exempt from GST. XX arranged the transport of these books from a goods transport agency (GTA) which charged a freight of Rs. 9,000 for the same. GST is payable @ 5% on such GTA services. Which of the following statement is correct in the given context:
 - (a) GST of Rs. 450 is payable by XX on reverse charge basis.
 - (b) Supply of goods and supply of GTA service is a composite supply wherein supply of goods is the principal supply and since principal supply is an exempt supply, no tax is payable on freight.
 - (c) Since exempt goods are being transported, service provided by GTA for transporting the same is also exempt.
 - (d) GST of Rs. 450 is payable by the GTA.
5. Which of the following services does not fall under reverse charge provisions as contained u/s 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.
6. 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)

7. GST is payable by the recipient under reverse charge on:
- Sponsorship services
 - Transport of goods by rail
 - Transport of passengers by air
 - All of the above
8. Jhulelal Palkiwala & Co. is a firm of advocates registered in GST in the State of Punjab. It provides legal consultancy services to various clients. It has provided consultancy services of Rs. 50,000 on 5 Sep to Burger Queen Ltd., a registered business entity located in Mizoram. Burger Queen Ltd. achieved the turnover of Rs. 15,00,000 in the preceding financial year. The law firm raised proper invoice on the Burger Queen Ltd. on 25 Sep. Calculate the taxability of above transaction if applicable rate of tax is 18%.
- Exempt supply
 - 9,000 payable by Jhulelal Palkiwala & Co.
 - 9,000 payable by Burger Queen (P) Ltd.
 - Non-taxable supply
9. Is RCM applicable on Security services (services provided by way of supply of security personnel) provided to a registered person by a body corporate.
- Yes
 - No
10. Is RCM applicable on GTA services to any factory, any society, any co-operative society who has taken not registration under GST but registered under their respective act.
- Yes
 - No
11. In case of Goods Transport Agency (GTA) services, tax is to be paid under forward charge if:
- GST is payable @ 12%
 - GST is payable @ 5% and a factory registered under the Factories Act, 1948 is the recipient of GTA service.
 - An unregistered individual end consumer is the recipient of GTA service.
 - A registered casual taxable person is the recipient of GTA service.
12. Adi Chopra, director of YRF Ltd for the purpose of shoot of Tiger 3 movie rented his bungalow for a monthly rent of Rs 10lac. Determine who will pay tax?
- Adi Chopra
 - YRF
 - Both
 - None of the above
13. Patel Travels Pvt Ltd. Is supplying transportation of passenger service in an omnibus through Redbus App to Miss Disha Patani , a tourist. Comment who will pay tax?
- Patel Travels Pvt. Ltd.
 - Disha Patani
 - Red Bus
 - None of the above
14. Eagle Travels, a partnership firm is providing transportation of passenger service in an omnibus through Make my trip app. to Mr. Tiger Comment who will pay tax?
- Eagle Travels
 - Make my trip
 - Ms. Tiger
 - None of the above

15. Mr.Dagdu rents his residential apartment to Mr.Anant,a registered individual for a monthly rent of Rs10lac.
Who will pay tax ?
a) Mr. Dagdu
b) Mr. Anant
c) Exempt
d) None of the above
16. Service supplied by recovery agent to a manufacturer Who will pay tax?
a) Recovery Aigent
b) Manufacturer
c) All of the above
d) None of the above

Answer:

Q.	Ans	Reason
1.	c	As per Section 9(1) of CGST Act, maximum rate prescribed is at such rates, not exceeding 20%
2.	c	As per Section 5(1) of IGST Act, maximum rate prescribed is at such rates, not exceeding 40%
3.	a	As per Section 9(2), GST on High-speed diesel, Petroleum crude, Motor spirit, Aviation turbine fuel, Natural gas shall be levied from such date as may be notified by the government on the recommendations of the council.
4.	a	GST is payable under RCM on GTA service availed by a recipient even though the goods transported are exempt supply. Also, in case of GTA service the person who pays the freight is the recipient also liable to pay GST on GTA services. Hence in the given case, XX ltd is liable to pay GST on the GTA services i.e. $Rs\ 9,000 * 5\% = Rs.\ 450.$
5.	d	(a) Services supplied by arbitral tribunal to business entity located in Ladakh: In case of services by Arbitral tribunal to business entity, business entity is liable to pay GST under RCM. Note: Assumed turnover of business entity in PFY exceeded Registration imit. (b) Sponsorship services provided to a partnership firm located in Jammu & Kashmir: Sponsorship services provided to body corporate or partnership firm, RCM is applicable. (c) Sponsorship services provided to a body corporate located in Kerala: RCM is applicable. (d) Service of renting of motor vehicle for passengers provided to a recipient other than body corporate: In case of renting of motor vehicle, RCM is applicable only if service is provided to body corporate. Hence, in this case, RCM is not applicable.

6.	c	<p>(i) Services provided by way of sponsorship to ABC Ltd. located in India: Sponsorship services provided to a body corporate, Body corporate ABC Ltd (i.e. the recipient) is liable to pay GST under RCM.</p> <p>(ii) Services supplied by a director (registered under GST) of Galaxy Ltd. to Mr. Krishna: Director providing services to body corporate, Body corporate is liable to pay GST under RCM. However, in the given case, director is providing services to Individual Mr. Krishna, hence Recipient is not liable.</p> <p>(iii) Services by Department of Posts by way of speed post to MNO Ltd. located in India: In the given case, GST is chargeable under forward charge by the post office, hence Recipient is not liable</p> <p>(iv) Services supplied by a recovering agent to SNSP Bank located in India: Services by recovery agent to bank, RCM is applicable and recipient SNSP bank is liable to pay GST under RCM.</p>
7.	a	In case of services provided by way of sponsorship to any body corporate or partnership firm , GST shall be payable by the recipient of service.
8.	c	<p>As per section 9(3) read with RCM notification: Legal services provided by a firm of advocate to a business entity shall attract RCM.</p> <p>However, Entry No. 45: Services provided by a business entity with an ATO up such amount in the PFY as makes it eligible for exemption from registration shall be Exempt from GST.</p> <p>The ATO limit applicable for Mizoram is Rs. 10 lakhs.</p> <p>Since, the turnover of Burger Queen in the PFY is Rs 15 lakhs, which is exceeding the registration limit. Burger Queen shall be liable to pay GST under RCM.</p> <p>GST liability: Rs 50,000 * 18% = Rs. 9,000, payable by Burger Queen.</p>
9.	b	As per Section 9(3) of CGST Act or 5(3) of IGST Act services provided by way of supply of security personnel to registered person by any person other than body corporate shall be payable under RCM.
10.	a	<p>RCM is applicable on: Supply of Services by a goods transport agency to</p> <p>(a) Any factory registered under by the Factories Act, 1948</p> <p>(b) Any society registered under the Societies Registration Act, 1860/any other law for the time being in force</p> <p>(c) Any co-operative society established by/under any law.</p>
11.	a	GST is payable @ 12% if GTA opts to pay under forward charge.
12.	a	Tax shall be payable as per FCM as Director provides service in his personal capacity
13.	a	If any person other than company is supplying transportation of passenger service through ECO, tax shall be payable by ECO u/s 9(5).In this case since supplier is a company, tax shall be payable by the company u/s 9(1) i.e by Geeta Travels Pvt Ltd as per Forward Charge Mechanism.
14.	b	If any person other than company is supplying transportation of passenger service through ECO, tax shall be payable by ECO u/s 9(5).In this case since a supplier is a partnership company (i.e other than a company ECO shall pay the tax u/s 9(5).
15.	c	As the residential dwelling is rented to an registered individual
16.	a	Because recipient is neither bank / NBFC.

Multiple Choice Question

Section 10 of CGST Act: Composition levy

1. 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 Rs. 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.

2. What is the threshold limit of turnover in the preceding financial year to be eligible for composition levy in Delhi?
 - (a) Rs 50 lakh
 - (b) Rs 75 lakh
 - (c) Rs 80 lakh
 - (d) Rs 1.5 crore

3. Mr. Fardeen Khan, is the owner of a proprietorship firm (located in the State of Arunachal Pradesh), which is engaged in trading of ice-cream (not containing cocoa) and supplies the same locally within the same State itself. The turnover details of his firm are as under:
For the period April, 20XX to March, 20XX: Rs. 70,00,000/-
He wants to opt for Composition Scheme. State the composition turnover limit for the State of Arunachal Pradesh and whether he is eligible to opt for Composition Scheme.
 - (a) Rs. 75,00,000/-: Yes
 - (b) Rs. 75,00,000/-: No
 - (c) Rs. 1,00,00,000/-: Yes
 - (d) Rs. 80,00,000/-: Yes

4. What happens if the turnover of a registered person paying taxes under composition scheme during the year 2018-19 crosses threshold limit?
 - (a) He can continue under composition scheme till the end of the financial year
 - (b) He will be liable to pay tax at normal rates of GST on the entire turnover for the financial year 2018-19
 - (c) He will cease to remain under the composition scheme with immediate effect
 - (d) He will cease to remain under the composition scheme from the quarter following the quarter in which the aggregate turnover exceeds threshold limit

5. Whether tax will be paid under reverse charge by a composition dealer:
 - (a) RCM is applicable, tax payable under RCM @ 1%
 - (b) RCM is not applicable to composition dealer
 - (c) RCM is applicable but tax payable at the rate applicable to those services
 - (d) None of the above

6. What is the threshold limit of turnover in the preceding financial year to be eligible for composition levy in Uttarakhand?
- Rs 50 lakh
 - Rs 75 lakh
 - Rs 80 lakh
 - Rs 1.5 crore
7. What is the threshold limit of turnover in the preceding financial year to be eligible for composition levy in Assam?
- Rs 50 lakh
 - Rs 75 lakh
 - Rs 80 lakh
 - Rs 1.5 crore
8. What is the threshold limit of turnover in the preceding financial year to be eligible for composition levy in Karnataka?
- Rs 50 lakh
 - Rs 75 lakh
 - Rs 80 lakh
 - Rs 1.5 crore
9. Which are the three special category states allowing a limit of 1.5 crores under composition scheme?
- Assam, Arunachal Pradesh, Sikkim
 - Assam, Arunachal Pradesh, J&K
 - Assam, Himachal Pradesh, J&K
 - Assam, Himachal Pradesh, Sikkim
10. What is the specified value of service [other than restaurant services] allowed to registered person opting for composition scheme u/s 10(1)?
- Higher of: 10% of TO in state/UT in CFY or 5 lakhs
 - Lower of: 10% of TO in state/UT in PFY or 10 lakhs
 - Higher of: 10% of TO in state/UT in PFY or 5 lakhs
 - Lower of: 10% of TO in state/UT in PFY or 5 lakhs
11. Which of the following persons can opt for the composition scheme under sub-sections (1) and (2) of section 10 of the CGST Act, 2017?
- RP whose aggregate turnover in the preceding FY did not exceed Rs. 75 lakhs.
 - RP whose aggregate turnover in the preceding FY did not exceed Rs. 1.5 crore.
 - A person engaged in manufacture of pan masala, tobacco & tobacco substitutes.
 - A person engaged in the manufacture of ice cream, other edible ice, whether or not containing cocoa.
 - A person engaged exclusively in providing restaurant service.
 - A person engaged exclusively in supply of medicines.
- 1, 2, 3, 5
 - 1, 2, 5, 6
 - 2, 3, 4, 5
 - 3, 4, 5, 6

12. X & Co., a supplier registered under GST in Meghalaya, wants to opt for composition levy. The aggregate turnover limit for composition levy is-
- (a) Rs. 50 lakh
 - (b) Rs. 75 lakh
 - (c) Rs. 1.5 crore
 - (d) none of the above
13. 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
14. 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 Rs. 78 lakhs in the preceding F.Y.
 - (b) A start-up company exclusively operating a restaurant in Delhi, having aggregate turnover of Rs. 98 lakh in the preceding F.Y.
 - (c) A courier service company operating solely in Mumbai having aggregate turnover of Rs. 90 lakhs in the preceding F.Y.
 - (d) A trader selling grocery items solely in Orissa having an aggregate turnover of Rs. 95 lakhs in the preceding F.Y.

Section 10(2) of CGST Act

15. RP shall not be eligible to opt for composition levy u/s 10(1) if such person is manufacturer of
- (a) Ice cream, aerated water, Tobacco and manufactured tobacco substitutes.
 - (b) Ice cream, Pan masala, Tobacco and manufactured tobacco substitutes.
 - (c) Masala Maggi, Aerated water, Tobacco and manufactured tobacco substitutes.
 - (d) Ice cream, Pan masala, Aerated water, Tobacco and manufactured tobacco substitutes.
16. Which of the following is/are correct with respect to person ineligible to opt for composition scheme?
- (a) He is engaged in the supply of services and in supply of goods or service which are not leviable to tax
 - (b) He is engaged in making any supply of goods or services through an ECO, liable to deduct TCS.
 - (c) He is not engaged in the supply of services and in supply of goods or service which are not leviable to tax
 - (d) Both a & b

17. 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 Rs. 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 Rs. 9,55,000 on which Ramesh & Co. had charged CGST of Rs. 57,300 and SGST of Rs. 57,300. C & Co. had also purchased goods from E & Co., registered in Haryana, for Rs. 2,46,000 on which E & Co. had charged IGST of Rs. 29,520. GST liability of C & Co. for the fourth quarter of the financial year is-
- (a) CGST Rs. 7,500 & SGST Rs. 7,500
 - (b) CGST Rs. 3,180 & SGST Rs. 32,700
 - (c) CGST Rs. 32,700 & SGST Rs. 3,180
 - (d) CGST Nil and SGST Nil

Section 10(2A) of CGST Act

18. Miss. Raksha is engaged in providing private coaching services in Noida, Uttar Pradesh and is not registered under GST till 25-Sep-20XX. Her aggregate turnover is Rs 19,00,000/- on 30-Sep-20XX. She got GST registration on 30-Sep- 20XX. Which of the following options are available to her?
- (a) She can pay tax @ 18%, charge it from the customer and avail full input tax credit on procurements made.
 - (b) She can pay tax @ 6% under composition scheme for service providers but she cannot charge GST from customers and also cannot avail input tax credit.
 - (c) She is not liable for registration since her aggregate turnover is less than Rs 40,00,000/-
 - (d) Either (a) or (b)
19. Which of the following statements is not correct for a taxpayer who has opted for a composition scheme?
- (a) A registered person supplying goods under the composition scheme shall issue a bill of supply.
 - (b) Last date for payment of liability towards tax, interest, penalty, fee or any other sum is the 20th day of each month.
 - (c) A composition dealer shall mention the words "Composition taxable person, not eligible to collect tax on supplies" at the top of the bill of supply issued by him.
 - (d) Last date for payment of liability towards tax, interest, penalty, fee or any other sum is the 18th day of the month following each quarter.

20. Mr. Vivek Bindra, Composition taxpayer supplier registered in Mumbai made supplies amounting to Rs 60lacs till June 2024. He starts supplying goods to recipient based in Pune through Amazon, an ECO who collects TCS u/s 52 from July 2024. From July shall he continue to pay tax under
- (a) Composition scheme
 - (b) Normal scheme

21. Will your answer be different if the recipient is situated in Gujarat instead of Pune (Mah)?
- a) Composition scheme
 - b) Normal scheme

22. Mr. Jethalal, a trader of electronic items, starts Selling Natural icecreams by purchasing its franchisee outlet. Can he continue to pay tax as per Composition scheme?
- Yes
 - No
 - Can't Say
 - All of above

23. Check Eligibility in Composition Scheme

A Ltd, a manufacturing concern furnishes you with the following information for Financial Year 2019-20.

It requires you to determine whether A Ltd is eligible for composition scheme in FY 20-21, if she is registered in Assam

(1)	Intra State taxable supplies of Goods X (GST@5%, inclusive)	63,00,000
(2)	Intra state Supplies of service which are chargeable to GST at Nil rate	18,00,000
(3)	Inter State supplies of Goods Y which are taxable (GST@12%, exclusive)	9,00,000
(4)	Value of inward supplies on which tax payable under RCM (GST Rate 5.%)	5,00,000
(5)	Interest earned on loans	20,00,000
(6)	Outward supply where tax is payable as per RCM	48,00,000
(7)	Intra state Supplies of Petrol which are not leviable to GST	13,00,000
(8)	Taxable goods supplied to branch that is registered in surat without consideration	5,00,000
(9)	Supplies goods to other states of India through Amazon, who collects TCS u/s 52	10,00,000

Will your answer be different if A Ltd was a trader?

- 163L
 - 140L
 - 135L
 - None of the above
24. Computing Tax liability in Composition Scheme

A Ltd. a manufacturing concern in Rajasthan has opted for composition scheme furnishes you with the following information for Financial Year 2019-20. A Ltd. aggregate turnover is PFY was 43lacs It requires you to determine its composition tax liability and total tax liability. The break - up of supplies are as follows –

	Particulars	₹
(1)	Intra State Supplies of Goods X chargeable @5% GST	6,00,000
(2)	Intra State Supplies made which are which are chargeable to GST at Nil rate	1,80,000
(3)	Intra State Supplies which are wholly exempt under section 11 of CGST Act, 2017	2,20,000
(4)	Value of inward supplies on which tax payable under RCM (GST Rate 5%)	5,00,000
(5)	Intra State Supplies of Goods Y Chargeable @18% GST	30,00,000
(6)	Interest earned on deposits	25,00,000

Will your answer be different if A Ltd. was a trader?

- | | | |
|----|--------------|----------|
| a) | Manufacturer | Trader |
| | - 65000 | - 60,000 |
| b) | - 70,000 | - 61,000 |
| c) | 65,000 | 61,000 |
| d) | 59,000 | 63,000 |

ANSWERS:

Q.	Ans	Reason
1.	a	An eligible RP, whose aggregate turnover in the PFY does not exceed 1.5 crores in states other than Manipur, Mizoram, Nagaland, Sikkim, Meghalaya, Tripura, Uttarakhand, Arunachal Pradesh, may opt to pay tax under composition scheme. In the given case , Harish Trading Company situated in Haryana, is eligible to opt for composition since his turnover has crossed registration limit but not 1.5 crores which is limit up to which a person is eligible for composition.
2.	d	An eligible RP , whose aggregate turnover in the PFY does not exceed 1.5 crores in states other than Manipur, Mizoram, Nagaland, Sikkim, Meghalaya, Tripura, Uttarakhand, Arunachal Pradesh, may opt to pay tax under composition scheme.
3.	a	An eligible RP, whose aggregate turnover in the PFY does not exceed Rs.75 lakh in the state of Manipur, Mizoram, Nagaland, Sikkim, Meghalaya, Tripura, Uttarakhand, Arunachal Pradesh, may opt to pay tax under composition scheme. Further, manufacturers of Ice cream shall not be eligible but traders of ice cream shall be eligible to pay tax under composition scheme. Since Fardeen Khan has not crossed the threshold limit of Rs. 75 lakhs and he is a trader in ice-cream; hence he is eligible for composition scheme.
4.	c	If the turnover of a registered person paying taxes under composition scheme during the year crosses the threshold limit, He will cease to remain under the composition scheme with immediate effect and shall file an intimation in GST CMP 04 within 7 days of the event.
5.	c	As per Rule 5, a person opting for composition scheme shall pay tax under section 9(3)/9(4) on inward supply of goods or services or both at the rate applicable to those services.
6.	b	An eligible RP, whose aggregate turnover in the PFY does not exceed Rs.75 lakh in the state of Manipur, Mizoram, Nagaland, Sikkim, Meghalaya, Tripura, Uttarakhand, Arunachal Pradesh, may opt to pay tax under composition scheme.
7.	d	An eligible RP, whose aggregate turnover in the PFY does not exceed 1.5 crores in states other than Manipur, Mizoram, Nagaland, Sikkim, Meghalaya, Tripura, Uttarakhand, Arunachal Pradesh, may opt to pay tax under composition scheme.

