



# ICAI BOS MCQ AND CASE SCENERIOS



## GOODS AND SERVICES TAX

## CHAPTER 1: GST IN INDIA - AN INTRODUCTION

### QUESTION- 1

Presently, is leviable on of natural gas.

- (i) **GST: supply**
  - (ii) **Central excise duty; manufacture/production**
  - (iii) **Central sales tax; inter-State sale**
  - (iv) **Value Added Tax; intra-State sale**
  - (v) **State excise duty; manufacture** Choose the most appropriate option.
- a) (ii), (iii) and (iv)
  - b) (i)
  - c) (i) and (ii)
  - d) (i) and (v)

**Answer: (a)**

**Description:** Based on the provisions of Article 246A.

### QUESTION- 2

\_\_\_\_\_ of the total number of Members of the GST Council shall constitute the quorum at its meetings

- a) One-half
- b) One-third
- c) One-fourth
- d) Two-third

**Answer: (a)**

**Description:** Based on the provisions of Article 279A.

### QUESTION- 3

\_\_\_\_\_ provides that no tax shall be levied or collected except by authority of law.

- a) 269
- b) 245
- c) 265
- d) 246

**Answer: (c)**

**Description:** Article 265 of the Constitution of India prohibits arbitrary collection of tax. It states that a no tax shall be levied or collected except by authority of law



### QUESTION- 4

**CGST and UTGST is leviable in case the supply of goods takes place within:**

- a) Delhi
- b) Puducherry
- c) Jammu and Kashmir
- d) Lakshadweep

**Answer: (d)**

**Description:** CGST and UTGST is levied on intra- State supplies of taxable goods and/or services within Union Territories without Legislatures. Lakshadweep is UT without State Legislature.

#### QUESTION- 5

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

**Answer: (a)**

**Description:** Based on the discussion given in the chapter

#### QUESTION- 6

**Alcoholic liquor for human consumption is subjected to**

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

**Answer: (c)**



## CHAPTER 2: SUPPLY UNDER GST

### QUESTION- 1

Which of the following activities is a supply of services?

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

**Answer: (a)**

**Description:** Based on the provisions of Schedule II

### QUESTION- 2

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

**Answer: (d)**

**Description:** Based on the provisions of Schedule III

### QUESTION- 3

Determine which of the following independent transactions even if made without consideration in terms of Schedule I of the CGST Act, 2017, will be deemed as supply?

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



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

**Answer: (a)**

**Description:** Based on the provisions of Schedule I

#### QUESTION- 4

**Which of the following amounts to supply under GST law?**

- a) Services by an employee to the employer in the course of or in relation to his employment.
- b) Services by any court or Tribunal established under any law for the time being in force.
- c) Lottery, betting, and gambling
- d) Sale of land

**Answer: (c)**

**Description:** Based on the provisions of Section 7 read with Schedule I, II and III

#### QUESTION- 5

**Which of the following activities shall be treated neither as supply of goods nor as 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 provided by an employee to the employer in the course of employment
- a) (i) & (iii)
  - b) (ii) & (iv)
  - c) (i) & (ii)
  - d) (iii) & (iv)

**Answer: (d)**

**Description:** Based on the provisions of Schedule III

#### QUESTION- 6

**Which of the following activities are not treated as supply even if made without consideration?**



- a) Permanent transfer or disposal of business assets where ITC has been availed on such assets.
- b) Supply of goods by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal.
- c) Import of services by a person from a related person outside India for his personal use.
- d) Supply of goods between related persons made in the course or furtherance of business

**Answer: (c)**

**Description:** Based on the provisions of Schedule I

### QUESTION- 7

**Determine which of the following independent transactions even if made without consideration in terms of Schedule I of the CGST Act, 2017, will be deemed as supply?**

- (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 21,000.**

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

**Answer: (a)**

**Description:** Schedule I

### QUESTION- 8

**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)

**Answer: (b)**

**Description:** Based on the provisions of section 2(52) of the CGST Act, 2017



**QUESTION- 9**

**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

**Answer: (c)**

**Description:** Based on the provisions of explanation to section 15 with section 2(49) of the CGST Act, 2017.

**QUESTION- 10**

**When a consumer buys a television set and he also gets mandatory warranty and a maintenance contract with the TV,**

- a) this is a composite supply
- b) this is a mixed supply
- c) these supplies are individual supplies
- d) this is either a mixed supply or a composite supply.