8.	d	An eligible RP, whose aggregate turnover in the PFY does not exceed 1.5 crores in states other than Manipur, Mizoram, Nagaland, Sikkim, Meghalaya, Tripura, Uttarakhand, Arunachal Pradesh, may opt to pay tax under composition scheme.
9.	c	An eligible RP, whose aggregate turnover in the PFY does not exceed 1.5 crores in states other than Manipur, Mizoram, Nagaland, Sikkim, Meghalaya, Tripura, Uttarakhand, Arunachal Pradesh, may opt to pay tax under composition scheme.
10.	c	A person who opts to pay tax under composition scheme may supply services of value not exceeding 10% of turnover in a State/ UT in the PFY or Rs.5 Lakhs , whichever is higher .
11.	b	As per section 10(1) , RP with ATO upto 75 lacs/1.5 cr shall be eligible under composition scheme. As per section 10(2) , RP shall not be eligible to opt for composition scheme if he is engaged in the manufacture of Ice cream and other edible ice, whether or not containing cocoa, pan masala, tobacco & tobacco substitutes and aerated water.
12.	b	An eligible RP, whose aggregate turnover in the PFY does not exceed Rs.75 lakh in the state of Manipur, Mizoram, Nagaland, Sikkim, Meghalaya, Tripura, Uttarakhand, Arunachal Pradesh, may opt to pay tax under composition scheme.
13.	d	Section 10(4) of CGST act: A taxable person to whom the provisions of sub- section (1) or, as the case may be, sub-section (2A) apply shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.
14.	c	(a) M/s ABC, a firm selling garments solely in Ahmedabad, having aggregate turnover of Rs. 78 lakhs in the preceding F.Y.: Intrastate supplier of goods is eligible for composition up to a turnover of Rs. 1.5 crore. (b) A start-up company exclusively operating a restaurant in Delhi, having aggregate turnover of Rs. 98 lakhs in the preceding F.Y.: supplier of restaurant services is eligible for composition up to a turnover of Rs. 1.5 crore. (c) A courier service company operating solely in Mumbai having aggregate turnover of Rs. 90 lakhs in the preceding F.Y.: Supplier of services are not eligible for composition u/s 10(1) & (2) of the CGST act. (d) A trader selling grocery items solely in Orissa having an aggregate turnover of Rs. 95 lakhs in the preceding F.Y.: Intrastate supplier of goods is eligible for composition up to a turnover of Rs. 1.5 crore.

15.	d	RP shall not be eligible to opt for composition scheme if he is engaged in the manufacture of Ice cream and other edible ice, whether or not containing cocoa, pan masala, tobacco & tobacco substitutes and aerated water.																				
16.	d	RP shall be eligible to opt for composition scheme if he is not engaged in the supply of services and in supply of goods or service which are not leviable to tax, is not engaged in making any supply of goods or services through an ECO, is not engaged in making interstate outward supplies of goods or services.																				
17.	a	GST liability of C & Co. for the fourth quarter of the financial year is- CGST = Rs. 15,00,000 x 0.1%= Rs. 7,500 SGST = Rs. 15,00,000 x 0.1%= Rs. 7,500 No ITC is available to a person under composition scheme.																				
18.	d	As per Section 10(2A) a RP, not eligible to opt to pay tax under 10(1) and 10(2), whose aggregate turnover in PFY does not exceed fifty lakh rupees, may opt to pay tax under section 9(1) or an amount of tax calculated at such rate as may be prescribed, but not exceeding 6% under composition scheme.																				
19.	b	Last date for payment of liability towards tax, interest, penalty, fee or any other sum is the 18th day of the month following each quarter.																				
20.	a	As per recent amendment, composition taxpayer is allowed to supply goods through Eco if it is an intra-state supply of goods and is subject to conditions where ECO follow certain procedures.																				
21.	b	A composition taxpayer will not be able to continue with compo scheme as he has started supplying goods through ECO outside the State																				
22.	a	As he is a trader of goods and not manufacturer of icecream.																				
23.	a	<p>→ Computation of Aggregate T/o:</p> <table border="1"> <tr> <td>Intrastate taxable supply of goods $\left\{ \frac{63L}{105} \times 100L \right\}$</td> <td>6000000</td> </tr> <tr> <td>Intrastate supply of services</td> <td>1800000</td> </tr> <tr> <td>Interstate supply of goods</td> <td>900000</td> </tr> <tr> <td>Value of inward supply where tax is paid as per RCM</td> <td>NIL</td> </tr> <tr> <td>Interest earned on Loans</td> <td>NIL</td> </tr> <tr> <td>Outward supply where tax is paid as per RCM</td> <td>4800000</td> </tr> <tr> <td>Intrastate supply of petrol</td> <td>1300000</td> </tr> <tr> <td>Taxable goods supplied to branch in surat</td> <td>500000</td> </tr> <tr> <td>Supplies goods to other states of India through Amazon, who collects TCS u/s 52</td> <td>10,00,000</td> </tr> <tr> <td>TOTAL</td> <td>1,63,00,000</td> </tr> </table> <p>1) Thus, since the t/o exceeds 150 lacs A ltd. is not eligible for composition scheme. 2) No. even if A ltd is a trader, Answer will remain same, as even in his case threshold limit is upto ₹ 150 lacs</p>	Intrastate taxable supply of goods $\left\{ \frac{63L}{105} \times 100L \right\}$	6000000	Intrastate supply of services	1800000	Interstate supply of goods	900000	Value of inward supply where tax is paid as per RCM	NIL	Interest earned on Loans	NIL	Outward supply where tax is paid as per RCM	4800000	Intrastate supply of petrol	1300000	Taxable goods supplied to branch in surat	500000	Supplies goods to other states of India through Amazon, who collects TCS u/s 52	10,00,000	TOTAL	1,63,00,000
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Supplies goods to other states of India through Amazon, who collects TCS u/s 52	10,00,000																					
TOTAL	1,63,00,000																					

24.	c	O/p tax liability	=	<u>Manufacturer</u> 40,000 (40L X1%)	<u>Trader</u> 36,000 (36LX1%) Trader pays tax only on taxable Supplies
		Input tax liability as per RCM	=	25,000 <u>(5LX 5%)</u>	25,000
		Payable in case	=	<u>65,000</u>	<u>61,000</u>

Multiple Choice Question

Goods & services

1. Goods as per section 2(52) 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)
2. Which of the following is not considered as 'goods' under the CGST Act, 2017?
 - (i) Ten-paisa coin having sale value of Rs. 100.
 - (ii) Shares of unlisted company
 - (iii) Lottery tickets

(a) (i) (b) (ii)
(c) (ii) and (iii) (d) (i), (ii) and (iii)
3. Ram a stock broker charges some service charges or service fees or documentation fees or broking charges or such like fees or charges are charged in relation to transactions in securities, the same would be a consideration for provision of service. Will such brokerage/service fees be service and chargeable to GST?

(a) Yes (b) No
4. Which one of the following is/are correct?
 - (a) Currency held for its numismatic value falls under Goods.
 - (b) Currency held for its numismatic value doesn't fall under Goods.
 - (c) Money shall include currency held for its numismatic value.
 - (d) Both a & c _
5. Activities related to the use of money or its conversion by cash or any other mode by charging a separate consideration is Services?

(a) False. (b) True.

Section 7(l)(a): All forms of supply for a consideration in the course / furtherance of Business

6. Which one of the following is not considered as Consideration in relation to the supply of goods or services?
 - (a) A deposit given in respect of the supply of goods or services or both.
 - (b) Any subsidy given by the Central Government or a State Government.
 - (c) Any subsidy other than subsidy given by the Central Government or a State Government.
 - (d) Both (a) & (b)

Section 7(l)(c): Activities/transactions specified in Schedule I

7. 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. Raghuvver, 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 Rs. 21,000.

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

8. specifies the activities to be treated as supply even if made without consideration.
- Schedule I of CGST Act
 - Schedule II of CGST Act
 - Schedule III of CGST Act
 - All of the above
9. Which of the following transactions does not qualify as supply under GST law?
- Disposal of car without consideration and where the supplier has not claimed ITC on such car.
 - When a principal makes supplies to his agent who is also registered under GST and is situated within the same State and the invoice for further supply is issued by the agent in his name.
 - When the Head Office makes a supply of services to its own branch outside the State.
 - When a person imports services without consideration for the purposes of his business from his elder son living outside India.
10. Mr. James Bond is a registered person under GST in the State of Maharashtra who sells footwear to his customers locally within the same State. He has been appointed as an agent by M/s. Toto Shoes Ltd., a company registered under GST in the State of Karnataka. During a financial year, M/s. Toto Shoes Ltd., sends taxable goods worth Rs 5.00 crore from its Bengaluru store to Mr. James Bond who sells such goods for Rs 5.00 crore by raising invoices using the GSTIN of M/s. Toto Shoes Ltd. Mr. James Bond receives a commission of Rs 60.00 lakh from M/s. Toto Shoes (P) Ltd., during the said financial year.
- Compute the value of supply of Toto Shoes (P) Ltd. and Mr. James Bond for the FY.
- M/s. Toto Shoes (P) Ltd.: Nil and James Bond: Rs 5.6 crore
 - M/s. Toto Shoes (P) Ltd.: Rs 5 crore and James Bond: Rs 5.6 crore
 - M/s. Toto Shoes (P) Ltd.: Rs 5 crore and James Bond: Rs 60 lakh
 - None of the above
11. Which of the following is not a supply under the CGST Act, 2017?
- Goods supplied free of cost by X & Sons to its agent for further supply to customers at Rs. 5,000.
 - Importation of accounting services (for business purposes) free of cost from a dependent father residing in the US.
 - An expensive watch gifted to an employee for Rs. 50,000.
 - A machinery disposed off free of cost on which input tax credit has been availed.
12. Which of the following services received, in the course or furtherance of business, without consideration amount to supply?
- Import of services by a person in India from his son well-settled in USA
 - Import of services by a person in India from his brother well-settled in Germany
 - Import of services by a person in India from his brother (wholly dependent on such person in India) in France
 - Import of services by a person in India from his daughter (wholly dependent on such person in India) in Russia
- i, iii and iv
 - ii, iii and iv
 - ii and iii
 - i and ii

13. 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.

Section 7(1A): Activities shall be Supply of goods or Supply of services

14. 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
15. Which of the following activities is a supply of services?
- (a) Transfer of right in goods/ undivided share in goods without transfer of title in goods
 - (b) Transfer of title in goods
 - (c) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date.
 - (d) All of the above

Section 7(2)(a): Activities or transactions specified in Schedule III

16. 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)
17. Which of the following activities is outside the scope of supply & not taxable under GST?
- (a) Services by an employee to the employer in the course of or in relation to his employment
 - (b) Services of funeral
 - (c) Actionable claims, other than lottery, betting and gambling.
 - (d) All of the above

Section 8: Tax liability on composite and mixed supplies

18. Which of the following supplies are naturally bundled?
- (a) Rent deed executed for renting of two different floors of a building-one for residential and another for commercial purpose to same person
 - (b) Pack of watch, tie and belt
 - (c) Package of canned food such as burger, chocolates, sweets, cake etc.
 - (d) None of the above

19. A _____ supply comprising of two or more supplies shall be treated as the supply of that particular supply that attracts the highest rate of tax.
- Composite
 - Mixed
 - Both (a) and (b)
 - None of the above
20. There is a difference in taxability of goods forming part of composite supply and mixed supply. Here are a few examples from which you need to identify which is correct example of composite supply and mixed supply.
- Mr. A buys a car and purchases the warranty and maintenance of the car by paying a nominal amount. Car, warranty and maintenance here are a mixed supply.
 - Mr. A buys a car and purchases the warranty and maintenance of the car by paying a nominal amount. Car, warranty and maintenance here are a composite supply.
 - Mrs. A buys a microwave oven and some utensils for use in the microwave oven. Both microwave ovens and utensils are sold at a single price. Microwave oven and its utensils here are a mixed supply.
 - Mrs. A buys chocolates, juices and biscuits from a shop. All items have different prices. Chocolates, juices and biscuits are a mixed supply.
- The correct examples of composite and mixed supply are: -
- i, iv
 - ii, iii
 - ii, iii, iv
 - None of the above
21. M/S. Vishu Megamart, operating a store located and registered in Rajasthan, has come out with big discount offers at the time of Diwali on various gift items. In order to attract more customers, it has decided to supply a gift pack containing 5 packets of Haldiram's Namkeen (200 grams each) taxable @ 12%, 1 packet of Roasted Smoked Almonds (100 gram) taxable @ 18%, 1 packet of Bournville Chocolate (50 mg) taxable @ 28% and 1 bottle of Real Fresh Juice (1 litre) taxable @ 18% in a single basket for a single price of Rs. 1,000/-.
- State the type of supply and the tax rate applicable on the same.
- Composite supply; Tax rate of the principal item, i.e., Namkeen @18%
 - Composite supply; Highest tax rate out of all items, i.e., 28% applicable to chocolates
 - Mixed supply; Tax rate of principal item, i.e., Namkeen @18%
 - Mixed supply; Highest tax rate out of all items, i.e., 28% applicable to chocolates
22. What are the factors differentiating composite supply & mixed supply?
- Nature of bundling i.e., artificial or natural
 - Existence of principal supply
 - Both of the above
 - None of the above
23. Booking of Air Tickets with meal on board during travel will be taxed as & at the rate of?
- Composite supply & principal supply
 - Mixed supply & principal supply
 - Composite supply & highest rate
 - Any of the above
24. Under GST Act a supply of assortment of sweets, chocolates and firecrackers packed in a gift hamper is
- Joint supply
 - Composite supply
 - Mixed supply
 - Assorted supply

25. XX, registered in Delhi, purchased books from PC Traders, registered in Uttar Pradesh. Books are exempt from GST. XX arranged the transport of these books from a goods transport agency (GTA) which charged a freight of 9,000 for the same. GST is payable @ 5% on such GTA services. Which of the following statement is correct in the given context:
- GST of 450 is payable by XX on reverse charge basis.
 - Supply of goods and supply of GTA service is a composite supply wherein supply of goods is the principal supply and since principal supply is an exempt supply, no tax is payable on freight.
 - Since exempt goods are being transported, service provided by GTA for transporting the same is also exempt.
 - GST of 450 is payable by the GTA

Answer:

Q.	Ans	Reason
1.	c	<p>Goods means every kind of movable property</p> <ul style="list-style-type: none"> • Other than money and Securities <p>But includes</p> <ul style="list-style-type: none"> • actionable claim, • growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply. <p>From the above definition it is clear than money and securities are not goods.</p>
2.	b	<p>Goods means every kind of movable property</p> <ul style="list-style-type: none"> • Other than money and Securities • But includes • actionable claim, • growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply. <p>Money means</p> <ul style="list-style-type: none"> • the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveler cheque, money order, postal or electronic remittance or any other instrument recognised by the RBI when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination • but shall not include any currency that is held for its numismatic value; <p>Applying the above definition:</p> <ol style="list-style-type: none"> Ten-paisa coin having sale value of Rs. 100: Currency held for numismatic value is not money and hence goods. Shares of unlisted company: Shares are securities and hence not goods. Lottery tickets: They are actionable claims and hence goods.
3.	a	<p>Securities are neither goods nor services but explanation to definition of services provides that "services" includes facilitating or arranging transactions in securities. Hence, if a stock broker charges a commission/brokerage charges/portfolio maintenance charges/investment management fees/demat charges those fall under services and chargeable to GST.</p>

4.	a	<p>Goods means every kind of movable property Other than money and Securities</p> <p>Money means</p> <ul style="list-style-type: none"> • the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveler cheque, money order, postal or electronic remittance or any other instrument recognised by the RBI when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination • but shall not include any currency that is held for its numismatic value; <p>Since money does not include any currency that is held for its numismatic value, Currency held for its numismatic value shall fall under goods.</p>
5.	b	<p>Services means anything other than goods, money and securities but includes activities related to the use of money or its conversion by cash or any other mode for which a separate consideration is charged.</p>
6.	d	<p>Any subsidy given by the Central Government or a State Government & a deposit given in respect of the supply of g/s/b shall not be considered as consideration.</p>
7.	a	<p>(i) AB & Associates transfers stock of goods from its Mumbai branch to Kolkata depot for sale of such goods at the depot: Supply between distinct person is a supply as per schedule I.</p> <p>(ii) Mr. Raghuvveer, 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: Since ITC is blocked & hence not availed, it is not a supply as per Para I schedule I.</p> <p>(iii) Mrs. Riddhi, an employee of Sun Ltd., received gift from her employer on the occasion of Diwali worth Rs. 21,000: Gift to employee up to Rs. 50,000 per annum per employee is not a supply as per schedule I.</p>
8.	a	<p>As per Section 7(l)(c), activities specified in Schedule I made without a consideration shall be treated as deemed supply.</p>
9.	a	<p>Section 7(1)(C), Schedule I Para I, Permanent transfer or disposal of business assets where ITC has been availed on such assets qualifies as supply. Since the supplier has not claimed ITC on such car, it does not qualify as supply.</p>
10.	c	<p>Section 7: Since the invoice for further supply of goods by James Bond is in the GSTN of Toto Shoes ltd, the sales made by James bond shall be included in the turnover of Toto Shoes ltd. Further, the commission earned by James Bond shall be included his turnover.</p> <p>Hence, the VOS of Toto Shoes ltd = Rs 5 Crore since invoice was raised in his name &The turnover of James Bond shall be the commission earned = Rs 60 lakhs.</p>
11.	c	<p>Gifts not exceeding Rs. 50,000 in value in a FY by an employer to an employee shall not be treated as supply of goods or services or both. Therefore, there will be no GST Liability.</p>

12.	a	<p>Schedule I, Para 4. Import of services by a person from a related person or from his establishments located outside India, without consideration, in the course or furtherance of business Related party definition under GST included family Section 2(49): Family means, -</p> <p>(i) the spouse and children of the person, and (ii) the parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person.</p> <p>Applying the above:</p> <p>(i) Import of services by a person in India from his son well-settled in USA: Son is a related person, hence it's a supply. (ii) Import of services by a person in India from his brother well-settled in Germany: Brother well-settled in Germany is not a related person, hence it is not a supply.</p>
		<p>(iii) Import of services by a person in India from his brother (wholly dependent on such person in India) in France: Dependent brother is a related person, hence it's a supply. (iv) Import of services by a person in India from his daughter (wholly dependent on such person in India) in Russia: Daughter is a related person, hence supply.</p>
13.	c	<p>Schedule I, Para 4. Related party definition under GST included family Section 2(49): Family means, -</p>
(iii)		the spouse and children of the person, and
(iv)		<p>the parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person. Hence Grand-parents are considered as related persons to their grand-son/granddaughter only if they are wholly dependent on their grand-son/grand-daughter</p>
14.	d	<p>(a) Renting of commercial office complex: as per Schedule II para 2, letting out of building including a commercial, industrial or residential complex is a supply of service. (b) An employee agreeing to not work for the competitor organization after leaving the current employment: as per para 5(e) of schedule II, not to do/refrain from doing something is a supply of service. (c) Repairing of mobile phone: as per para 5(e) of schedule II, to do an act is a supply of service. (d) Provision of services by an employee to the employer in the course of employment: As per schedule III, It's neither supply of goods not supply of service.</p>
15.	a	As per Schedule II any transfer of right in goods/of undivided share in goods without transfer of title thereof, is a supply of services.

16.	d	(i) Permanent transfer of business assets where ITC has been availed on such assets: It's a supply, Supply of goods (ii) Temporary transfer of intellectual property right: It's a supply, Supply of service. (iii) Transportation of the deceased: Section 7(2)(a) read with schedule III: neither as supply of goods nor supply of services. (iv) Services by an employee to the employer in the course of employment: Section 7(2)(a) read with schedule III: neither as supply of goods nor supply of services.
17.	d	Schedule III specifies activities or transaction that shall be treated as neither supply of goods nor supply of services
18.	d	None of the above are naturally bundled, Naturally bundled are normally advertised as a package, different elements are not available separately and different elements are integral to one overall supply.
19.	b	Mixed supply means two or more individual supplies of goods or services, made in conjunction with each other for a single price. It shall be treated as supply of that particular supply which attracts the highest rate of tax.
20.	b	(i) Mr. A buys a car and purchases the warranty and maintenance of the car by paying a nominal amount. Car, warranty and maintenance here are a mixed supply - it's a composite supply. (ii) Mr. A buys a car and purchases the warranty and maintenance of the car by paying a nominal amount. Car, warranty and maintenance here are a composite supply - True, it's a composite supply. (iii) Mrs. A buys a microwave oven and some utensils for use in the microwave oven. Both microwave ovens and utensils are sold at a single price. Microwave oven and its utensils here are a mixed supply - It's a mixed supply individual supplies are supplied for a since supplied for a single price. (iv) Mrs. A buys chocolates, juices and biscuits from a shop. All items have different prices. Chocolates, juices and biscuits are a mixed supply - Its neither mixed nor composite.
21.	d	Section 8: It is a mixed supply; It shall be treated as supply of that particular supply which attracts the highest rate of tax.
22.	c	Composite supply comprises two or more taxable supplies, naturally bundled and supplied in conjunction, one of which is a principal supply.
23.	a	It is a composite supply and taxable at the rate of principal supply.
24.	c	It is a mixed supply. Mixed supply means two or more individual supplies of goods or services, made in conjunction with each other for a single price. It shall be treated as supply of that particular supply which attracts the highest rate of tax.
25.	a	GST of ₹ 450 is payable by XX on reverse charge basis.

Multiple Choice Question

Section 15 (1): Introduction

1. Value of supply under section 15(1) is:
- (a) Wholesale price
 - (b) Market value
 - (c) Maximum retail price
 - (d) Transaction value

Section 15 (2): Other items to be included in value of supply

2. The value of supply should include:
- (a) Any non-GST taxes, duties, cesses, fees charged separately by supplier
 - (b) Interest, late fee or penalty for delayed payment of any consideration for any supply
 - (c) Subsidies directly linked to the price except subsidies provided by the CG & SG
 - (d) All of the above
3. Which of the following shall not be included in the value of supply?
- (a) GST
 - (b) Interest
 - (c) Late fee
 - (d) Commission
4. Which of the following is included while computing the value of supply of goods under GST?
- (a) Price of the goods
 - (b) Packing charges of the goods
 - (c) Tax levied by Municipal Authority on sale of the goods
 - (d) All of the above
5. Mr. Allauddin, a stationery retailer, located and registered under GST in Allahabad, has received order for supply of goods worth Rs. 2,00,000/- on 12th November, 2018 from another local registered dealer, Mr. Jallauddin. Goods were properly supplied with an invoice of Rs. 2,00,000/- on 14th November, 2018. Mr. Allauddin, incurred the following expenses before the goods were delivered to Mr. Jallauddin:
Packing charges Rs. 3,000/- Freight & Cartage Rs. 2,500/- Handling Charges Rs.1,500/-
Mr. Jallauddin, made full payment on delivery of the goods for which he was allowed cash discount of Rs. 2,000/-
The rate of tax on the goods supplied is IGST @ 18%, CGST @ 9% and SGST @ 9%.
Mr. Allauddin, paid CGST Rs. 18,000/- and SGST 18,000/-. As a tax consultant, what will be your advice relating to further tax liability of Mr. Allauddin-
- (a) CGST Rs. 630/- and SGST 630/-
 - (b) CGST Rs. 450/- and SGST 450/-
 - (c) CGST Rs. 18,630/- and SGST 18,630/-
 - (d) CGST Rs. 18,450/- and SGST 18,450/-
6. With reference to the provisions relating to transaction value under section 15 of the CGST Act, 2017, which of the following is not correct?
- (a) Central excise duty will not be included in transaction value for supply of tobacco.
 - (b) Municipal taxes paid by tenants will be included in transaction value for supply of renting service.
 - (c) Entertainment tax included in movie tickets will form part of the transaction value.
 - (d) Customer makes payment of freight which is payable by the supplier, directly to the service provider. However, the supplier does not include this amount in the invoice. Such an amount will be included in the transaction value of the supplier.

7. For the purpose of determining the value of supply under GST, is tax collected at source (TCS) under the provisions of the Income Tax Act, Includible?
 (a) Yes, TCS is includible in VOS
 (b) No, TCS is not includible in VOS.
 (c) Included partially
 (d) None of the above
8. Pradeep Traders, registered in Haryana, sold goods inter-State for Rs. 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 Rs. 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-Rs. 37,332
 (b) IGST-Rs. 10,370
 (c) CGST-Rs. 18,666 and SGST-Rs. 18,666
 (d) CGST-Rs. 5,185 and SGST-Rs. 5,185
9. Discount given after the supply is deducted from the value of supply, if -
 (a) such discount is given as per the agreement entered into at/or before the supply
 (b) such discount is linked to the relevant invoices
 (c) proportionate input tax credit is reversed by the recipient of supply
 (d) all of the above

Answers:

Q.	Ans	Reason
1.	d	As per Section 15(1), Value of supply is transaction value i.e., price paid/payable.
2.	d	As per section 15(2), value of supply includes any non-GST taxes, duties, cesses, fees charged separately by supplier, Interest, late fee or penalty for delayed payment of any consideration for any supply and subsidies directly linked to the price except subsidies provided by the CG & SG.
3.	a	As per section 15(2), Value of supply includes duties, taxes, cesses, fees other than GST.
4.	d	As per section 15(1), Value of supply is the Transaction value which is price of the goods, As per section 15(2), Value of supply includes ¾ Taxes, duties & cess other than GST like taxes levied by Municipal authority ¾ Incidental charges like packing charges.
5.	a	As per section 15(2), VOS = Rs. 2,07,000 (2,00,000 + 3,000 + 2,500 + 1,500) GST liability = Rs 2,07,000 * 9% = Rs. 18,630 CGST & 18,630 SGST. Differential GST payable: (18,630 - 18,000) = Rs 630 CGST & 630 SGST. Note: The cash discount of Rs. 2000, has not been excluded from the VOS since It is granted at the time of delivery, not recorded in the invoice.
6.	a	As per section 15(2), value of supply includes duties, taxes, cesses, fees other than GST. Therefore, central excise duty will be included in transaction value.
7.	b	For the purpose of determining the value of supply under GST, tax collected at source under the provisions of Income tax act would not be included.

8.	b	Computation of Value of supply & GST Liability		
		Particulars	Amount (Rs.)	Remarks
		Interstate Sale	2,05,000	Principal supply
		Freight charged	2,400	Included in value of supply
		Value of Supply	2,07,400	Taxable @ of principal supply
		GST rate on supply @ 5%	10,370	IGST since interstate supply
9.	d	<p>Discount given after the supply is deducted from the value of supply only if</p> <p>$\frac{3}{4}$ such discount is given as per the agreement entered into at/or before the supply,</p> <p>$\frac{3}{4}$ such discount is linked to the relevant invoices,</p> <p>$\frac{3}{4}$ proportionate input tax credit is reversed by the recipient of supply</p>		

Multiple Choice Question

Section 12: Time of Supply of goods

1. As per section 12, date on which the supplier receives the payment is
 - (a) Date entered in books of accounts
 - (b) Date of credit in bank account
 - (c) Date entered in books of accounts or date of credit in bank account, whichever is earlier
 - (d) Date on which receipt voucher is issued by supplier

2. What is the time of supply of goods liable to tax under reverse 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)

3. What is the time of supply of vouchers when the supply with respect to the voucher is identifiable?
 - (a) Date of issue of voucher
 - (b) Date of redemption of voucher
 - (c) Date of entry in books of accounts
 - (d) Earlier of (a) or (b) or (c)

4. What is the time of supply of vouchers when the supply with respect to the voucher is not identifiable?
 - (a) Date of issue of voucher
 - (b) Date of redemption of voucher
 - (c) Date of entry in books of accounts
 - (d) Earlier of (a) or (b) or (c)

5. Mr. A purchases redeemable vouchers worth INR 8000/- on 1st January. The vouchers are redeemable against purchase of any goods. The vouchers are valid till 30th June. What will be the time of supply in case of such vouchers?
 - (a) 1st January
 - (b) 30th June
 - (c) The date of redemption of vouchers
 - (d) None of the above

6. Banke Bihari (Pedewala), is a famous sweets manufacturer, located and registered in Mathura, Uttar Pradesh. He received an order for 200 Kg. of sweets on 2nd November, 2022 from M/s. Ghoomghoom Travels (P) Ltd., located and registered in the same locality of Mathura for a total consideration of Rs. 1,00,000/- on the occasion of Diwali festival. All 200 Kg. sweets were delivered to M/s. Ghoomghoom Travels (P) Ltd. on 5th November, 2022, but without invoice, as accountant of Mr. Banke Bihari was on leave on that day. However, the invoice was raised for the same on 6th November, 2022, when the accountant joined the office after leave. Payment in full was made on 7th November, 2022. Determine the time of supply of goods in this case.
 - (a) 2nd November, 2022
 - (b) 5th November, 2022
 - (c) 6th November, 2022
 - (d) 7th November, 2022

7. In case of supply of goods for Rs. 5,00,000, following information is provided-
 - Advance received on 1st April
 - Invoice issued on 15th April
 - Goods removed on 25th AprilWhat is the time of supply of goods, where tax is payable under forward charge?
 - (a) 1st April
 - (b) 15th April
 - (c) 25th April
 - (d) 30th April

Section 13: Time of Supply of Services

8. What is the time of supply of service if the invoice is issued within 30 days from the date of provision of service?
- Date of issue of invoice
 - Date on which the supplier receives payment
 - Date of provision of service
 - Earlier of (a) & (b)
9. What is the time of supply of service if the invoice is not issued within 30 days from the date of provision of service?
- Date of issue of invoice
 - Date on which the supplier receives payment
 - Date of provision of service
 - Earlier of (b) & (c)
10. What is the time of supply of service in case of reverse charge mechanism?
- Date on which payment is made to the supplier
 - Date immediately following 60 days from the date of issue of invoice
 - Date of invoice
 - Earlier of (a) and (b)
11. What is the time of supply of service where services are received from an associated enterprise located outside India?
- Date of entry of services in the books of account of recipient of service
 - Date of payment
 - Earlier of (a) & (b)
 - Date of entry of services in the books of the supplier of service
12. Mr. X enters into a contract with a client for supply of certain services on 18.12.2021. GST is payable on such services under forward charge. Services are supplied on 25.12.2021 and invoiced on 05.01.2022. The client makes payment by cheque for the services on 29.12.2021 and such payment is credited to the bank account of Mr. X on 06.01.2022. The payment is recorded in the books of account of the client and Mr. X on 30.12.2021 and 07.01.2022 respectively. The time of supply of services is:
- | | |
|----------------|----------------|
| (a) 29.12.2021 | (b) 30.12.2021 |
| (c) 06.01.2022 | (d) 05.01.2022 |
13. M/s. Tanatan received testing services from Aquarian Solution (P) Ltd. on 10-May-2022. The payment was entered in the books of account of Aquarian Solution (P) Ltd. on 16-May-2022 & was credited in their bank a/c on 19-May-2022. In the meantime, the supplier issued an invoice on 18-May-2022. What will be the time of supply in this case?
- (a) 10-May-2022 (b) 18-May-2022 (c) 16-May-2022 (d) 19-May-2022
14. 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 Rs. 20,000. She paid Rs. 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 Rs. 20,000. Pearl made balance payment of Rs. 15,000 on 30th November. Determine the time of supply in this case.
- Time of supply is 25th November for Rs. 20,000.
 - Time of supply is 25th November for Rs. 5,000 & 30th November for Rs.15,000.
 - Time of supply is 10th August for Rs. 5,000 & 10th October for Rs. 15,000.
 - Time of supply is 10th October for Rs. 20,000.

Answer:

Q.	Ans	Reason
1.	c	As per section 12(2), Date of receipt of payment is <ul style="list-style-type: none"> • Date entered in books of accounts or • Date of credit in bank account, whichever is earlier.
2.	d	As per section 12(3), Time of supply of goods liable to tax under ROM is <ul style="list-style-type: none"> • Date of receipt of goods or • Date of payment or • Date immediately following 30 days from the date of issue of invoice by the supplier, whichever is earlier.
3.	a	As per section 12(4), the time of supply of vouchers when the supply with respect to the voucher is identifiable shall be Date of issue of voucher.
4.	b	As per section 12(4), the time of supply of vouchers when the supply with respect to the voucher is not identifiable shall be Date of redemption of voucher.
5.	c	As per section 12(4), the time of supply of vouchers when the supply with respect to the voucher is not identifiable shall be Date of redemption of voucher.
6.	b	As per section 12(2), TOS in case of goods is Earlier of: Date of invoice: 06.11.22 Last date to raise invoice: 05.11.22 [Last date to issue an invoice is on or before removal of goods or delivery of goods: 05.11.22] Hence TOS is 05.11.22.
7.	b	As per section 12(2), TOS in case of goods is Earlier of: Date of invoice: 15.04 Last date to raise invoice: 25.04 [Last date to issue an invoice is on or before removal of goods or delivery of goods: 25.04] Hence TOS is 15.04.
8.	d	As per section 13(2), the TOS of service if the invoice is issued within 30 days from the date of provision of service shall be <ul style="list-style-type: none"> • Date of invoice or • Date of receipt of payment, whichever is earlier.

9.	d	As per section 13(2), the TOS of service if the invoice is not issued within 30 days from the date of provision of service shall be <ul style="list-style-type: none"> • Date of provision of service or • Date of receipt of payment, whichever is earlier.												
10.	d	As per section 13(3), the TOS of service in case of ROM shall be Date on which payment is made to the supplier or Date immediately following 60 days from the date of issue of invoice, whichever is earlier.												
11.	c	As per section 13(3), the TOS of service where services are received from an associated enterprise located outside India shall be <ul style="list-style-type: none"> •Date of entry of services in the books of account of recipient of service or •Date of payment, whichever is earlier.												
12.	d	As per section 13(2), If Invoice is raised on time i.e., within 30 days of Provisioning of service, TOS shall be Earlier of <ul style="list-style-type: none"> • Date of invoice - 05.01.2022 • Date of receipt of payment - 06.01.2022 [Date of receipt of payment: Earlier of book entry (07.01.22) or credit in the bank (06.01.22)] Hence TOS = 05.01.2022												
13.	c	As per section 13(2), If the invoice for the service is raised within 30 days, the time of supply of service shall be Earlier of: Date of invoice: 18.05.22 Date of receipt of payment: 16.05.22 [Earlier of: book entry (16.05.22) or credit in the bank (19.05.22)].												
14.	c	In the given scenario, invoice is not raise within 30 days of provisioning of service. As per section 13(2), If the invoice for the service is not raised within 30 days, the time of supply of service shall be Earlier of: <ul style="list-style-type: none"> • Date of provisioning of service or • Date of receipt of payment. <table border="1" data-bbox="389 1563 1458 1827"> <thead> <tr> <th>Particulars</th> <th>For Rs 5,000</th> <th>For balance 15,000</th> </tr> </thead> <tbody> <tr> <td>Date of Provisioning of service (Day of function)</td> <td>10.10</td> <td>10.10</td> </tr> <tr> <td>Date of receipt of payment</td> <td>10.08</td> <td>30.11</td> </tr> <tr> <td>Time of supply</td> <td>10.08</td> <td>10.10</td> </tr> </tbody> </table>	Particulars	For Rs 5,000	For balance 15,000	Date of Provisioning of service (Day of function)	10.10	10.10	Date of receipt of payment	10.08	30.11	Time of supply	10.08	10.10
Particulars	For Rs 5,000	For balance 15,000												
Date of Provisioning of service (Day of function)	10.10	10.10												
Date of receipt of payment	10.08	30.11												
Time of supply	10.08	10.10												

Multiple Choice Question

Section 31(2): Tax Invoice in case of services

1. In case of taxable supply of services, 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

2. In case of taxable supply of services by an insurer, 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

3. In case of taxable supply of services by an NBFC, 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

Section 31(3): Revised tax invoice

4. Avtaar Enterprises, Kanpur started trading in medicines from July 1, 20XX. Its turnover exceeded Rs 40 lakh on October 3, 20XX. The firm applied for registration on October 31, 20XX and was issued registration certificate on November 5, 20XX. Can any revised invoice be issued in the given scenario? If the answer to the first question is in affirmative, determine the period for which the revised invoices can be issued as also the last date upto which the same can be issued.
 - (a) Revised invoice cannot be issued in the given case.
 - (b) Revised invoices can be issued for supplies made between October 3, 20XX and November 5, 20XX. Further, the revised invoices can be issued for the said period till December 5, 20XX.
 - (c) Revised invoices can be issued for supplies made between October 31, 20XX and November 5, 20XX. Further, the revised invoices can be issued for the said period till December 31, 20XX.
 - (d) Revised invoices can be issued for supplies made between July 1, 20XX and November 5, 20XX. Further, the revised invoices can be issued for the said period till December 31, 20XX.

5. What will be the rate of tax and nature of supply of a service, if the same is not determinable at the time of receipt of advance?
 - (a) 12%, Inter-State supply
 - (b) 12%, Intra-State supply
 - (c) 18%, Inter-State supply
 - (d) 18%, Intra-State supply

6. Bill of supply is issued in case of:
 - (a) Exempted supplies
 - (b) Supplies by composition dealer
 - (c) Both of above
 - (d) None of the above.

7. Signature or digital signature of supplier/ authorised representative not required on following documents:
- Electronic tax invoice/Bill of supply
 - Electronic consolidated tax invoice in case of Insurance/Banking companies, financial institutions including NBFCs
 - Electronic ticket issued for passenger transportation service
 - All of the above
8. The name of the State of recipient along with State code are required in invoice when:
- Supplies-are made to registered persons
 - Supplies are made to unregistered persons where the value of supply is Rs.50,000 or more
 - Supplies are made to unregistered persons for any value.
 - None of the above
9. 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) Rs. 1,200 | (b) Rs. 600 |
| (c) Rs. 150 | (d) Rs. 200 |

Section 31(4): Continuous supply of goods

10. Kutch Refineries supplies LPG to XYZ Ltd. by a pipeline under a contract. The terms of contract are:
Monthly payment of Rs 2 lakh to be made by the recipient on the fifth day of the month. A quarterly statement of the goods dispatched and payments made will be issued by the seventh day of the month succeeding the relevant quarter.

August 5, September 5, October 5	Payments of Rs 2 lakh made in each month
October 7	Statement of accounts issued by supplier for the quarter July - September
October 17	Differential payment of Rs 56,000 received by supplier for the quarter July - September as per statement of accounts

Which of the following statements is true?

- Invoice will be issued on August 5, September 5, October 5 and October 7.
 - Invoice will be issued on August 5, September 5 and October 5.
 - Invoice will be issued on August 5, September 5, October 5, October 7 and Oct. 17
 - None of the above
- Section 31(5): Continuous supply of service**
11. In case of continuous supply of services, where due date of payment is ascertainable from the contract, invoice shall be issued:
- before or at the time when the supplier of service receives the payment
 - on or before the due date of payment
 - Either (a) or (b)
 - None of the above
12. In case of continuous supply of services, where due date of payment is not ascertainable from the contract, invoice shall be issued:
- before or at the time when the supplier of service receives the payment
 - on or before the due date of payment
 - Either (a) or (b)
 - None of the above

Section 31(7): Goods sent on approval

13. 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) None of the above
14. When goods sent on sale on approval basis, invoice has to be issued:
- (a) while sending the goods;
 - (b) when the recipient accepts the goods/6 months from date of removal, whichever is earlier
 - (c) when the recipient accepts the goods/1 month from the date of removal, whichever is earlier
 - (d) Later of (a) or (b)

Section 34: Credit note/Debit note

15. Whether Mr. X, a registered person, can issue a single debit note or credit note for one or more invoices?
- (a) No, for every invoice, a separate debit note or credit note is required to be issued.
 - (b) Yes, one debit note or credit note can be issued for one or more invoices.
 - (c) No, however, a single invoice can have more than one debit note or credit note.
 - (d) Debit note or credit note can be issued irrespective of issue of invoice.
16. Following is not a part of the contents of a bill of supply:
- (a) Description of Goods or Services or both
 - (b) Consecutive Serial number
 - (c) Signature or digital signature if registered of the recipient
 - (d) Signature or digital signature of the supplier or his authorized representative.
17. During the month of May, Z Ltd. sold goods to Y Ltd. for Rs. 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 Rs. 40,000 in the same month. Z Ltd. records the return of goods by issuing a credit note of Rs. 40,000 plus GST in the same month. In this situation, GST liability of Z Ltd. for the month of May will be
- (a) Rs. 45,900
 - (b) Rs. 38,700
 - (c) Rs. 53,100
 - (d) Rs. 40,000

Other miscellaneous questions

18. 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
19. Delivery Challan is required in case of .
- (a) Supply of liquid gas.
 - (b) Transportation of goods for job work.
 - (c) Transportation of goods for reasons other than supply.
 - (d) All of the above.

20. Which of the following is/are correct w.r.t HSN code?
- If aggregate turnover is up to 5 crore, HSN code of 2 digits is required and if aggregate turnover is more than 5 crore, HSN code of 4 digits is required.
 - If aggregate turnover is up to 5 crore, HSN code of 4 digits is required and if aggregate turnover is more than 5 crore, HSN code of 6 digits is required.
 - If aggregate turnover is up to 5 crore, HSN code of 6 digits is required and if aggregate turnover is more than 5 crore, HSN code of 8 digits is required.
 - If aggregate turnover is up to 5 crore, HSN code is not required and if aggregate turnover is more than 5 crore, HSN code of 4 digits is required.
21. Which of the following is correct w.r.t Multiplex?
- Compulsorily should issue E- ticket.
 - E-ticket shall be deemed tax invoice.
 - E-ticket to be issued even if the value of supply is less than Rs.200.
 - All of the above.