**Answer: (a)**

**Description:** Based on the provisions of section 8 of the CGST Act, 2017

**QUESTION- 11**

**Which of the following activities/transactions are considered as supply of goods?**

- a) lease, tenancy, easement, license to occupy land
- b) Renting of immovable property
- c) Goods forming part of assets of any business carried on by a person who ceases to be a taxable person, shall be deemed to be supplied by him, in the course or furtherance of his business, immediately before he ceases to be a taxable person.
- d) Temporary transfer or permitting use or enjoyment of any intellectual property right

**Answer: (c)**

**Description:** Based on the provisions of Schedule II

**QUESTION- 12**

**Which of the following activities/transactions are considered as supply of services?**

- a) Transfer of title in goods
- b) Transfer of title in goods under an agreement which stipulates that property in goods shall pass at a future date upon payment of full consideration as agreed
- c) Goods forming part of business assets are transferred or disposed off by or under directions of person carrying on the business so as no longer to form part of those assets
- d) Renting of immovable property

**Answer: (d)**

**Description:** Based on the provisions of Schedule II

### QUESTION- 13

**Goods as per section 2(52) of the CGST Act, 2017 includes:**

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

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

**Answer: (c)**

**Description:** Based on the provisions of section 2(52) of the CGST Act, 2017

### QUESTION- 14

**Which of the following services received, in the course or furtherance of business, without consideration amount to supply?**

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

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





d) I and ii

**Answer: (a)**

**Description:** Based on the provisions of Para 4 of Schedule I



## CHAPTER 3: CHARGE OF GST

### QUESTION- 1

**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

**Answer: (d)**

**Description:** Based on the provisions of section 10 of the CGST Act, 2017.

### QUESTION- 2

**Rama Ltd. Has provided following information for the month of September:**

- ◆ Intra-State taxable outward supply Rs.8,00,000
- ◆ Inter-State exempt outward supply Rs.5.00,000
- ◆ Turnover of exported goods Rs.10,00,000
- ◆ Payment made for availing legal services 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

**Answer: (c)**

**Description:** Based on the provisions of section 2(6) of the CGST Act, 2017.

### QUESTION- 3

**Which of the following services does not Fall under reverse charge provisions as contained Under section 9(3) of the CGST Act?**

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

**Answer: (d)**



**Description:** Based on the provisions of Notification No. 13/2017 CT ® dated 28.06.2017 as amended

#### QUESTION- 4

**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)

**Answer: (c)**

**Description:** Based on the provisions of Notification No. 13/2017 CT ® dated 28.06.2017 as amended

#### QUESTION- 5

**Which of the following persons engaged in Making intra-state supplies from Uttar Pradesh as prescribed below. Is not eligible for Composition levy under sub-sections (1) and (2) of the CGST Act, 2017 even though their Aggregate turnover does not exceed Rs.1.5 crore in preceding FY?**

- a) A person supplying restaurant Services
- b) A person supplying restaurant Services and earning bank interest
- c) A person trading in ice cream
- d) A person supplying service of Repairing of electronic items

**Answer: (d)**

**Description:** Based on the provisions of section 10 of the CGST Act, 2017.

#### QUESTION- 6

**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 GST 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.3,270
- c) CGST Rs.32,700 & SGST Rs.3,180
- d) CGST Nil and SGST Nil

**Answer: (a)**

**Description:** Based on the provisions of section 10 of the CGST Act, 2017.

#### QUESTION- 7

**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 lakh in the preceding F.Y.
- b) A startup 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 lakh in the preceding F.Y.
- d) A trader selling grocery items solely in Orissa having an aggregate turnover of Rs.95 Lakh in the preceding F.Y.

**Answer: (c)**

**Description:** Based on the provisions of section 10 of the CGST Act, 2017.

#### QUESTION- 8

**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

**Answer: (b)**

**Description:** Based on the provisions of section 10 of the CGST Act, 2017.



## CHAPTER 4: PLACE OF SUPPLY

### QUESTION- 1

Mr. Rahul from Cochin, Kerala and Mr. Manoj of Bangalore, Karnataka visit Delhi to provide soft Skills training to the employees of a limited Company. The training was conducted in a hotel in Delhi and Employees also travelled to Delhi to attend the Training. The limited company is registered under GST in Mumbai, Maharashtra. What would be the place of supply of this Training?

- a) Cochin and Bangalore
- b) Mumbai
- c) Delhi
- d) Cochin

**Answer: (b)**

**Description:** Based on the provisions of section 12 Of the 1GST Act, 2017

### QUESTION- 2

Mr. R, a resident of Delhi, holds an account in LDICI Bank in Delhi. Mr. R goes to Jaipur for work. During his visit to Jaipur, he takes certain Services relating to his account from IDICI bank In Jaipur in relation to some transaction to be Carried out at Mumbai. What will be place of supply in this case?

- a) Delhi
- b) Jaipur
- c) Mumbai
- d) Either Delhi or Jaipur

**Answer: (a)**

**Description:** Based on the provisions of section 12 of the IGST Act, 2017

### QUESTION- 3

Mr. A, CEO of XY Ltd., Mumbai (company registered in Maharashtra) buys insurance cover for the inventory stored in company's factory located at Ahmedabad. Gujarat, from Excellent insurers, Chennai (registered in Tamil Nadu). The place of supply is

- a) Gujarat
- b) Maharashtra
- c) Tamil Nadu
- d) Either Maharashtra or Gujrat, at the option of Mr. A

**Answer: (b)**



**Description:** Based on the provisions of section 12 of the IGST Act, 2017

#### QUESTION- 4

**Mr. Hira, a registered person in Gurugram, avails architect services of Sweet Homes (P) Ltd. Registered in Mumbai for a property situated in London. What will be the place of supply for Sweet Homes (P) Ltd. In this case?**