Answer:

Q.	Ans	Reason
1.	a	As per Section 31(2), Invoice shall be issued before/after the provision of service but within a period of 30 days from the date of supply of service.
2.	b	As per Section 31(2), in case of supply of service by an insurer, Invoice shall be issued before/after the provision of service but within a period of 45 days from the date of supply of service.
3.	b	As per Section 31(2), in case of supply of service by an NBFC, Invoice shall be issued before/after the provision of service but within a period of 45 days from the date of supply of service.
4.	b	As per section 31(3)(a) read with rule 53, Revised Tax Invoice can be issued only when supplier applies for registration within 30 days of becoming liable for registration. Revised Tax invoice shall be issued within 1 month of issuance of registration certificate, for the Invoice issued between effective date and date of issuance of registration certificate. Hence in the present case, Revised invoices can be issued for supplies made between October 3, 20XX and November 5, 20XX. Further, the revised invoices can be issued for the said period till December 5, 20XX.
5.	c	As per section 31(3) read with Rule 50, in case supply or the rate of tax is not determinable at the time of receipt of advance: then it shall be treated as interstate supply and tax rate shall be 18%.
6.	C	As per section 31(3)(c), Registered person supplying exempted goods/ services/ both or a composition dealer shall issue a bill of supply.
7.	d	As per 5th Proviso to rule 46: Signature or digital signature of supplier/ authorised representative is not required on electronic tax invoice/Bill of supply, Electronic consolidated tax invoice in case of Insurance/Banking companies, financial institutions including NBFCs, Electronic ticket issued for passenger transportation service.
8.	b	As per rule 46: The name of the State of recipient along with State code is required in invoice when supplies are made to unregistered persons where the value of supply is Rs. 50,000 or more.

9.	c	As per section 31(3)(b): A RP may not issue a tax invoice if the value of the goods or services or both supplied is less than Rs. 200 subject to such conditions and in such manner as may be prescribed. In the given case, the amount less than 200 is Rs 150, hence 150 is the answer.												
10.	a	As per section 31(4), in case of continuous supply of goods, invoice shall be issued before or at the time statement is issued or Payment is received. Statement issued on - October 7 Payment received on - August 5, September 5, October 5 Hence Invoice will be issued on/before August 5, September 5, October 5 and October 7.												
11.	b	As per section 31(5), in case of continuous supply of services, where the due date of payment is ascertainable from the contract, invoice shall be issued on or before the due date of payment.												
12.	a	As per section 31(5), in case of continuous supply of services, where the due date of payment is not ascertainable from the contract, invoice shall be issued before or at the time when the supplier of service receives the payment.												
13.	c	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 <ul style="list-style-type: none"> • before/at the time of supply OR • 6 months from the date of removal, whichever is earlier. 												
14.	b	When goods are sent on sale on approval basis, invoice has to be issued when the recipient accepts the goods/6 months from date of removal, whichever is earlier.												
15.	b	As per section 34, one debit note or credit note can be issued for one or more invoices.												
16.	c	As per section 31(c), Bill of supply does not include Signature or digital signature if registered of the recipient.												
17.	b	Computation of GST liability in the month of May <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Particulars</th> <th style="width: 20%;">GST</th> <th style="width: 20%;">Remark</th> </tr> </thead> <tbody> <tr> <td>GST on sales - Output tax liability</td> <td style="text-align: center;">45,900</td> <td>Rs. 255,000 * 18%</td> </tr> <tr> <td>Sales return - issuance of credit note resulting in decrease in liability</td> <td style="text-align: center;">7,200</td> <td>40,000 * 18%</td> </tr> <tr> <td>Net GST liability in May</td> <td style="text-align: center;">38,700</td> <td></td> </tr> </tbody> </table>	Particulars	GST	Remark	GST on sales - Output tax liability	45,900	Rs. 255,000 * 18%	Sales return - issuance of credit note resulting in decrease in liability	7,200	40,000 * 18%	Net GST liability in May	38,700	
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18.	a	Rule 48(1): The invoice shall be prepared in triplicate, in the case of supply of goods. Rule 48(2): The invoice shall be prepared in duplicate, in the case of the supply of services.												
19.	d.	As per Rule 55, Delivery challan is issued in case of supply of liquid gas, transportation of goods for job work and transportation of goods for reasons other than supply.												
20.	b.	If aggregate turnover is up to 5 crore, HSN code of 4 digits is required and if aggregate turnover is more than 5 crore, HSN code of 6 digits is required. In case of Multiplex, it is compulsory to issue electronic ticket and E-ticket shall be deemed tax invoice and it is to be issued even if the value of supply is less than Rs.200												

Multiple Choice Question

Section 10: POS of goods other than supply of goods imported into, or exported from India

1. M/s. Dhoom Furniture Mart, located and registered under GST in the State of Chhattisgarh, sells furniture from its showroom to M/s. Lucky Dhaba (located and registered under GST in the State of Jharkhand). M/s. Lucky Dhaba requested to deliver the furniture to Mr. Pyare Lal (his landlord at his new rented home at Patna, Bihar). M/s. Dhoom Furniture Mart sends the furniture with a proper E-way bill to Patna through a transporter, who makes the delivery to Mr. Pyare Lal. Determine the place of supply of furniture sold by M/s. Dhoom Furniture Mart to M/s. Lucky Dhaba in the above case.
 - (a) Chhattisgarh
 - (b) Jharkhand
 - (c) Patna, Bihar
 - (d) Either Jharkhand or Bihar, at the option of the recipient
2. Mr. Ram of Pune, Maharashtra sells 10 refrigerators to Mr. Shyam of Nasik, Maharashtra or delivery at Mr. Shyam's place of business in Nasik. The place of supply is
 - (a) Pune, MH
 - (b) Nasik, MH
 - (c) None of the above
 - (d) Both of the above
3. Mr. A (New Delhi) has leased his machine (cost Rs 8,00,000) to Mr. B (Noida, Uttar Pradesh) for production of goods on a monthly rent of Rs 40,000. After 14 months Mr. B requested Mr. A to sell the machine to him for Rs 4, 00,000, which is agreed to by Mr. A. In this case, there will be no movement of goods and the same will be sold on as is where is basis. Place of supply is
 - (a) Noida
 - (b) New Delhi
 - (c) None of the above
 - (d) Both of the above
4. Mr. X (New Delhi) boards the New Delhi- Kota train at New Delhi. He sells the goods taken on board by him at New Delhi, in Jaipur during the journey. POS is
 - (a) New Delhi
 - (b) Jaipur
 - (c) None of the above
 - (d) Both of the above
5. Which of the following supplies involving movement of goods is an intra-State supply?
 - (a) Location of supplier in Kerala and place of supply in Tamil Nadu
 - (b) Location of supplier in Karnataka and place of supply in Karnataka
 - (c) Location of supplier in Kerala and place of supply on Andhra Pradesh
 - (d) None of the above
6. Place of supply in case of installation of elevator is
 - (a) Where the movement of elevator commences from the supplier's place
 - (b) Where the delivery of elevator is taken
 - (c) Where the installation of elevator is made
 - (d) Where address of the recipient is mentioned in the invoice

7. Indigo Airlines sells various products like watches, artificial jewellery, packaged foods etc. to its passengers on board during the flight. The flight originates from Jaipur, halts at Mumbai and finally lands in Chennai. What would be the place of supply of such products?
- (a) Jaipur
 - (b) Chennai
 - (c) Location where goods were taken on board
 - (d) Location where passengers buying goods disembark

Section 11 of IGST Act: Place of Supply Of goods imported into, or exported from India

8. What is the location of supply in case Of importation of goods?
- (a) Customs port where the goods are cleared
 - (b) Location of the importer
 - (c) Place where the goods are delivered after clearance from customs port
 - (d) Owner of the goods

Section 12 of IGST Act: POS of services where location of supplier and recipient is in India

9. Aflatoon Spares (P) Ltd., located and registered in Haryana, supplied spare parts (FOB basis) to Mr. Laxmi Khurana, an unregistered person, located in Rajasthan. Mr. Laxmi Khurana booked the courier himself with Black Dart Courier (P) Ltd., registered in Delhi for delivery in Rajasthan. Black Dart Courier (P) Ltd. picked up the goods from Haryana and delivered the courier in Rajasthan while passing through the State of Uttar Pradesh. Determine the place of supply of service provided by Black Dart Courier (P) Ltd. to Mr. Laxmi Khurana:
- (a) Haryana
 - (b) Delhi
 - (c) Rajasthan
 - (d) Uttar Pradesh
10. Mr. R, a resident of Delhi, holds an account in ICICI Bank in Delhi. Mr. R goes to Jaipur for work. During his visit to Jaipur, he takes certain services relating to his account from ICICI bank in Jaipur in relation to some transaction to be carried out at Mumbai. What will be the place of supply in this case?
- (a) The place of supply shall be Delhi
 - (b) The place of supply shall be Jaipur
 - (c) The place of supply shall be Mumbai
 - (d) None of the above
11. M/s. Buildwell Engineering Consultants, located and registered in Gurugram, Haryana provided consultancy services to M/s. Taj India Ltd., (located and registered in Mumbai, Maharashtra) for its hotel to be constructed on land situated in Dubai. Determine the place of supply of consultancy services provided by M/s. Buildwell Engineering Consultants to M/s. Taj India Ltd.:
- (a) Gurugram, Haryana
 - (b) Mumbai, Maharashtra
 - (c) Dubai
 - (d) Either Maharashtra or Dubai, at the option of the recipient

12. Mr. Javed, an unregistered person residing in Hisar, Haryana, went to Delhi for seeking admission of his child - Mr. Arjun - in CA Intermediate. Mr. Javed got the demand draft generated at ICIDI Bank Ltd., registered under GST in Sahibabad, Uttar Pradesh against cash, for depositing the registration fee to the ICAI.
Mr. Javed does not have a bank account in ICIDI Bank Ltd. and the bank doesn't have any policy of KYC requirements (name, address and other identity verification policy) for customers requiring demand draft and not having account with any of its branch in India.
Determine the place of supply of service provided by ICIDI Bank Ltd. to Mr. Javed.
- (a) Delhi
 - (b) Uttar Pradesh
 - (c) Either Delhi or Uttar Pradesh, at the option of the recipient
 - (d) Haryana
13. Mr. Salman Khan, a resident of Mumbai, has booked a Videocon D2H connection at his other home in Delhi. His friend Shah Rukh Khan, a resident of Kerala, paid the charges for Salman's D2H connection in Delhi at the time of actual installation. Mr. Shah Rukh Khan went to Kolkata after making the payment. Both Salman Khan and Shah Rukh Khan are not registered in GST. Determine the place of supply of D2H service provided by Videocon to Mr. Salman Khan:
- (a) Mumbai
 - (b) Kerala
 - (c) Delhi
 - (d) Kolkata
14. Mr. Sunil Shetty, a resident of Mumbai, went to Vaishno Devi by train. Mr. Sunil Shetty, after visiting Vaishno Devi temple, purchased a JIO prepaid SIM from Tantan Communications in Jammu by paying cash. Mr. Sunil Shetty took the JIO SIM and the same day boarded the train to Delhi. He went to Agra thereafter, to visit the Taj Mahal. Determine the place of supply of JIO SIM by Tantan Communications to Mr. Sunil Shetty:
- (a) Mumbai
 - (b) Jammu
 - (c) Delhi
 - (d) Agra
15. A hotel chain X charges a consolidated sum of Rs. 30,000/- for stay in its two establishments in Delhi and Agra, where the stay in Delhi is for 2 nights and the stay in Agra is for 1 night. The place of supply in this case is
- (a) Both in Delhi & Uttar Pradesh & the service shall be deemed to have been provided in Delhi & Uttar Pradesh in the ratio 2:1 respectively. The value of services provided will thus be apportioned as Rs. 20,000/- in Delhi and Rs. 10,000/- in UP.
 - (b) In Delhi
 - (c) In UP
 - (d) None of the above
16. Mr. A (a Chartered Accountant registered in New Delhi) makes a supply of service to his client Mr. B of Noida, Uttar Pradesh (registered in Uttar Pradesh).
In this case, the place of supply is
- (a) Noida
 - (b) New Delhi
 - (c) None of the above
 - (d) Both of the above

17. Mr. X, a consulting engineer based in Mumbai, Maharashtra renders professional Services in respect of an immovable property of Mr. Y (Bangalore) located in Australia, the place of supply of service is
- (a) Australia (b) Mumbai
(c) Bangalore (d) None of the above
18. DEO Consultants (Kolkata) impart GST training to accounts and finance personnel of Sun Cements Ltd. (Registered in Guwahati, Assam) at the company's Kolkata office, the place of supply is
- (a) Guwahati (b) Kolkata
(c) None of the above (d) Both of the above
19. Place of supply of food taken onboard at Delhi for an aircraft departing from Delhi to Bangalore via Hyderabad is
- (a) Address of the aircraft carrier mentioned on the invoice of the supplier
(b) Delhi
(c) Jaipur
(d) Hyderabad
20. 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
21. Mr. X, a resident from Pune conducts training for employees of P Ltd. being a registered person under GST based out in Chennai at a resort in Darjeeling. The place of supply in this case is
- (a) Chennai (b) Darjeeling
(c) None of the above (d) Both of the above
22. POS of service for DTH by ABC Pvt. Ltd. located in Mumbai to customer in Patna is
- (a) Mumbai (b) Patna
(c) None of the above (d) Both of the above
23. Lucky Singh, a resident of Noida, U.P., went to Himachal Pradesh for a family vacation via Delhi-Chandigarh-Himachal Pradesh in his own car. After entering Chandigarh, his car broke down due to some technical issue. He called 'ONROARDS' - an emergency roadside car assistance company (registered under GST in Delhi) to repair the car. The car was repaired by the staff of 'ONROARDS'. The value of supply amounted to Rs 50,000 (being labour charges Rs 40,000 and spares Rs 10,000). The bill was supposed to be generated online through the server, but due to some technical issue, it was not so generated. Determine the place of supply in the given case, if the address of the recipient doesn't exist in the books of supplier.
- (a) Delhi
(b) Chandigarh
(c) Noida, U.P
(d) Himachal Pradesh

Answer:

Q.	Ans	Reason
1.	b	As per section 10(l)(b), Where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, (i.e., a case of Bill to ship to) place of supply of such goods shall be the principal place of business of such person. Therefore POS = Principal Place of business of Lucky Dhaba i.e., Jharkhand.
2.	b	As per section 10(l)(a), Where the supply involves movement of goods, whether by the supplier or by the recipient or by any other person, place of supply shall be Location of the goods at the time at which the movement of goods terminates for delivery to the recipient. In the given case, supply terminates in Nasik, hence Nasik is the place of supply.
3.	a	As per section 10(l)(c), Where the supply does not involve movement of goods, whether by the supplier or the recipient, place of supply shall be Location of such goods at the time of the delivery to the recipient. In the given case, the location of the goods at the time of delivery is Noida, UP. Hence Noida, UP is the place of supply.
4.	a	As per section 10(l)(e), Where the goods are supplied on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, place of supply shall be Location at which such goods are taken on board. In the given case, goods are taken on board at New Delhi, hence POS is New Delhi.
5.	b	As per section 8 of IGST act, Intrastate supply means where the location of supplier and place of supply is in the same state or union territory.
6.	c	As per section 10(l)(d), Where the goods are assembled or installed at site, place of supply shall be place of such installation or assembly.
7.	c	As per section 10(l)(e): POS is location where such goods are taken on board.
8.	b	As per section 11(a), In case of goods imported into India, place of supply shall be Location of the importer.
9.	a	As per section 12(8): POS in case of transportation of goods including mail or courier shall to: RP(B2B): Location of RP URP(B2C): Location at which goods are handed over for their transportation. The given case is a B2C transaction and hence POS = Location at which goods are handed over for their transportation i.e., Haryana

10.	a	As per section 12(12), POS = Location of recipient in the records of supplier i.e., Delhi.
11.	b	As per section 12(3), In case of POS of services in relation to an immovable property including services provided by architects, interior decorators, surveyors, engineers and any service provided by way of grant of rights to use immovable property shall be the location of such immovable property. Provided that if the location of the immovable property or boat or vessel is located or intended to be located outside India, the POS shall be the location of the recipient. In the given case, M/s. Taj India Ltd the recipient is located and registered in Mumbai, Maharashtra, hence POS is Mumbai, Maharashtra.
12.	b	As per section 12(12), The POS of banking and other financial services, including stock broking services to any person shall be the location of the recipient of services on the records of the supplier of services. Provided that if the location of the recipient of services is not on the records of the supplier, the POS shall be the location of the supplier of services. In the given case since the address of recipient is not available in records of supplier, POS = Location of supplier i.e., Uttar Pradesh.
13.	c	As per section 12(11), The POS of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person shall, in case of services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna, be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services. Hence, POS is Delhi, the place of installation of the D2H connection.
14.	b	As per section 12(11), in cases where mobile connection for telecommunication, internet service and DTH television services are provided on pre-payment basis through a voucher or any other means, through a selling agent, place of supply shall be the address of the selling agent. Hence POS is Jammu, the address of the selling agent.
15.	a	As per section 12(3), in case of services provided by way of lodging accommodation by a hotel, inn, guest house, club or campsite, by whatever name called and services ancillary to such services, the supply of services shall be treated as made in each of the respective States/UTs, in proportion to the number of nights stayed in such property.

		In the Given case, Nights stayed in Delhi is 2, whereas in Agra is 1, hence 30,000 shall be apportioned in the ration of 2:1. The value of services provided will thus be apportioned as Rs. 20,000/- in Delhi and Rs.10,000/- in UP.
16.	a	As per section 12(2), POS of services, except the services specified in sub-sections (3) to (14), made to a registered person shall be the location of such person. In the given case, B is registered in Noida, UP, hence POS is Noida UP.
17.	c	As per section 12(3), in case of POS of services in relation to an immovable property including services provided by architects, interior decorators, surveyors, engineers and any service provided by way of grant of rights to use immovable property shall be the location of such immovable property. Provided that if the location of the immovable property or boat or vessel is located or intended to be located outside India, the POS shall be the location of the recipient. Hence in the given case, since property is outside India, POS = Location of recipient i.e., Bangalore.
18.	a	As per section 12(5), POS of services in relation to training and performance appraisal to a RP, shall be the location of such person. Hence, the POS = location of RP i.e., Guwahati, Assam.
19.	b	As per section 12(10), Services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, Location of the first scheduled point of departure of that conveyance for the journey. In the given case, the first schedule departure point is Delhi, hence POS = Delhi.
20.	c	As per section 12(3), in case of POS of services in relation to an immovable property including services provided by architects, interior decorators, surveyors, engineers and other related experts or estate agents, any service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work, shall be the location of such immovable property. In the given case, property is located in Kolkata, hence POS = Kolkata, West Bengal.
21.	a	As per section 12(5), POS of services in relation to training and performance appraisal to a RP, shall be the location of such person. In the given case, POS = Chennai, being the location of RP.

22.	b	As per section 12(11), The POS of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person shall, in case of services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna, be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services. In the given case, POS = Patna, being the place where DTH is installed.
23.	a	As per section 12(2), POS (B2B supplies) = location of registered person, POS (B2C Supply) = location of the recipient (if address on record exists) & POS = location of the supplier (if address on record does not exist). In the given case, LOS = Delhi POS (B2C supply) = LOS = Delhi (if address on record does not exist).

Multiple Choice Question

Section 16: Eligibility and conditions for taking ITC

1. In which of the following situations, the taxpayer needs to reverse the credit already taken.
 - (a) If payment is not made to the supplier within 45 days from the date of invoice
 - (b) If payment is not made to the supplier within 90 days from the date of invoice
 - (c) If payment is not made to the supplier within 180 days from the date of invoice
 - (d) None of the above
2. What is the time limit for taking ITC on invoices pertaining to a financial year?
 - (a) 180 days
 - (b) 1 year
 - (c) 30th November of the next financial year or the date of filing annual return, whichever is earlier
 - (d) No limit
3. If the goods are received in lots/ instalment,.
 - (a) 50% ITC can be taken on receipt of 1st instalment and balance 50% on receipt of last instalment.
 - (b) ITC can be availed upon receipt of last instalment.
 - (c) 100% ITC can be taken on receipt of 1st instalment.
 - (d) Proportionate ITC can be availed on receipt of each lot/instalment.
4. 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._
5. Which of the following statements is true for a composition tax payer?
 - (a) A composition tax payer can avail only 50% of ITC on capital goods.
 - (b) A composition tax payer can avail 100% ITC on inputs.
 - (c) ITC is not available on inward supplies made by a composition tax payer.
 - (d) Composition tax will be available as ITC to the recipient only if the tax is mentioned separately in the invoice raised by the composition tax payer.
6. Mr. A has a tax invoice [date of issue: 20- 1-2021] of services received by him. Its input tax credit is lost, if ITC is not availed on or before-
 - (a) 20-1-2022
 - (b) 31-12-2021
 - (c) 20-1-2023
 - (d) 30th Nov, 2021 or date of filing of annual return for 2020-21, whichever is earlier.
7. P.K. Traders, engaged in manufacturing of taxable as well as exempt goods, purchased a machinery worth Rs. 17,70,000 (Rs. 15,00,000 plus Rs. 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) Rs. 2,70,000
 - (b) Zero
 - (c) In proportion of taxable and exempt supply

(d) By decreasing percentage points as prescribed

8. 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 debit note 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)

Section 17: Apportionment of credit and Blocked credit

9. Mr. Raghu avails services of Mr. Raja, a Chartered Accountant, as under -
- (i) Audit of financial accounts of Mr. Raghu Rs. 55,000
 - (ii) Tax audit and annual accounts filing of Mr. Raghu Rs. 10,000
 - (iii) Income-tax return filing of Mr. Raghu 's wife (salaried-return) Rs. 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 Rs. 70,000 plus GST in the books of account. Mr. Raghu is eligible to take input tax credit of-
- (a) Rs. 13,500 (b) Rs. 11,700
(c) Rs. 9,900 (d) Rs. 1,800
10. For banking companies using inputs and input services partly for taxable supplies and partly for exempt supplies, which of the statements 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 service shall be mandatorily availed 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.

11. Krishna Motors is a car dealer selling cars of an international car company. It also provides maintenance and repair services of the cars sold by it as also of other cars. Determine the amount of ITC available with the help of the following information regarding expenses incurred by it during the course of its business operations:

Particulars	GST paid
Cars purchased from the manufacturer for making further supply of such cars. [Two of such cars are destroyed in accidents while being used for test drives by potential customers. GST paid on their purchase is Rs 1 lac]	20,00,000
Works contract services availed for constructing a car shed in its premises.	50,000

- (a) Rs 19,00,000 (b) Rs 21,10,000
(c) Rs 19,50,000 (d) Rs 20,50,000

- 12.** Input tax credit cannot be taken on:
- A software professional providing technical consultancy buys a motorcycle for use of his employee.
 - A motor driving school buys a car for being used in imparting motor driving training.
 - A flying school imports an aircraft for use in its training activity.
 - A manufacturer buys a small truck for the purpose of transporting its inputs and finished goods.
- (iii)
 - (i), (ii), (iii), (iv)
 - (i)
 - (i), (iii)
- 13.** Kamlesh hires a works contractor for repairing his factory building on a lump sum payment (inclusive of GST) of Rs. 11,80,000. He debits half of the expenditure in the profit and loss account and the remaining half in the building account. Assuming the rate of GST to be 18%, Kamlesh can take ITC of:
- Rs 90,000
 - Rs 1,06,200
 - Rs 2,12,400
 - Nil
- 14.** Input tax Credit is available on all supplies which are used or intended to be used in the course or furtherance of business. Input tax credit will be available under which of the following situations?
- GST paid on motor vehicle for transportation of persons with seating capacity < 13, used in the course and furtherance of business.
 - GST paid on club membership fees.
 - GST paid on goods or services or both used for personal consumption.
 - IGST @18% paid on inputs purchased from a vendor in Bangalore where the supplier is registered in Rajasthan.
- 15.** ITC is not available in respect of.
- Tax paid under composition levy
 - goods given as free samples
 - goods used for personal consumption
- (i)
 - (i) and (ii)
 - (ii) and (iii)
 - (i), (ii) and (iii)
- 16.** Whether ITC allowed or Blocked in the independent cases?
- ITC on cars purchased by a manufacturing company for official use of its employees.
 - ITC on cars purchased by a car dealer for sale to customers.
 - ITC on cars purchased by a company engaged in renting out cars for transportation of passengers.
 - ITC on cars purchased by a car driving school.
 - ITC on buses purchased by a company for transportation of its employees from their residence to office and back.
 - ITC on trucks purchased by a company for transportation of its finished goods.
- Blocked, Blocked, Blocked, allowed, allowed,
 - Blocked, allowed allowed, allowed, allowed, Blocked, allowed
 - Blocked, allowed, allowed, allowed, allowed,
 - Blocked, Blocked allowed, allowed, allowed, allowed, allowed

17. A manufacturer who is a registered person under GST has purchased 10000 kgs of raw material during February, 2019, on which IGST of Rs.1,00,000 has been paid. He has taken 100 kgs for personal use. 200 kgs were stolen from the factory. Only 80% of the raw materials were consumed during the month for production. The input tax credit available to him for February, 2019 is
- (a) Rs.99,000
 - (b) Rs.97,000
 - (c) Rs.98,000
 - (d) Rs.1,00,000
18. Which of the following inward supplies are not eligible for ITC in case of a company manufacturing shoes?
- (a) Food and beverages
 - (b) Outdoor catering
 - (c) Health services
 - (d) All of the above
19. Which of the following statements is False?
- (a) ITC on works contracts services (capitalised) availed by a software company for construction of its office, is blocked.
 - (b) ITC on works contract services availed by a manufacturing company for construction of pipelines to be laid outside its factory, is blocked.
 - (c) ITC on goods and/or services used by an automobile company for construction of a foundation on which a machinery to be used in the production process) is to be mounted permanently, is allowed.
 - (d) ITC on works contract services availed by a consulting firm for repair of its office building is allowed provided the company has Capitalised such expenditure.
20. Under which of the following situations, ITC will be available under GST law?
- (a) Cars purchased by a manufacturing company for official use of its employees.
 - (b) Aircraft purchased by a manufacturing company for official use of its CEO.
 - (c) General insurance taken on a car used by employees of a manufacturing company for official purposes.
 - (d) Maintenance & repair services availed by a company for a truck used for transporting its finished goods.
21. ITC 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)

22. 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: -

SI No.	Particulars	GST Paid
1	General insurance taken on cars manufactured by PZY Ltd.	1 crore
2	Buses purchased for transportation of employees (Seating capacity 23)	25 lakhs
3	Life and health insurance for employees under statutory obligation	6 lakhs
4	Outdoor catering in Diwali Mela organized for employees	3.5 lakhs

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

Section 18: Availability of credit in special circumstances

23. Mr. X becomes liable to pay tax on 1st August, 2018 and has obtained registration on 15th August, 2018. Such person is eligible for ITC on inputs held in stock as on:

- (a) 1st August, 2018
(b) 31st July, 2018
(c) 15th August, 2018
(d) He cannot take credit for the past period

24. Mr. Rahul Roy, proprietor of M/s. Royal Shoe & Company is running a business of manufacturing shoes with the brand name of 'JUNOON'. The manufacturing unit is located in Delhi and registered under GST. However, due to low profitability in the business, he has decided to transfer his business to his friend Mr. Dilip Tijori. Mr. Dilip Tijori is already running the business of manufacturing shoes under a proprietorship firm named M/s Hawaii Shoes & Company which is located in Mumbai and registered under GST. Mr. Rahul Roy has approached you to help him with the issue of transfer of unutilized input tax credit in the electronic credit ledger of M/s. Royal Shoe & Company to M/s Hawaii Shoes & Company.

Advise Mr. Rahul Roy with the correct option in accordance with the provisions of the CGST Act, 2017:

- (a) M/s. Royal Shoe & Company cannot transfer unutilised input tax credit in its electronic credit ledger to M/s Hawaii Shoes & Company, as the proprietors are different.
(b) M/s. Royal Shoe & Company can transfer unutilized input tax credit in its electronic credit ledger to M/s Hawaii Shoes & Company and it can further be utilized in setting off GST liability for the succeeding period.
(c) M/s. Royal Shoe & Company can transfer unutilized input tax credit in its electronic credit ledger to M/s Hawaii Shoes & Company and it can be further utilized in setting off GST liability for a period upto the month of September following the year in which ITC was transferred.
(d) M/s. Royal Shoe & Company cannot transfer unutilized input tax credit in its electronic credit ledger to M/s Hawaii Shoes & Company but can claim refund of such unutilized ITC.

25. Ash & Co, registered in Delhi, is a manufacturer of hardware items. He has purchased a machine on 01.06.2020 for Rs. 59,000 (Rs. 50,000 + Rs. 9000 GST@ 18 %). GST of Rs. 9000 has been claimed by him as ITC. Now, on 01.01.2022, he sold his machinery to an unrelated party, Aggawal & Sons of Rajasthan for Rs. 47,200 (40,000 plus Rs. 7,200 GST @ 18%). Determine how much tax Ash & Co. is liable to pay?
- (a) Rs. 7,200
(b) Rs. 5,850
(c) Rs. 9,000
(d) Rs. 3,150
26. Mr. Lal, a registered person under GST, was the proprietor of M/s Spiceton Restaurant. He died and left behind his wife and son, on 15th August. His son - Mr. Pal - wants to continue the business of the deceased father. The GST consultant of M/s Spiceton Restaurant gives advice to Mr. Pal as to how he can continue the business of his deceased father. Which of the following options is correct in accordance with the provisions of GST law?
- (a) Mr. Pal should apply for a new registration under GST in the name M/s Spiceton Restaurant under his own PAN w.e.f. the date of succession and file Form GST ITC 02 for transfer of ITC to the new entity.
(b) Mr. Pal can get the authorized signatory changed by approaching to the Proper Officer and can continue the same business.
(c) Mr. Pal should close the old firm and start new business under different name.
(d) Mr. Pal should do the business with his mother as the new proprietor of the M/s Spiceton Restaurant, and Mr. Pal should act as a manager.

Answer:

Q.	Ans	Reason
1.	c	As per Proviso to section 16(2), If payment is not made to the supplier within 180 days from the date of invoice, then the taxpayer needs to reverse the credit already taken.
2.	c	As per section 16(4), the time limit for taking ITC on invoices pertaining to a FY is <ul style="list-style-type: none"> • 30th November of the next financial year or • The date of filing annual return, whichever is earlier.
3.	b	As per proviso to section 16(2), If the goods are received in lots/instalment, ITC can be availed upon receipt of last instalment.
4.	b	As per section 16(3), If a supplier takes deduction of depreciation on the GST component of the cost of capital goods as per Income- tax Act, 1961 then the supplier cannot avail ITC on the said tax component.
5.	c	Section 10(4): A taxable person to whom the provisions of 10(1) & (2A) apply shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.
6.	d	As per section 16(4): A RP shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after 30th November following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.

7.	b	As per section 16(3): Where the RP has claimed depreciation on the tax component of the cost of capital goods & plant and machinery under the provisions of the Income-tax Act, the ITC on the said tax component shall not be allowed.																									
8.	c	Point (iv): There is no time limit to declare the details of debit note in the return: is incorrect. As per section 16(4): Maximum time limit to claim ITC relating to Invoice or debit note <ul style="list-style-type: none"> • 30th November of succeeding FY or • Date of filing of annual return, whichever is earlier 																									
9.	b	<p>Computation of eligible ITC:</p> <table border="1"> <thead> <tr> <th>Inward supply</th> <th>Amount</th> <th>GST rate</th> <th>Remark</th> <th>ITC</th> </tr> </thead> <tbody> <tr> <td>Audit of financial accounts of Mr. Raqh</td> <td>55,000</td> <td>18%</td> <td>ITC available</td> <td>9,900</td> </tr> <tr> <td>Tax audit and annual accounts filing of Mr. Raghu</td> <td>10,000</td> <td>18%</td> <td>ITC available</td> <td>1,800</td> </tr> <tr> <td>Tncome- tax return filing of Mr. Raghu's wife (salaried-return)</td> <td>5,000</td> <td>18%</td> <td>ITC Blocked since service availed is not related to business</td> <td>-</td> </tr> <tr> <td>Eligible ITC</td> <td></td> <td></td> <td></td> <td>11,700</td> </tr> </tbody> </table>	Inward supply	Amount	GST rate	Remark	ITC	Audit of financial accounts of Mr. Raqh	55,000	18%	ITC available	9,900	Tax audit and annual accounts filing of Mr. Raghu	10,000	18%	ITC available	1,800	Tncome- tax return filing of Mr. Raghu's wife (salaried-return)	5,000	18%	ITC Blocked since service availed is not related to business	-	Eligible ITC				11,700
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10.	c	As per section 17(4) read with rule 38, Banking company are given 2 options: <ul style="list-style-type: none"> • Either avail 50% of eligible ITC on inputs, input service & capital goods, in a month and the rest shall lapse or • ITC shall be restricted to credit attributable to taxable supplies including ZRSs. 																									
11.	a	As pe section 17(5), ITC on motor vehicle for transportation of person with seating capacity of less than or equal to 13 is blocked, however exception is when it is used for making taxable supplies for further supply. Thus, the ITC for Car purchased for making further supply shall be admissible i.e., Rs 20,00,000. However, ITC is not available in case goods lost, stolen or destroyed i.e., Rs 1,00,000. and Further ITC in case of works contract services for construction of immovable property is blocked. Therefore, Net ITC available/admissible is Rs. (20 - 1) lacs = Rs. 19,00,000.																									
12.	c	As per section 17(5), ITC on motor vehicles for transportation of persons with seating capacity of less than or equal to 13 is blocked, However, ITC is allowed if it is used for imparting training on driving such motor vehicles. Also, ITC is blocked on Vessel and aircraft, However, ITC is allowed if used for imparting training on navigating vessel or flying aircraft. Further, ITC in case of vehicle used for transportation of goods is not blocked.																									

13.	a	As per section 17(5), ITC is blocked in case of Works contract services for construction of Immovable property. But Construction includes reconstruction, renovation, additions or alteration or repair to the extent of capitalisation only. In the given case, half of the expenditure is debited in the P&L account and the remaining half in the building account i.e., capitalised, Therefore, ITC of Rs.90,000 is w.r.t the amount capitalised shall be blocked and remaining Rs. 90,000 w.r.t. amount debited in P&L shall be allowed.
14.	d	As per section 17(5), Blocked credit includes <ul style="list-style-type: none"> • GST paid on motor vehicle for transportation of persons with seating capacity < 13 even if used in the course and furtherance of business, • GST paid on club membership fees and • GST paid on goods or services or both used for personal consumption.
15.	d	As per section 17(5): ITC with respect to tax paid under composition, goods given as free sample and goods used for person consumption is blocked.
16.	d	(i) ITC on cars purchased by a manufacturing company for official use of its employees: Blocked credit - Section 17(5)(a) (ii) ITC on cars purchased by a car dealer for sale to customers: Credit is allowed when motor vehicle is purchased for further supply, hence credit is not blocked. (iii) ITC on cars purchased by a company engaged in renting out cars for transportation of passengers: Credit is allowed when motor vehicle is used for transportation of passenger, hence credit is not blocked.
		(iv) ITC on cars purchased by a car driving school: Credit is allowed when motor vehicle is used imparting training on driving such motor vehicles, hence credit is not blocked. (v) ITC on buses purchased by a company for transportation of its employees from their residence to office and back: Credit is allowed since ITC on buses is not blocked. (vi) ITC on trucks purchased by a company for transportation of its finished goods: Credit is allowed since ITC on buses is not blocked.
17.	b	As per section 17(5)(h), ITC is not available in case of goods/services for personal consumption and goods lost, stolen, destroyed, written/disposed of by way of gift/free samples. Therefore, ITC is available with respect to $(10,000 \text{ kg} - 300 \text{ kg}) = 9,700 \text{ kg}$. ITC available = $1,00,000 / 10,000 * 9,700 = 97,000$.
18.	d	As per section 17(5), food and beverages, outdoor catering and health services are blocked credit.
19.	d	As per section 17(5), ITC on works contract services availed by a consulting firm for repair of its office building is allowed provided the company has booked such expenditure in profit and loss account.

20.	d	<p>(a) Cars purchased by a manufacturing company for official use of its employees: credit is blocked u/s 17(5)(a)</p> <p>(b) Aircraft purchased by a manufacturing company for official use of its CEO: Credit is blocked u/s 17(5)(aa)</p> <p>(c) General insurance taken on a car used by employees of a manufacturing company for official purposes: Credit is blocked u/s 17(5)(ab)</p> <p>(d) Maintenance & repair services availed by a company for a truck used for transporting its finished goods: Credit is not blocked u/s 17(5), hence credit is allowed.</p>																				
21.	d	<p>(i) Goods used for personal consumption: Blocked u/s 17(5), hence ITC not allowed.</p> <p>(ii) Membership of a club provided by the employer to its employees as per company's internal policy: Blocked u/s 17(5), hence ITC not allowed.</p> <p>(iii) Travel benefits extended to employees on vacation such as leave or home travel concession as per company's internal policy: Blocked u/s 17(5), hence ITC not allowed.</p> <table border="1"> <thead> <tr> <th>SN</th> <th>Particulars</th> <th>GST Paid</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>General insurance taken on cars manufactured by PZY Ltd</td> <td>1 crore</td> <td>ITC of GST paid on general insurance of cars is available since PZY is into the manufacturing of cars. Hence eligible credit.</td> </tr> <tr> <td>2</td> <td>Buses purchased for transportation of employees (Seating capacity 23)</td> <td>25 lakhs</td> <td>ITC of GST paid on Motor vehicles with seating capacity more than 13 is not blocked. Hence eligible credit.</td> </tr> <tr> <td>3</td> <td>Life and health insurance for employees under statutory obligation</td> <td>6 lakhs</td> <td>ITC is available w.r.t. GST paid on life and health insurance if taken due to statutory obligation.</td> </tr> <tr> <td>4</td> <td>Outdoor catering in Diwali Mela organized for employees</td> <td>3.5 lakhs</td> <td>ITC on outdoor catering is blocked as per Section 17(5)(b), hence ineligible credit.</td> </tr> </tbody> </table>	SN	Particulars	GST Paid	Remarks	1	General insurance taken on cars manufactured by PZY Ltd	1 crore	ITC of GST paid on general insurance of cars is available since PZY is into the manufacturing of cars. Hence eligible credit.	2	Buses purchased for transportation of employees (Seating capacity 23)	25 lakhs	ITC of GST paid on Motor vehicles with seating capacity more than 13 is not blocked. Hence eligible credit.	3	Life and health insurance for employees under statutory obligation	6 lakhs	ITC is available w.r.t. GST paid on life and health insurance if taken due to statutory obligation.	4	Outdoor catering in Diwali Mela organized for employees	3.5 lakhs	ITC on outdoor catering is blocked as per Section 17(5)(b), hence ineligible credit.
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23.	b	As per section 18(l)(a), In case of new registration a person shall be entitled to take ITC of Inputs held in stock and Inputs contained in semi-finished goods/ finished goods held on the day immediately preceding the date from which he becomes liable i.e., 31st July, 2018.																				
24.	b	As per section 18(3), Registered person(transferor) is allowed to transfer ITC which remains unutilized in the E-credit ledger and it can further be utilized by transferee in setting off GST liability for the succeeding period.																				

25.	a	<p>As per section 18(6): In case of supply of capital goods or plant and machinery, on which ITC has been taken, the registered person shall pay an amount equal to</p> <p>(a) the ITC taken on the said capital goods or plant and machinery reduced by 5% per quarter/part thereof.</p> <p>(b) or the tax on the transaction value of such capital goods or plant and machinery determined u/s 15, whichever is higher:</p> <p>In the given case, ITC availed = Rs 9,000 on 01.06.2020. Machine Sold on 01.01.2022 i.e. After 6 quarters Hence reduced ITC = 9,000 - (9000 x 5% x 6 quarters) = Rs. 6,300 Tax n transaction value = 7,200 Rs. 7,200 being the higher amount, Ash and Co. is liable to pay, 8,100 on disposal of the machine.</p>
26.	a	<p>Section 18(3): Mr. Pal should apply for a new registration under GST in the name M/s Spiceton Restaurant under his own PAN w.e.f. the date of succession and file Form GST ITC 02 for transfer of ITC to the new entity.</p>

Multiple Choice Question

Aggregate Turnover

1. 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)

2. 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)

3. Aggregate turnover includes:
 - (a) Taxable supplies
 - (b) Exempt supplies
 - (c) Exports
 - (d) All of the above

4. 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.

5. Rama Ltd. has provided following information for the month of September:

Particulars	Amount
Intra-State taxable outward supply	Rs 8 lakhs
Inter-State exempt outward supply	Rs. 5 lakhs
Turnover of exported goods	Rs 10 lakhs
Payment made for availing GTA services	
Note: GTA not paying tax under forward charge	Rs 80,000

Calculate the aggregate turnover of Rama Ltd.

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

Section 22, 23, 24: Person liable for registration

6. Ram, an individual, based in Gujarat, is in employment and earning Rs. 10 lakhs 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 Rs. 12 lakhs. Determine whether Ram is liable for taking registration as per provisions of the Act?
- (a) Yes, as his aggregate turnover is more than Rs. 20 lakhs.
 - (b) No, as his aggregate turnover is less than Rs. 40 lakhs.
 - (c) No, as services in the course of employment does not constitute supply and therefore, aggregate turnover is less than Rs. 20 lakhs.
 - (d) Yes, since he is engaged in taxable supply of services.
7. 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
8. The person making inter-State supplies 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 Rs. 40 lakhs in a financial year
 - (b) if his aggregate turnover exceeds Rs. 20 lakhs in a financial year
 - (c) if his aggregate turnover exceeds Rs. 10 lakhs in a financial year
 - (d) Irrespective of the amount of aggregate turnover in a financial year.
9. 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 Rs. 20 lakhs.
 - (c) Mr. X is required to get registration under GST if the aggregate turnover in a financial year exceeds Rs. 40 lakhs.
 - (d) Mr. X has to compulsorily get registered under GST irrespective of the threshold limit.

10. 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 Rs. 17 lakh
 - (ii) Supply of exempted goods amounting to Rs. 1 lakh
 - (iii) Inter-State supply of taxable goods amounting to Rs. 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 Rs. 10 lakhs 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 Rs. 20 lakhs is not crossed.
11. Mr. A has started intra-State supply of goods from 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 40 lakh
12. Which of the statements is correct?
- (a) Person making any inter-State taxable supply of goods is required to obtain registration compulsorily.
 - (b) A person to whom a UIN has been granted cannot apply for cancellation of registration.
 - (c) The cancellation of registration under either SGST Act/UTGST Act shall be deemed to be a cancellation of registration under CGST Act
 - (d) All of the above
13. Mrs. Reena is a consultant. She has provided the following details relating to services provided and received by her: Supply of management consultancy services for Rs. 500,000/- p.a.
Supply of accounting services for Rs. 200,000/- p.a.
Renting of immovable property for residential purposes for Rs. 10,000/- p.m. Management consultancy services provided to a hospital for Rs. 50,000/- one time
Services provided to a client outside India for Rs. 50,000/- p.m.
Services received from a lawyer for Rs. 100,000/-
- Note: Assume that amounts given above are exclusive of GST, wherever applicable. What shall be her aggregate turnover for the financial year under GST provided her aggregate turnover during previous financial year was Rs. 24 lakhs?
- (a) Rs. 9,10,000
 - (b) Rs.15,70,000
 - (c) Rs. 14,70,000
 - (d) Rs. 8,20,000

14. Mr. Dev Anand is engaged in providing services of facilitating sale and purchase of securities to various clients. He is also engaged in trading of securities. His turnover details are as follows: Trading of securities Rs 40,00,000/- Brokerage on account of facilitating transactions in securities Rs 30,00,000/- You are required to ascertain aggregate turnover of Mr. Dev Anand under GST:
- (a) Rs 30,00,000/-
 - (b) Rs 40,00,000/-
 - (c) Rs 70,00,000/-
 - (d) Rs NIL.

15. Mr. Pappu Singh, commenced his business in Feb 20XX. He has established following units:
- (i) Unit A (in SEZ) and Unit B (non-SEZ) in the State of Maharashtra
 - (ii) Unit C in Delhi
 - (iii) Unit D and E in the State of Goa

Mr. Pappu Singh has approached you to help him in determining the States and number of registrations he is required to take under GST (presuming the fact that he is making taxable supply from each State and his aggregate turnover exceeds the threshold limit):

- (a) Maharashtra-2: Delhi-1, Goa-Optional 1 or 2
 - (b) Maharashtra-Optional 1 or 2: Delhi-1, Goa- Optional 1 or 2
 - (c) Maharashtra-1: Delhi-1, Goa-1
 - (d) Maharashtra-2: Delhi-1, Goa-2
16. Raghav of Assam is exclusively engaged in intra-State taxable supply of readymade garments. His turnover in the current financial year (FY) from Assam showroom is Rs 28 lakh. He has another showroom in Tripura with a turnover of Rs 11 lakh in the current FY. He is required registration in the state of
- (a) Assam
 - (b) Tripura
 - (c) Assam and Tripura both
 - (d) No registration required

17. Mr. Manjot is a trader supplying goods from his firm M/s. Singh Traders. The office of the firm is located in Delhi whereas its godowns are located in the State of Uttar Pradesh, Punjab and Jammu & Kashmir (J & K) respectively. M/s. Singh Traders made following intra- State supplies from different States during the current financial year:
- (i) Delhi - Taxable supplies: Rs. 21,00,000
 - (ii) Punjab - Exempted supplies: Rs. 6,00,000
 - (iii) Uttar Pradesh - Taxable and exempted supplies: Rs. 3,00,000 each respectively.
 - (iv) J & K - Taxable and exempted supplies: Rs. 8,00,000 and Rs. 3,00,000 respectively.

Ascertain the States in which Mr. Manjot is required to take registration under GST:

- (a) Delhi, Punjab, Uttar Pradesh and J & K
- (b) Delhi, Uttar Pradesh and J & K
- (c) Delhi and Uttar Pradesh
- (d) Delhi

18. Which of the following persons are not liable for registration?
- (a) Any person engaged exclusively in supplying services wholly exempt from tax.
 - (b) Persons making any inter-State taxable supply of goods
 - (c) Both (a) and (b)
 - (d) None of the above
19. A person is not liable for registration under GST Act if
- (a) Non-resident person making a taxable supply.
 - (b) An agriculturist selling produce out of cultivation of land.
 - (c) Dealer engaged in inter-state trade above the threshold limit for registration.
 - (d) Casual taxable person making taxable supply.
20. A casual taxable person is required to obtain registration where he makes
- (a) Exempt supply.
 - (b) Taxable Intra state or inter-State Supply.
 - (c) Taxable inter-State or intra-State supply whose proposed value exceeds Rs. 20 lakhs.
 - (d) In none of the above situations.
21. Byomkesh Mukherjee & Sons, a registered person located in the state of West Bengal, is engaged in the supply of taxable goods. He desires to take part in a trade fair to be held in the State of Gujarat for supply of such goods. He does not have a fixed place of business in Gujarat. Which of the following statement(s) is correct in the context of obtaining registration in Gujarat?
- (a) He has to obtain registration as regular tax payer under section 22 of the CGST Act
 - (b) He has to obtain registration as composition tax payer under section 10 of the CGST Act
 - (c) He has to obtain registration as casual taxable person as defined u/s 2(20) of the CGST Act
 - (d) He is not required to obtain registration if his ATO does not exceed Rs. 40 lakhs.
22. 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.
23. 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 Rs. 40 lakhs.
 - (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 Rs 20 lakhs.
 - (d) Required to get registered when the turnover reaches the threshold limit of Rs. 10 lakhs.

Section 25: Procedures for registration

24. 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.
25. 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.
26. 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) None of the above
27. Lakshmi became liable to be registered under GST law on 10th November, 2018. She submitted the application for registration on 18th November, 2018. The registration certificate was issued on 9th December, 2018. The effective date of registration will be
- (a) 10th November, 2018
 - (b) 18th November, 2018
 - (c) 9th December, 2018
 - (d) None of these
28. Under GST Act the term UIN stands for
- (a) User Identification Number
 - (b) Utility Identification Name
 - (c) Unique Identification Number
 - (d) Unique Individual Number

Section 27: CTP/NRTP

29. Which of the following is/are incorrect?
- (a) CTP shall pay net estimated tax liability in advance.
 - (b) CTP shall pay gross estimated tax liability in advance.
 - (c) Extension of registration of CTP beyond 90 days can be by further by 180 days.
 - (d) (b) &(c)
30. The registration certificate granted to CTP/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

31. 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

Section 29: Cancellation/suspension of registration

32. Which one of the following cannot be a reason for cancellation of registration?
- (a) There is a change in the constitution of business from partnership firm to proprietorship.
 - (b) The business has been discontinued.
 - (c) A composition taxpayer has not furnished returns for three consecutive tax periods.
 - (d) A registered person, other than composition taxpayer, has not furnished returns for three consecutive tax periods.
33. Where a RP has applied for cancellation, pending cancellation, the registration shall be deemed to be suspended.
- (a) From the date of submission of the applicant OR the date from which the cancellation is sought, whichever is later.
 - (b) From the date of submission of the applicant OR the date from which the cancellation is sought, whichever is earlier.
 - (c) From the date of submission of the applicant.
 - (d) From the date from which the cancellation is sought.

Section 30: revocation of cancellation of registration

34. 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) 30th August
 - (b) 31st August
 - (c) 25th August
 - (d) 29th October
35. 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.

36. 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)

Answer:

Q.	Ans	Reason
1.	d	Section 2(47): Exempt supply means supply of any goods or services or both <ul style="list-style-type: none"> • which attracts nil rate of tax or • which may be wholly exempt from tax under section 11, or u/s 6 of the IGST Act, and • includes non-taxable supply;
2.	d	Section 2(47): Exempt supply means supply of any goods or services or both <ul style="list-style-type: none"> • which attracts nil rate of tax or • which may be wholly exempt from tax under section 11, or u/s 6 of the IGST Act, and • includes non-taxable supply; Applying the above definition: (i) Sale of liquor: Non-taxable supply, hence Exempt supply. (ii) Supply of health care services by a hospital: Wholly Exempt supply. (iii) Transmission of electricity by an electricity transmission utility: Wholly Exempt supply.
3.	d	Aggregate Turnover means value of all taxable supplies (excluding value of inward supplies on which tax is paid under RCM), exempt supplies, export of goods or services or both, inter-state supplies, but excludes CGST, SGST, UTGST, IGST and cess.
4.	d	Aggregate value of <ul style="list-style-type: none"> • 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.

5	c	Particulars	Rs.	Included/Excluded in Aggregate turnover
		Intra-State taxable outward supply	8 lakhs	Included
		Inter-State exempt outward supply	5 lakhs	Included
		Turnover of exported Goods	10 lakhs	Included
		Payment made for availing GTA services Note: GTA not paying tax under FCM	-	Inward supplies on which tax is paid under RCM is not included in ATO.
		ATO	23 lakhs	
6.	c	In Gujrat the aggregate turnover limit applicable for registration for a supplier of service is Rs. 20 lakhs.		
		Particulars	Rs.	Remarks
		Consultancy services	Rs. 12 lakhs	Taxable supply, hence included in Aggregate turnover
		Salary	-	Not a supply at all hence not included in turnover.
		Aggregate turnover	Rs 12 lakhs	
Since the ATO did not exceed the turnover limit applicable, Ram is not liable for taking registration.				
7.	b.	All the combinations can be possible but question could have been better framed if the (iii) option was framed in full manner. Xylo & Co. can obtain one GST registration for shoe business (Jalandhar branch) and another GST registration for garment business in Amritsar and show it as the principal place of business and show the Ludhiana branch as additional place of business.		
8.	d	As per section 24(i): Person making interstate persons making any inter-State taxable supply are required compulsory registration irrespective of turnover.		
9.	d	As per section 24(ii): casual taxable persons making taxable supply are required compulsory registration, irrespective of their turnover. Hence, Mr. X has to compulsorily get registered under GST irrespective of the threshold limit.		
10.	c	As per section 24(i): Person making any inter-State taxable supply of goods is required to obtain registration compulsorily.		
11.	d	As per Section 22 read with notification issued u/s 23(2), Every supplier shall be liable to register under this act in state/UT where he makes taxable supply of goods, if his aggregate turnover exceeds 20 lakhs, however exclusive supplier of goods have been exempted from registration upto 40 lakhs. Hence Mr. A shall be required to obtain registration if his ATO exceeds 40 lakhs during a FY.		

12.	d	<p>(a) Person making any inter-State taxable supply of goods is required to obtain registration compulsorily: Correct, refer section 24(i).</p> <p>(b) A person to whom a UIN has been granted cannot apply for cancellation of registration: Correct, refer rule 20. Rule 20 w.r.t. cancellation of registration is not applicable to a TDS deductor, TCS collector and a person granted UIN.</p> <p>(c) The cancellation of registration under either SGST Act/UTGST Act shall be deemed to be a cancellation of registration under CGST Act: Correct, refer section 29(4).</p>
13.	c	<p>Aggregate Turnover means value of all taxable supplies (excluding value of inward supplies on which tax is paid under RCM), exempt supplies, export of goods or services or both, inter-state supplies, but excludes CGST, SGST, UTGST, IGST and cess.</p> <p>Services received from a lawyer for Rs. 100,000/- is inward supply on which tax is payable under RCM, it is not to be included in ATO. Therefore, $ATO = 5,00,000 + 2,00,000 + 1,20,000 (Rs. 10,000 \times 12) + 50,000 + 6,00,000 (Rs. 50,000 \times 12) = Rs. 14,70,000.$</p>
14.	a	<p>Aggregate Turnover means value of all taxable supplies (excluding value of inward supplies on which tax is paid under RCM), exempt supplies, export of goods or services or both, inter-state supplies, but excludes CGST, SGST, UTGST, IGST and cess.</p> <p>Further, goods mean every kind of movable property other than money, securities but services include facilitating/arranging transactions in securities.</p> <p>Hence, Trading in securities: shall not be included in ATO. Brokerage on account of facilitating transactions in securities: Included in ATO.</p>
15.	a	<p>Every supplier shall be liable to be registered under this act in state/ UT, (other than special category states) from where he makes taxable supply of goods or services or both, if his aggregate turnover (ATO) in a FY exceeds 20 lakh rupees.</p> <p>Its already presumed in the question that Pappu is making taxable supply from each State and his aggregate turnover exceeds the threshold limit, Hence, he is required to register in Maharashtra Delhi & Goa. Further as per proviso to section 25(1), a person having a SEZ unit or being a SEZ developer shall have to apply for a separate registration, as distinct from his place of business located outside the SEZ in the same State or Union territory.</p> <p>Hence Pappu is required 2 registrations in Maharashtra.</p> <p>Section 25(2): A person seeking registration under this Act shall be granted a single registration in a State or Union territory.</p> <p>Provided that a person having multiple place of business (POB) in a State/ UT may be granted a separate registration for each such POB, subject to such conditions as may be prescribed.</p> <p>Hence for Unit D and E in the State of Goa: It is optional to apply for separate registration as per proviso to section 25(2).</p>

16.	C	Section 22(1) read with notification u/s 23(2): Threshold limit for registration applicable to a person supplying goods from Assam & Tripura shall be Rs. 10 lakhs. ATO of Raghav: Rs (28 + 11) lakhs = Rs 39 lakhs. Since ATO exceeds applicable threshold, Raghav is required registration from all the states he is making taxable supplies: hence he is required registration from Assam & Tripura both.
17.	b	Section 22 read with notification under section 23(2): Aggregate Turnover (ATO) limit applicable to Mr. Manjot is Rs. 40 lakhs. ATO = Rs 21,00,000 + 6,00,000 + 3,00,000 + 3,00,000 + 8,00,000 + 3,00,000 = Rs. 44 lakhs. Since ATO exceed Rs 40 lakhs, Manjot is required to take registration from each state he is making taxable supplies. Hence, he is required to take registration from Delhi, UP and J&K. Registration is not required to be taken from Punjab since he is supplying only exempt supplies from Punjab. (Refer section 23(1)).
18.	a	(a) Any person engaged exclusively in supplying services wholly exempt from tax: as per section 23, any person exclusively engaged in supplying of goods/services /both that are not liable to tax or wholly exempt shall not be liable for registration. (b) Persons making any inter-State taxable supply of goods: Required compulsory registration as per Section 24.
19.	b	As per Section 23, an agriculturist to the extent of supply of produce out of cultivation of land either by own/family members or by hired labour shall not be liable for registration. As per section 24, Interstate trade, CTP & NRTP are required compulsory registration.
20.	b	As per Section 24, Casual Taxable persons making taxable supply are required compulsory registration. Taxable supply can be intra-state or inter- state.
21.	c	Section 24: Byomkesh Mukherjee will be a CTP (as defined u/s 2(20) of the CGST Act) in the state of Gujarat and hence required to take compulsory registration.
22.	c	(a) He needs to get registration in Delhi as casual taxable person: True (b) He needs to pay advance tax on estimated tax liability: True (c) He needs to mandatorily have a place of business in Delhi: This statement is false; he can be a CTP without having a place of business. (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: True.
23.	b	As per section 24(ix): Persons who supply g/s/b, other than supplies specified u/s 9(5), through such ECO who is required to collect tax at source under section 52.
24.	c	GST registration is valid lifetime, unless its cancelled.
25.	b	Section 25(1): Every person who is liable to be registered u/s 22/24 shall apply for registration in every such State/UT in which he is so liable within thirty days from the date on which he becomes liable to registration.

26.	c	As per Section 25, a casual taxable person or a non-resident taxable person shall apply for registration at least 5 days prior to the commencement of business.
27.	a	As per rule 10 of CGST rules, If application submitted within 30 days of becoming liable, it is effective from date person becomes liable. If registration applied after 30 days of becoming liable, it is effective from date of the grant. Applying rule 10, in the present case, since application is submitted within 30 days of becoming liable, it is effective from date person becomes liable i.e., 10.11.18.
28.	c	UIN stands for Unique Identification Number.
29.	d	(a) CTP/NRTP shall pay net estimated tax liability in advance: correct (b) CTP shall pay gross estimated tax liability in advance: Incorrect, CTP pays net estimated tax liability in advance. (c) Extension of registration beyond 90 days can be by further 180 days: Incorrect, further extension only 90 days is possible.
30.	c	As per section 27(1): The certificate of registration issued to CTP/NRTP shall be valid for period specified in the application for registration/ 90 days from the effective date of registration, whichever is earlier.
31.	c	As per first proviso to Section 25(1): A casual taxable person or a non-resident taxable person shall apply for registration at least 5 days prior to commencement of business.
32.	d	As per Section 29(2), Registration shall be cancelled where a registered person other than composition taxpayer has not furnished returns for a continuous period of 6 months.
33.	a	Where a RP has applied for cancellation, pending cancellation, the registration shall be deemed to be suspended from the date of submission of the application or from the date from which the cancellation is sought, whichever is later.
34.	a	Section 30: Revocation of cancellation of registration Subject to such conditions as may be prescribed, any RP, whose registration is cancelled by the PO on his own motion, may apply to such officer for revocation of cancellation of the registration in the prescribed manner within thirty days from the date of service of the cancellation order. Applying section 30(1) Date of service of cancellation order = 31st July 30 days from 31st July = 30th August.
35.	d	Section 30: Revocation of cancellation of registration (1) Subject to such conditions as may be prescribed, any RP, whose registration is cancelled by the PO on his own motion, may apply to such officer for revocation of cancellation of the registration in the prescribed manner within thirty days from the date of service of the cancellation order.
36.	a	The following two statements are incorrect: <ul style="list-style-type: none"> Revocation of cancellation of registration under SGST/UTGST Act shall not be deemed to be a revocation of cancellation of registration under CGST Act. Cancellation of registration under SGST/UTGST Act shall not be deemed to be a cancellation of registration under CGST Act.

Multiple Choice Question

Section 49: Payment of tax, interest, penalty and other amounts

1. Which _____ of these electronic ledgers/ registers are maintained online?
(a) Electronic liability register (b) Electronic credit ledger
(c) Electronic cash ledger (d) All of the above
2. Deposits towards tax, penalty, interest, fee or any other amount are credited into the _____ of a taxable person.
(a) Electronic liability register (b) Electronic credit ledger
(c) Electronic cash ledger (d) All of the above
3. Input tax credit as self-assessed in the return of the registered person shall be credited to which of the following ledger?
(a) Electronic liability register
(b) Electronic credit ledger (c) Electronic cash ledger
(d) All of the above
4. Which of the following items are debited to the electronic credit ledger?
(a) Output tax (b) Interest
(c) Penalty (d) All of the above
5. Balance in electronic credit ledger under SGST can be used against which liability?
(a) SGST Liability only (b) SGST and IGST liability
(c) SGST, IGST and CGST liability (d) None of the above
6. Which input tax credit cannot be claimed against which output tax liability?
(a) IGST, SGST (b) CGST, IGST
(c) SGST, IGST (d) CGST, SGST
7. Which of the following liability cannot be adjusted against input tax credit of CGST?
(a) IGST (b) SGST/UTGST
(c) All of the above (d) None of the above
8. 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
9. Which of the following is/are correct w.r.t E-cash ledger?
(a) Amount in any major/minor head is transferable to any other major/minor head.
(b) Amount in any major/minor head is not transferable to any other major/minor head.
(c) Form GST PMT 09 is used on the common portal for transferring the amount.
(d) Both a & c
10. Commissioner can block the ITC available in E-credit ledger if he has reasons to believe that it's a case of.
(a) Fake supplier/recipient
(b) Bogus invoice
(c) ITC without documents
(d) All of the above.

11. What is the maximum limit for making payment over the counter?
 (a) 100,000 per challan per tax period
 (b) 10,000 per annum
 (c) 10,000 per challan per tax period
 (d) 15,000 per month
12. Balance in electronic credit ledger can be utilized against payment of.
 (a) output tax
 (b) interest
 (c) penalty
 (d) late fees
13. TT Pvt. Ltd., registered in Rajasthan, furnished following information for the month of June:
 (i) Inter-State sale of goods for Rs. 1,25,000 to JJ Enterprises registered in Haryana
 (ii) Inter-State purchases of goods from XYZ company, registered in Punjab, for Rs 40,000
 (iii) Intra-State purchases of goods from RR Traders, registered in Rajasthan, for Rs. 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 Rs. 1,800 & SGST Rs. 1,800
 (b) SGST Rs. 3,600
 (c) IGST Rs. 3,600
 (d) CGST Rs. 3,600

Section 50: Interest on delayed payment

14. Interest is calculated: -
 (a) From the day following the day on which tax becomes due to be paid
 (b) From the last day of the month in which such tax was due to be paid
 (c) No period is specified
 (d) None of the above
15. In case of belated return, interest on tax payable shall be levied on that portion of tax that is paid on
 (a) Net tax liability.
 (b) Gross tax liability
 (c) Any of the above
 (d) None of the above

Answer:

Q.	Ans	Reason
1.	d	As per section 49, once the taxable persons are registered under GST 3 online ledgers will be maintained: electronic cash ledger, electronic credit ledger and electronic liability ledger.
2.	c	As per Rule 87, Deposits towards tax, penalty, interest, fee or any other amount are credited into the electronic cash ledger of a taxable person.
3.	b	As per Rule 86, Input tax credit as self-assessed in the return of the registered person shall be credited to electronic credit ledger.
4.	a	As per Rule 86, amount debited to electronic credit ledger for making payment towards output tax liability.

5.	b	As per Rule 86, manner of utilization, SGST/UTGST electronic credit ledger can be used against SGST/UTGST and IGST liability.																														
6.	d	As per Rule 86, manner of utilization, CGST electronic credit ledger cannot be used against SGST/UTGST liability and vice versa.																														
7.	b	As per Rule 86, manner of utilization, CGST electronic credit ledger cannot be used against SGST/UTGST liability and vice versa.																														
8.	a	As per Rule 85, self-assessed tax and dues related to previous tax period shall be discharged first followed by dues related to current tax period and lastly any other amount payable under this act/rules including demand.																														
9.	d	As per Rule 87, Amount in any major/minor head is transferable to any other major/minor head using form GST PMT 09.																														
10.	d	Rule 86A: The Commissioner can block the ITC available in the E-credit ledger if he has reasons to believe that there is a Fake supplier/recipient, Bogus invoice and ITC without documents.																														
11.	c	The maximum limit for making payment over the counter is Rs.10,000 per challan, per tax period.																														
12.	a	As per section 49(4): The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act.																														
13.	c	<p>Computation of Output Tax liability & Input Tax Credit</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th></th> <th>CGST</th> <th>SGST</th> <th>IGST</th> </tr> </thead> <tbody> <tr> <td>Sale of goods - Interstate</td> <td>1,25,000 * 18%</td> <td>-</td> <td>-</td> <td>22,500</td> </tr> <tr> <td>Output Tax Liability</td> <td>-</td> <td>-</td> <td>-</td> <td>22,500</td> </tr> <tr> <td>ITC - Inter-State purchases of goods</td> <td>40,000 * 18%</td> <td>-</td> <td>-</td> <td>7,200</td> </tr> <tr> <td>ITC - Intra-State purchases of goods</td> <td>65,000 * 18%</td> <td>5,850</td> <td>5,850</td> <td>-</td> </tr> <tr> <td>Input tax credit</td> <td></td> <td>5,850</td> <td>5,850</td> <td>7,200</td> </tr> </tbody> </table>	Particulars		CGST	SGST	IGST	Sale of goods - Interstate	1,25,000 * 18%	-	-	22,500	Output Tax Liability	-	-	-	22,500	ITC - Inter-State purchases of goods	40,000 * 18%	-	-	7,200	ITC - Intra-State purchases of goods	65,000 * 18%	5,850	5,850	-	Input tax credit		5,850	5,850	7,200
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14.	a	As per section 50, Interest shall be calculated from the day succeeding the due date.																														
15.	a	In case of belated return, interest on tax payable shall be levied on that portion of tax that is paid on net tax liability. However, where such returns are furnished after commencement of any proceedings u/s 73/74 then interest is payable on gross tax liability.																														

Multiple Choice Question

Transportation services

1. 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

2. Transportation of _____ by a GTA in a goods carriage is exempt from GST.
 - (a) Agricultural produce
 - (b) Organic manure
 - (c) Milk
 - (d) All of the above

3. Transportation of passengers by _____ are exempt from GST.
 - (a) air-conditioned stage carriage
 - (b) radio taxi
 - (c) air (in economy class), terminating in Nagaland airport
 - (d) All of the above

4. Transportation of passengers by air (in economy class) embarking from/terminating in _____ places are exempt from GST.
 - (a) Bagdogra, Himachal Pradesh, Tripura, Manipur, Mizoram, Meghalaya, Nagaland.
 - (b) Bagdogra, Arunachal Pradesh, Tripura, Manipur, Mizoram, Meghalaya, Assam, Nagaland and Sikkim.
 - (c) Bagdogra, Andhra Pradesh, Tripura, Manipur, Mizoram, Meghalaya, Assam, Nagaland and Sikkim.
 - (d) Bagdogra, Tripura, Manipur, Mizoram, Meghalaya, Assam, Nagaland Sikkim.

5. Services by way of transportation of _____ by rail from Chennai to Gujarat is exempt from GST.
 - (i) pulses
 - (ii) military equipments
 - (iii) electric equipments
 - (iv) jaggery
 - (a) (i) & (ii)
 - (b) (i) & (iii)
 - (c) (ii) & (iv)
 - (d) (i), (ii), (iii) & (iv)

Education services

6. Diksha Public School (DPS) situated in Bilaspur in the State of Chhattisgarh has planned to celebrate its sports day in Bilaspur Stadium located at a distance of 20 km from the school precincts on 15th April. DPS has invited quotes from various suppliers for arranging tent, security and catering for students and teachers. The price has to be quoted including all applicable taxes.
Raman & Co., a supplier providing the services required above, is not sure of the GST impact on the above transactions. It seeks your help to determine whether GST is applicable on all the above services or not, so that it can quote the competitive price accordingly.

- (a) Tent, security and catering services: All taxable
- (b) Tent, security and catering services: All exempt
- (c) Tent and security services: Taxable; Catering services: exempt
- (d) Tent: Taxable; Security and catering services: exempt

7. Which of the following services provided to an educational institution - Debo Public School- are exempt from GST?
- (a) Transportation of staff of the school
 - (b) Cleaning of the school
 - (c) Services relating to conduct of higher secondary exams
 - (d) All of the above
8. Which of the following is exempt from GST?
- (a) Letting out of the auditorium by colleges.
 - (b) Tuition and hostel fees collected from students.
 - (c) Advertisement services by college.
 - (d) All of the above.

CG/SG/UT/LA & Banking services

9. Which of the following services provided by the Department of Posts are exempt?
- (a) Speed posts & Agency services
 - (b) Life Insurance
 - (c) Express parcel posts
 - (d) None of the above
10. Mr. Happy Singh is a resident of Chandigarh. The marriage of his daughter, Khushi Kaur, has been finalized with Mr. Lovely Singh, a NRI settled in Canada. The marriage is scheduled on 14th February in Chandigarh. Mr. Happy Singh wants to send 5,000 marriage invitation cards to all his relatives and friends to attend the marriage. He has to send the invitation by speed post. He is not sure about the taxability of speed post services under the GST regime. He seeks your help in determining the applicability of GST on speed post. Choose the correct option.
- (a) GST payable
 - (b) Non-Taxable
 - (c) Exempt
 - (d) None of the above
11. Services supplied by Central/State Government/Union territory to their undertakings or Public-Sector Undertakings (PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions.
- (a) Taxable supply
 - (b) Exempt supply
 - (c) Not a supply
 - (d) None of the above
12. Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY)
- (a) Taxable supply
 - (b) Exempt supply
 - (c) Not a supply
 - (d) None of the above

13. Services provided by a banking company to Basic current account holders
- (a) Taxable supply
 - (b) Exempt supply
 - (c) Not a supply
 - (d) None of the above
14. Bombay Municipal Corporation (BMC) has invited online bids for maintenance of bus stops for a period of one year from 1- Jan-2018 to 31-Dec-2018. The work involves composite supply of goods and services and supply of services being the principal supply in which the value of goods constitutes 25% of the total value of composite supply. Mr. Akshay Kumar, Managing Director of Khiladi Contractors (P) Ltd., located and registered in GST in Gujarat, wants to bid for the same. He seeks your opinion to determine the taxability of the above to quote the best price.
- (a) Not Taxable
 - (b) GST payable
 - (c) Exempt
 - (d) None of the above
15. Which of the following statements is true?
- 1. Services provided by Government ITIs to individual trainees are exempt from GST.
 - 2. Services provided by the State Governments and private service providers by way of transportation of patients in ambulances are exempt from GST.
 - 3. Services of renting shops in a hospital are exempt from GST being health care.
 - 4. Services provided by Police to PSUs are taxable.
- (a) 1, 2 & 4.
 - (b) 2, 3 & 4.
 - (c) 3 & 4.
 - (d) 1, 2, 3 & 4.
16. Which of the following is/are correct with respect to banking services?
- (a) Interest Income on a partner's Fixed/Variable capital is exempt from GST.
 - (b) Discounting of bills is exempt from GST.
 - (c) Both a & b.
 - (d) None of the above.

Charitable & Religious services

17. Open area in the precincts of a temple has been rented for a marriage for a day. In which of the following cases, such renting is exempt from GST?
- (a) Temple is owned by Sanatan Charitable Trust (registered u/s 12AB of the IT Act) & the consideration charged is Rs 9,000.
 - (b) Temple is owned by Sanatan Charitable Trust (registered u/s 12AB of the IT Act) & the consideration charged is Rs 11,000.
 - (c) Both (a) and (b).
 - (d) None of the above.
18. Services provided by rehabilitation professionals recognized under the Rehabilitation Council of India Act, 1992 by way of rehabilitation, therapy or counselling and such other activity as covered by the said Act at medical establishments, educational institutions, rehabilitation centres established by CG/SG/ UT or an entity registered u/s 12AA/12AB of the Income Tax Act, 1961.
- (a) Taxable supply
 - (b) Exempt supply
 - (c) Not a supply
 - (d) None of the above

19. Shree Ram Seva Trust is a charitable institution registered under section 12AA/12AB of the Income-tax Act, 1961. It has organized a skill development programme relating to persons over the age of 65 years residing in a well-planned city, in the month of April. It has received following amounts under the programme

Particulars	Amount (Rs)
Subscription fees for the programme	50,000
Sponsorship fees	1,00,000
Consideration for supply of goods	3,00,000

Besides, the trust has received donations of RS. 2,00,000 in April. Hanuman, accountant of Shree Ram Seva Trust, is not able to determine the taxability of the above amounts received under GST law. He seeks your expertise in determining the same. Determine the value of taxable supply of Shree Ram Seva Trust, for the month of April assuming that the amounts given above are exclusive of GST, wherever applicable.

- (a) Nil
(b) Rs. 6,50,000
(c) RS. 6,00,000
(d) RS. 4,50,000
20. Which of the following is/are correct?
- (a) Training/coaching relating to arts/culture provided only by a charitable entity is exempted.
(b) Services by an old age home run by CG/SG/entity registered under section 12AA, against consideration up to Rs. 25,000 per month per member to its residents (aged less than 60) is exempted.
(c) Both A & B
(d) None of the above.

Admission services

21. Kesar Maharaj, a registered supplier, gave a classical dance performance in an auditorium. The consideration charged for the said performance is Rs 1,60,000. Such performance is not for promotion of any product/services. Rate of CGST and SGST on such services is 9% each. Assuming the services supplied by him to be intra-State supplies, which of the following statements are true?
- (a) GST liability of Kesar Maharaj is Nil as services provided by him are exempt.
(b) Kesar Maharaj is liable to pay CGST and SGST of Rs 14,400 and Rs 14,400 respectively.
(c) Kesar Maharaj is liable to pay CGST and SGST of Rs 900 and Rs 900 respectively.
(d) None of the above.
22. State which of the following statements is incorrect:
- (i) Services by any artist by way of performance in folk or classical art forms of music, dance, or theatre as a brand ambassador if the consideration charged for such performance is not more than Rs. 150,000 is exempt.
(ii) Services of life insurance business under Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having minimum amount of cover of Rs. 2,00,000 is exempt.

28. Which of the following services provided by Good Health Care Nursing home are not exempt?
- (i) Reiki healing treatment.
 - (ii) Plastic surgery conducted to repair cleft lip of a new born baby.
 - (iii) Air ambulance services to transport critically ill patients from distant locations to Good Health Care Nursing home.
 - (iv) Palliative care for terminally ill patients. On request, such care is also provided to patients at their homes. (Palliative care is given to improve the quality of life of patients who have a serious or life-threatening disease but the goal of such care is not to cure the disease).
 - (v) Alternative medical treatments by way of Ayurveda.
- (a) (i) and (iii)
(b) (ii) and (iv)
(c) (i)
(d) (i), (iv) and (v)
29. Which of the following activities is taxable under GST?
- (i) Supply of food by a hospital to patients (not admitted) or their attendants or visitors.
 - (ii) Transportation of passengers by non-air-conditioned railways
 - (iii) Services by a brand ambassador by way of folk-dance performance where consideration charged is Rs. 1,40,000.
 - (iv) Transportation of agriculture produce by air from one place to another in India
 - (v) Services by way of loading, unloading, packing, storage or warehousing of rice
- (a) (i), (v)
(b) (iii), (iv), (v)
(c) (i), (iii), (iv)
(d) (iv), (v)
30. Which of the following is/are correct?
- (a) Air ambulance services are taxable.
 - (b) Alternate medical treatment by way of Ayurveda is taxable.
 - (c) Reiki healing treatment is not a recognised system in India.
 - (d) Hair transplant for beautification is exempt.

Agriculture services

31. 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)
32. Which of the following activities are Taxable under GST?
- (i) Religious pilgrimage organised by Todarmal Charitable Trust.
 - (ii) Services provided by a business facilitator to an insurance company in an urban area

(iii) Milling of paddy into rice.

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

33. M/S. Dev Bhoomi Rice (P) Ltd., a registered person under GST, is providing services of processing of milling of paddy into rice, loading, unloading, packing, storage and warehousing of rice in the State of Chhattisgarh. The company has made following supplies during the tax period of April, 2018 to September, 2018:

- (i) Loading and unloading of rice: Rs. 50,00,000/-.
 - (ii) Packing and warehousing of rice: Rs. 30,00,000/-.
 - (iii) Processing services of milling of paddy into rice: Rs. 1,00,00,000/-.
- Determine the amount of GST payable on the above supplies assuming rate of tax as 5%.

- (a) Rs. 32,40,000/-
- (b) Rs. 9,00,000/-
- (c) Rs. 5,00,000/-
- (d) Rs. Nil/-

34. Mr. Ramesh Kumar is the Managing Director of Khiladi Equipments (P) Ltd. The company is located and registered under GST in Mumbai, Maharashtra. Mr. Ramesh Kumar has decided to send food grains and other relief materials worth Rs. 50 lakhs & Rs. 20 lakhs through railway and airways respectively, to the cyclone hit victims in Kerala in the month of November. The company has contacted Super Airlines & Indian Railways to transport the materials from Mumbai to Kerala and price for the same has been determined as Rs. 10,00,000 by air and Rs. 50,000 by railways excluding taxes. Mr. Ramesh Kumar seeks your help to determine what is the amount of GST payable by Super Airlines and Indian Railways, if applicable GST rate is 18% and the amounts given above are exclusive of GST, wherever applicable.

- (a) Super Airlines: Rs 1,80,000/-; Indian Railways: NIL
- (b) Super Airlines: Rs 1,80,000/-; Indian Railways: Rs 9,000
- (c) Super Airlines: Nil; Indian Railways: Rs 9,000/-
- (d) Super Airlines: Nil; Indian Railways: Nil

35. Which of the following is/are incorrect?

- (a) Leasing of vacant land for stud farms is exempt from GST.
- (b) Warehousing of refined vegetable oil is exempt from GST.
- (c) Both a & b.
- (d) None of the above.

Miscellaneous & Mixed questions

36. Sahil, a resident of Delhi, is having a residential property in Vasant Vihar, Delhi which has been given on rent to a family for Rs. 50 lakhs per annum for use as a residence. Determine whether Sahil is liable to pay GST on such rent.

- (a) Yes, as services by way of renting is taxable supply under GST.
- (b) No, service by way of renting of residential property is exempt.
- (c) No, service by way of renting of residential property does not constitute supply.
- (d) Sahil, being individual, is not liable to pay GST.

37. 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?
- Discounting of bills receivable
 - Interest charged on loans
 - Interest charged on credit card services
 - Sale of foreign currency amongst banks
38. Which of the following are exempt from GST?
- Services provided to recognized sports body as curator of national team.
 - Services provided by way of transportation of passenger in Metered Cab.
 - Services by way of public conveniences such as provision of facilities of washrooms.
 - Services provided by a player to a franchisee which is not recognized sports body
- (i), (ii), (iii) & (iv)
 - (ii) & (iii)
 - (iii) & (iv)
 - (ii), (iii) & (iv)
39. Which of the following services are exempt from GST?
- Admission to a circus where entry ticket costs Rs. 550 per person
 - Interest charged on outstanding credit card balances
 - Services by an organiser to any person in respect of a business exhibition held in India
 - Services by a foreign diplomatic mission located in India.

Answer:

Q.	Ans	Reason
1.	c	Entry no. 74 (a) Transportation of passengers by Railway in first class: Taxable (b) Transportation of passengers by Railway in an air-conditioned coach: Taxable (c) Transportation of passengers by Metro: Exempt
2.	d	Entry no. 21: Transportation of specified goods such as Agricultural produce, Newspaper & Magazines, Defence/military equipment, Organic manure, Milk, salt, food grains, flour, pulses and rice by a GTA in goods carriage is exempt from GST.
3.	c	Entry no. 15 Transportation of passengers, by A/c stage carriage, radio taxi: taxable Transportation of passengers by air (in economy class) embarking from/terminating in Bagdogra, Arunachal Pradesh, Tripura, Manipur, Mizoram, Meghalaya, Assam, Nagaland and Sikkim: exempt.
4.	b	Entry no. 15: Transportation of passengers by air (in economy class) embarking from/terminating in Bagdogra, Arunachal Pradesh, Tripura, Manipur, Mizoram, Meghalaya, Assam, Nagaland and Sikkim is exempt from GST.

5.	a	<p>Entry No. 20: Services by way of transportation by rail or a vessel from one place in India to another of the following goods -</p> <p>(a) relief materials meant for victims of natural/man-made disasters, calamities, accidents/mishap;</p> <p>(b) defence or military equipment;</p> <p>(c) newspaper or magazines registered with the Registrar of Newspapers;</p> <p>(d) omitted</p> <p>(e) agricultural produce;</p> <p>(f) milk, salt and food grain including flours, pulses and rice; and</p> <p>(g) organic manure.</p> <p>Applying the above entry, Only Services by way of transportation of Pulses & Military equipment are exempt, transportation services w.r.t. electric equipments and jaggery are not exempt.</p>
6.	c	Entry no. 66: Tent and security services: Taxable; Catering services: exempt.
7.	d	Entry no. 66: Services provided to an educational institution, by way of, transportation of students, faculty and staff, catering including any mid-day meals, security or cleaning services etc are exempted.
8.	b	Entry no. 66: Letting out of auditorium and advertisement services by college is taxable. Tuition and hostel fees collected from students are exempt from GST.
9.	d	<p>GST is payable on services by the Department of Post except post card, inland letter, book post & ordinary post (envelopes weighing less than 10 grams).</p> <p>[Entry no. 24C]</p>
10.	a	<p>GST is payable on services by the Department of Post except post card, inland letter, book post & ordinary post (envelopes weighing less than 10 grams). [Entry no. 24C]</p> <p>In the given case, speed post service is used on which GST is payable.</p>
11.	b	Entry no. 34A: Services supplied by Central/State Government/Union territory to their undertakings or Public-Sector Undertakings (PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions are exempt from GST.
12.	b	As per Entry no. 27A: Services provided by a banking company to Basic Saving Bank Deposit (BSBD) account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY) are exempt under GST.
13.	a	There is no exemption from GST with respect to services provided to current account holders.
14.	c	<p>Entry No. 3A: Composite supply of goods & services to CG/SG in relation to functions entrusted under 243G & W, in which the value of goods supplied is upto 25% of the value of the composite supply is exempt under GST.</p> <p>Applying the above entry in our given case,</p> <p>$\frac{3}{4}$BMC is a local authority,</p> <p>$\frac{3}{4}$Maintenance of bus stops is a function under 243W and</p> <p>$\frac{3}{4}$Value of goods constitutes 25% of the total value of composite supply, hence service shall be exempt under Entry No. 3A.</p>

15.	a	<p>1. Services provided by govt ITIs to individual trainees: Exempt.</p> <p>2. Services provided by way of transportation of patients in ambulances: Exempt (Entry no. 74).</p> <p>3. Services of renting shops in a hospital: It is not health care & hence not Exempt.</p> <p>4. Services provided by Police to PSUs: No Exemption, it is taxable.</p>
16.	c	As per Entry No.27: Interest Income on partner's Fixed/Variable capital and Discounting of bills is exempt from GST.
17.	a	As per Entry No.13: Renting of premises, community halls, Kalyana mandapam or open area, is exempt if amount charged is less than Rs. 10,000 per day.
18.	b	Entry no. 74A: Services by Rehabilitation professionals by way of rehabilitation/therapy/counselling at medical establishments, educational institutions, rehabilitation centres established by CG/SG/UT are exempt under GST.
19.	d	<p>Entry no. 1: Advancement of skill development programmes relating to person over the age of 65 years residing in rural area is exempt from GST. In the given case, since the service is provided in a well-planned city, the same is taxable.</p> <p>The value of taxable supply = Rs. (50,000 + 1,00,000 + 3,00,000) = Rs. 4,50,000</p> <p>Further, donations Rs. 2 lakhs received by Charitable trust are exempt from GST since there is no service provided in return.</p>
20.	d	<p>Entry no 80: Training/coaching in recreational activities relating to arts/culture provided by an individual is exempted, hence the sentence is incorrect.</p> <p>Entry no 9D: Services by an old age home run by CG/SG/entity registered under section 12AA, against consideration up to Rs. 25,000 per month per member to its residents (aged 60 or more) is exempted, hence this sentence is also incorrect.</p>
21.	b	<p>Exemption Entry 78: Performance in folk or classical art forms shall be exempt if the consideration charged is up to Rs. 1,50,000.</p> <p>In the given case, Kesar Maharaj is not eligible for exemption since the consideration exceeds Rs. 1,50,000.</p> <p>In case of Intrastate supply, CGST & SGST shall be levied @ 9% which shall be Rs 160000*9%= Rs. 14,400 each CGST & SGST.</p>
22.	d	<p>(i) Services by any artist as a brand ambassador is not exempt. Hence above statement is incorrect.</p> <p>(ii) Services of life insurance business under Life micro-insurance product having maximum amount of cover up to Rs. 2,00,000 is exempt. Not exempt in cases having minimum amount of cover up to Rs. 2,00,000. Hence above statement is incorrect.</p> <p>(iii) Service by an acquiring bank, to any person in relation to settlement of an amount up to Rs. 2,000 is exempt. Hence above statement is incorrect.</p>
23.	b	Services by way of admission to Circus, dance, award function, recognised sporting event or planetarium is exempted only if the consideration is up to 500 per person.

24.	d	Entry no. 78: Services by an artist by way of a performance in folk or classical art forms of music/ dance / theatre with consideration thereof not exceeding Rs. 1.5 lakh is exempt.
25.	d	Entry No. 79: Services by way of admission to a museum, national park, wildlife sanctuary, tiger reserve or zoo are exempt. Entry no. 81: Services by way of right to admission to recognised sporting event where the consideration for admission is not more than Rs 500 per person is exempt. In point (d) amount given is 600 hence not exempt.
26.	d	Recognised system of medicine in India are: Allopathy, Yoga, Unani, Siddha, Homeopathy, Ayurveda, Naturopathy.
27.	b	(a) Chemist shop in the hospital selling medicines to public at large: not exempt. (b) Food supplied by canteen run by the Hospital to in-patients as per diet prescribed by the hospital's dietician: food supplied to in-patient is exempt since it's a composite supply, i.e. it's a bundled service when provided with healthcare. (c) Food supplied to the visitors or attendants of the patients in the hospital by canteen run by the Hospital: Not exempt since it's not healthcare. (d) Advertisement services provided by the hospital to a pharmaceutical company for their asthma pump by displaying it prominently in the hospital building: Advertisement service is not exempt since it's not healthcare.
28.	c	Entry no. 74: Health care services by clinical establishment is exempt from GST. But Exemption is with regards to only those health care services which are in recognised system of medicine. Reiki healing treatment is not a recognised system of medicine in India and not exempted.
29.	c	(i) Taxable, Food supplied to in patients is a part of composite supply of healthcare and exempt. (Circular 32/06/2018 dt. 12.02.18) (ii) Exempt, entry no. 17 (iii) Taxable, entry no. 78 (iv) Taxable, Transportation of agriculture produce by air is not exempt, entry no. 18 (v) Exempt, entry no. 24
30.	c	Refer Entry no. 74 (a) Air ambulance services are taxable: Incorrect, ambulance service is exempt whether by air or road (b) Alternate medical treatment by way of Ayurveda is taxable: Incorrect, it is exempt. (c) Reiki healing treatment is not a recognised system in India: Correct (d) Hair transplant for beautification is exempt: Incorrect, its taxable.
31.	d	Exempt under entry no. 54 of Exemption notification 12/2017 CT(R).

32.	d	(i) Entry no. 60: Religious pilgrimage organised by Kailash Mansarovar Yatra & Haj committee is exempt. If organised by others its taxable under GST. (ii) Entry No. 39: Services provided by a business facilitator to an insurance company in a rural area are exempt. Services in urban area is taxable. (iii) Entry no. 55: Carrying out an intermediate production process in relation to agricultural produce. Is exempt. Milling of paddy into rice: Not an intermediate process and hence taxable under GST. [Circular No. 19/19/17- GST dt. 20.11.17]
33.	c	i. Loading and unloading of rice: Exempt under Entry No. 24 ii. Packing and warehousing of rice: Exempt under Entry No. 24 iii. Processing services of milling of paddy into rice: is not exempt. Hence GST payable on Milling of paddy into rice: 1,00,00,000@ 5% =5,00,000/-
34.	a	Transportation of food grains & relief materials by Rail: exempt (Entry no. 20) Transportation of food grains & relief materials by Airlines: not exempt.
35.	c	Entry no 74: Leasing of vacant land for stud farm is taxable as rearing of horses is excluded under agriculture, also warehousing of refined vegetable oil is taxable as it is not an agricultural produce.
36.	b	Entry No. 12: Services by way of renting of residential dwelling for use as residence is exempt from GST. Hence, services by way of renting of residential property by Sahil is exempt from GST.
37.	c	As per entry no. 27, Services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) is exempt. Hence interest charged on credit card balances is taxable.
38.	b	(i) Services provided to recognized sports body as curator of national team: Taxable, refer entry no. 68 (ii) Services provided by way of transportation of passenger in Metered Cab: Exempt, refer entry no. 17. (iii) Services by way of public conveniences such as provision of facilities of washrooms: Exempt, Entry no. 76 (iv) Services provided by a player to a franchisee which is not recognized sports body: Taxable, refer entry no. 68.

39.	d	<p>(a) Admission to a circus where entry ticket costs Rs. 550 per person: As per entry no. 81, Entry ticket up to Rs. 500 is exempt. Hence where entry ticket costs Rs. 550 per person, it's not exempt.</p> <p>(b) Interest charged on outstanding credit card balances: As per entry no. 27, Services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) is exempt. Hence interest charged on outstanding credit card balances is not exempt.</p> <p>(c) Services by an organiser to any person in respect of a business exhibition held in India: Entry no. 52, Services by an organiser to any person in respect of a business exhibition held outside India is exempt. Hence given case is not exempt since services provided with respect to exhibition held in India.</p> <p>(d) Services by a foreign diplomatic mission located in India: Entry no. 59: Services by a foreign diplomatic mission located in India are exempt.</p>
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Multiple Choice Question

1. Is e-way bill mandatory in case of transport of the handicraft goods from one State to another State by a person who has been exempted from the requirement of obtaining registration?
 - (a) E-way Bill is not required as the supplier is exempt from the requirement of obtaining registration.
 - (b) E-way Bill is mandatory only if the value of consignment is more than Rs. 50,000
 - (c) E-way Bill is mandatory even if the value of consignment does not exceed Rs. 50,000
 - (d) None of the above.
2. What is a valid tenure for an e-way bill for a distance upto 200 km?
 - (a) One day in cases other than Over Dimensional Cargo (ODC)
 - (b) One additional day in case of Over Dimensional Cargo
 - (c) One additional day in cases other than Over Dimensional Cargo
 - (d) One day in case of Over Dimensional Cargo
3. Which documents are required to send goods from branch office in one State to head office in another State?
 - (a) Tax invoice and e way bill
 - (b) Receipt Voucher and e way bill
 - (c) Payment Voucher and e way bill
 - (d) All of the above.
4. In which cases E-way bill can be generated after the commencement of movement of goods?
 - (a) Air transport
 - (b) Rail transport
 - (c) Ship transport
 - (d) All of the above
5. E-way bill is not required in case of.
 - (a) Transportation of Postal Baggage.
 - (b) Transportation of Alcoholic Liquor for human consumption.
 - (c) Transportation of Empty Cargo containers.
 - (d) All of the above.
6. No person shall be allowed to furnish information in Part A of any outward movement of goods of a RP who is.
 1. Being a composition registered person, has not furnished GST CMP 08 for two consecutive quarters.
 2. Being a composition registered person, has not furnished GST CMP 08 for a consecutive period of 3 tax periods.
 3. Being a person other than composition registered person, has not furnished return for a consecutive period of 2 tax periods.
 4. Being a person other than composition registered person, has not furnished return for a consecutive period of 6 tax periods.
 - (a) Both (1) & (3)
 - (b) Both (2) & (4)
 - (c) Both (1) & (4)
 - (d) Both (2) & (3)

7. E-way bill is required where the supply of goods being transported does not constitute supply as per schedule III. Is the statement valid?
- (a) Yes
 - (b) No
 - (c) Partially correct
 - (d) None of the above
8. Which of the following is/are correct with respect to calculation of Consignment Value of E-way bill?
- (a) Value excludes value of exempt goods and includes GST inclusive of cess
 - (b) Value excludes value of exempt goods and excludes GST excluding cess
 - (c) Value includes value of exempt goods and Includes GST excluding cess
 - (d) Value excludes value of exempt goods and excludes GST inclusive of cess
9. E-way bill is required when.
- (a) Interstate movement to a Job worker
 - (b) Interstate movement of handicraft goods by a person exempted from Compulsory registration u/s 24
 - (c) Consignment value exceeds Rs.50,000
 - (d) All of the above.
10. ABC Ltd. generated e-way bill on 12th 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 13th-14th February
 - (b) Midnight of 17th-18th February
 - (c) At 14.00 hrs. of 13th February
 - (d) At 14.00 hrs. of 14th February
11. M/s Gyaan Publishing House, registered under GST in Delhi is engaged in printing and selling of books as well as trading of stationery items. He has provided following information of a consignment which is to be supplied to Mumbai: -
- (i) Taxable value of supplies indicated on tax invoice: Rs. 35,000/-
 - (ii) Value of exempted supplies: Rs. 8,000/-
 - (iii) Value of goods to be sent to job worker on delivery challan: Rs. 15,000/-

Calculate the consignment value for the purpose of generating e-way bill for inter- state supply of goods. Assume rate of tax on taxable goods to be 18%.

- (a) Rs. 35,000/-
- (b) Rs. 50,000/-
- (c) Rs. 56,300/-
- (d) Rs. 64,300/-

Answer:

Q.	Ans	Reason									
1.	c	As per notification issued under section 23(2): Suppliers of handicraft goods from one State to another State have been exempted from registration upto 20 lacs/ 10 lacs, however they are required to have a PAN and generate E- way bill mandatorily. Hence, E-way Bill is mandatory even if the value of consignment does not exceed Rs. 50,000.									
2.	a	Tenure for an e-way bill for a distance up to 200 km is one day in cases other than Over Dimensional Cargo. Validity of E-way Bill: <table border="1" data-bbox="391 562 1458 819"> <thead> <tr> <th>Particulars</th> <th>Distance</th> <th>Validity</th> </tr> </thead> <tbody> <tr> <td>Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship</td> <td>20 kms</td> <td>1 day</td> </tr> <tr> <td>Other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship</td> <td>200 kms</td> <td>1 day</td> </tr> </tbody> </table>	Particulars	Distance	Validity	Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship	20 kms	1 day	Other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship	200 kms	1 day
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Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship	20 kms	1 day									
Other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship	200 kms	1 day									
3.	a	Tax invoice and e-way bill are required to send goods from the branch office in one State to head office in another State.									
4.	d	E-way bill shall be generated prior to movement of goods but if transportation is by rail/air/ship then E-way bill may be generated after the commencement of movement of goods.									
5.	d	Rule 138(14): E-way bill is not required in case of Transportation of Postal Baggage, Transportation of Alcoholic Liquor and Transportation of Empty Cargo containers.									
6.	a	Rule 138E: No person shall be allowed to furnish the information in PART A of FORM GST EWB-01 in respect of any outward movement of goods of a RP, who - (a) being a person paying tax u/s 10, has not furnished the statement in GST CMP-08 for two consecutive quarters; or (b) being a person other than a person specified in clause (a), has not furnished the returns for a consecutive period of two months tax periods: (c) being a person other than a person specified in clause (a), has not furnished the statement of outward supplies for any two months or quarters, as the case may be. (d) being a person, whose registration has been suspended under the provisions of sub-rule (1) or sub-rule (2) or sub-rule (2A) of rule 21A.									
7.	b	Rule 138(14): E-way bill is not required where the supply of goods being transported does not constitute supply as per schedule III.									
8.	a	Rule 138(1): Consignment value excludes value of exempt supply of goods in case of invoice cum bill of supply and includes GST inclusive of cess.									
9.	d	Rule 138(1): E-way bill is required during Interstate movement to a Job worker, Interstate movement of handicraft goods by a person exempted from Compulsory registration u/s 24 and when the consignment value exceeds Rs.50,000									

10.	b	<p>Rule 138(10): Validity of EWB</p> <table border="1" data-bbox="389 159 1455 331"> <tr> <td>Cargo type</td> <td>Distance within country</td> <td>Validity period from relevant date</td> </tr> <tr> <td>[Over Dimensional Cargo</td> <td>Upto 20 km</td> <td>One day</td> </tr> </table> <p>Relevant date shall mean the date on which EWB has been generated & the period of validity shall be counted from the time at which the e-way bill has been generated and each day shall be counted as the period expiring at midnight of the day immediately following the date of generation of e-way bill. Applying the above, e-way bill shall be valid for 5 days. i.e. midnight of 17th- 18th February.</p>	Cargo type	Distance within country	Validity period from relevant date	[Over Dimensional Cargo	Upto 20 km	One day						
Cargo type	Distance within country	Validity period from relevant date												
[Over Dimensional Cargo	Upto 20 km	One day												
11.	c	<p>As per rule 138: Every RP who causes movement of goods of consignee Rs 50,000 and mandatorily required irrespective of value in case of Interest goods for job-work.</p> <p>Computation of consignment value: Determined in accordance with the provisions of section 15,</p> <ul style="list-style-type: none"> • Value declared in an invoice/BOS/DC, issued in respect of the said co • also includes the GST and cess charged, if any, • and shall exclude the value of exempt supply of goods where the in respect of both exempt and taxable supply of goods (In case of invoice cum BOS) <p>Answer given by ICAI</p> <table border="1" data-bbox="389 1055 1455 1323"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Taxable value of supplies</td> <td>35,000</td> </tr> <tr> <td>GST on taxable supplies @ 18%</td> <td>6,300</td> </tr> <tr> <td>Value of exempted supplies</td> <td>-</td> </tr> <tr> <td>Value of goods to be sent to job worker on delivery challan</td> <td>15,000</td> </tr> <tr> <td>Consignment Value</td> <td>56,300</td> </tr> </tbody> </table>	Particulars	Amount	Taxable value of supplies	35,000	GST on taxable supplies @ 18%	6,300	Value of exempted supplies	-	Value of goods to be sent to job worker on delivery challan	15,000	Consignment Value	56,300
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		<p>Answer as per Author</p> <p>Taxable and Exempt supplies (i.e., Point (i) & (ii)) can be supplied under Cum BOS, if the supply is made to a URP. In such Scenario Consignment value shall be</p> <table border="1" data-bbox="389 1503 1455 1727"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Taxable Value of supplies</td> <td>35,000</td> </tr> <tr> <td>GST on taxable supplies @ 18%</td> <td>6,300</td> </tr> <tr> <td>Value of exempted supplies</td> <td>-</td> </tr> <tr> <td>Consignment Value</td> <td>41,300</td> </tr> </tbody> </table> <p>So, E-way Bill is not required to be generated.</p> <p>Point no. (iii). Value of goods to be sent to job worker on delivery challan: Rs. 15,000</p> <p>Assuming that it is an interstate movement for Job work, E-way Bill is mandatory to be generated irrespective of consignment value.</p> <p>Note: The question can have multiple answers based on assumptions. Students are advised to follow ICAI approach in exam.</p>	Particulars	Amount	Taxable Value of supplies	35,000	GST on taxable supplies @ 18%	6,300	Value of exempted supplies	-	Consignment Value	41,300		
Particulars	Amount													
Taxable Value of supplies	35,000													
GST on taxable supplies @ 18%	6,300													
Value of exempted supplies	-													
Consignment Value	41,300													

Multiple Choice Question

Section 37: Furnishing details of outward supplies

1. Who is required to furnish details of outward supplies in Form GSTR-1?
- (a) Person paying tax under composition scheme
 - (b) Non-resident taxable person
 - (c) Both (a) & (b)
 - (d) None of the above

Section 39: Furnishing of returns

2. Composition taxpayers are required to file a return in Form no..
- (a) GSTR-2 (b) GSTR-3
 - (c) GSTR-4 (d) GSTR-5
3. The maximum amount of late fee payable under the CGST Act for delay in furnishing returns under section 39 for taxpayer filing GSTR 3B and ATO greater than 5 crores in proceeding PFY is Rs.
- (a) 1,000 (b) 5,000
 - (c) 20,000 (d) 25,000
4. Composition taxpayers are required to
- (a) Furnish return in GSTR 4 and a statement containing details of payment of self-assessed tax in GST CMP 08
 - (b) Only Furnish returns in GSTR 4 annually.
 - (c) Only furnish a statement containing details of payment of self-assessed tax in GST CMP 08
 - (d) None of the above

Section 40: First returns

5. The First return shall be filed by every registered taxable person for the period from
- (a) The date on which he became liable for registration till the date of grant of registration
 - (b) The date of registration to the last day of that month
 - (c) The date on which he became liable for registration till the last day of that month
 - (d) All of the above

Section 44: Annual returns

6. Which of the following are not required to file the annual return?
- (a) Input Service Distributor (b) Casual Taxable Person
 - (c) Non-resident Taxpayer (d) All of the above

Section 45: Final returns

7. The due date of filing the final return is.
- (a) 20th of the next month
 - (b) 18th of the month succeeding the quarter
 - (c) Within three months of the date of cancellation or date of order of cancellation, whichever is later
 - (d) 31st December of next financial year

8. 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:
- required to file Final Return on or before 4th December
 - not required to file Final Return
 - required to file Final Return on or before 30th September
 - required to file Final Return on or before 14th December.
- Goods and services tax practitioners**
9. What are the functions of a GSTP?
- furnish information for generation of e- way bill;
 - file an application for amendment or cancellation of enrolment under rule 58
 - file an intimation to pay tax under the composition scheme or withdraw from the said scheme
 - All of the above.
10. A goods and service tax practitioner can undertake the following activities if authorized by the taxable person
- Furnish details inward and outward supplies
 - Furnish monthly / quarterly return
 - Furnish Annual and Final return
 - All of the above

Answers:

Q.	Ans	Reason
1.	d	As per section 37, Every registered person other than an ISD, NRTP and a person paying tax under the provision of section 10 or section 51 or section 52.
2.	c	As per section 39, Composition taxpayers are required to file a return in Form no. GSTR- 4
3.	b	Section 47: The maximum amount of late fee payable under the CGST Act for delay in furnishing returns under section 39 is Rs.5,000.
4.	a	As per section 39, Composition taxpayers are required to furnish return in GSTR 4 and a statement containing details of payment of self-assessed tax in GST CMP 08
5.	a	As per section 40, First return shall be filed by every registered taxable person for the period from the date on which he became liable for registration till the date of grant of registration.
6.	d	As per section 44, every registered person other than an ISD, a person paying tax under section 51 or 52, a casual taxable person and a non-resident taxable person.
7.	c	As per section 45, The due date for filing final return is within three months of the date of cancellation or date of order of cancellation, whichever is later.
8.	d	Final return to be furnished within 3 months of – • the date of cancellation, (i.e. 4th December) or • date of order of cancellation (i.e. 14th December) Whichever is later, i.e. 14th December.
9.	d	Functions of GSTP includes: furnish information for generation of e-way bill, file an application for amendment or cancellation of enrolment under rule 58, file an intimation to pay tax under the composition scheme or withdraw from the said scheme
10.	d	A goods and service tax practitioner can undertake the activities of: Furnish details inward and outward supplies, furnish monthly / quarterly return, Furnish Annual and Final return.

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