- a) Gurugram
- b) Mumbai
- c) London
- d) Either Gurugram or Mumbai

**Answer: (a)**

**Description:** Based on the provisions of section 12 of the IGST Act, 2017

#### QUESTION- 5

**ABC Private Limited is a company providing online ticketing services for admission to various events. It has its head office at New Delhi and two branch offices at Bangalore and Pune. Bangalore is for controlling the selling of tickets and Pune is for printing and dispatching of tickets. The company is selling online tickets for admission to cultural, artistic programs, sport events scheduled to be held at Hyderabad. What will be the place of supply?**

- a) New Delhi
- b) Bangalore
- c) Pune
- d) Hyderabad

**Answer: (d)**

**Description:** Based on the provisions of section 12 of the IGST Act, 2017

#### QUESTION- 6

**Mr. Ankit, a permanent resident of Gurgaon travels by indigo flight from Delhi to Mumbai. During 3 hours halt at Mumbai, he buys travel insurance at Mumbai Airport and takes his onward journey flight from Mumbai to Bangalore. What shall be place of supply for the insurance bought?**

- a) Gurgaon
- b) Delhi
- c) Mumbai



d) Bangalore

**Answer: (a)**

**Description:** Based on the provisions of section 12 of the IGST Act, 2017

#### QUESTION- 7

Mr. Radhey Shyam, a Chartered Accountant registered in Delhi, wish to purchase an office in Bengaluru. Mr. Radhey Shyam took financial services from ICIDI Bank registered in Gurugram in which he is an account holder, to procure loan for an office property situated in Bengaluru. Corporate office of the ICIDI Bank is Mumbai. He paid Rs. 20,000/- as processing fee for this loan to the bank. What will be the place of supply for the bank in this situation?

- a) Delhi
- b) Bangalore
- c) Chandigarh
- d) Mumbai

**Answer: (a)**

**Description:** Based on the provisions of section 12 of the IGST Act, 2017



## CHAPTER 5: EXEMPTIONS FOR GST

### QUESTION- 1

**Which of the following services are not exempt from GST?**

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

**Answer: (c)**

**Description:** Based on the provisions of Notification No. 12/2017 CT ® dated 28.06.2017

### QUESTION- 2

**Warehousing services of---is exempt from GST.**

- (i) Wheat
  - (ii) Apples
  - (iii) Pulses
  - (iv) Potato
- a) i, ii, iii and iv
  - b) i and iii
  - c) ii, iii and iv
  - d) iii

**Answer: (a)**

**Description:** Based on the provisions of Notification No. 12/2017 CT dated 28.06.2017

### QUESTION- 3

**Which of the following is a recognized system of medicine for the purpose of exemption for health care services?**

- (i) Allopathy
- (ii) Unani
- (iii) Siddha

- a) (i)
- b) (ii)





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

**Answer: (d)**

**Description:** Based on the provisions of Notification No. 12/2017 CT ® dated 28.06.2017

#### QUESTION- 4

**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)

**Answer: (d)**

**Description:** Based on the provisions of Notification No. 12/2017 CT dated 28.06.2017

#### QUESTION- 5

**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)

**Answer: (d)**

**Description:** Based on the provisions of Notification No. 12/2017 CT ® dated 28.06.2017

#### QUESTION- 6

**An exempt supply includes-**

- i Supply of goods or services or both which attracts Nil rate of tax Non-taxable supply.
- ii 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)

**Answer: (d)**

**Description:** Based on the provisions of Notification No. 12/2017 CT dated 28.06.2017

#### QUESTION- 7

**Sahil a resident of Delhi is having a residential property in Vasant Vihar. Delhi which has been given on rent to Sohan (unregistered) for Rs.50 lakh 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 dwelling to unregistered person 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.

**Answer: (b)**

**Description:** Based on the provisions of Exemption Notification No. 12/2017 CT(R) dated 28.06.2017

#### QUESTION- 8

**Which of the following services are exempt from GST?**

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

**Answer: (d)**

**Description:** Based on the provisions of Notification No. 12/2017 CT ® dated 28.06.2017

#### QUESTION- 9

**Which of the following services are exempt from GST?**

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



- c) Services by an artist by way of a performance in folk or classical art forms of music/dance/theatre with consideration thereof exceeding Rs.1.5 lakh.
- d) Services by an artist by way of a performance in folk or classical art forms of music/dance / theatre with consideration thereof not exceeding Rs.1.5 lakh.

**Answer: (d)**

**Description:** Based on the provisions of Notification No. 12/2017 CT dated 28.06.2017

#### QUESTION- 10

**Which of the following services is exempt under health care services provided by clinical establishments?**

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

**Answer: (b)**

**Description:** Based on the provisions of Notification No. 12/2017 CT ® dated 28.06.2017

#### QUESTION- 11

**Services by way of admission to ---is not exempt from GST.**

- a) Museum
- b) National Park
- c) Tiger reserve
- d) Recognized sporting event where the admission ticket costs Rs. 600 per person.

**Answer: (d)**

**Description:** Based on the provisions of Notification No. 12/2017 CT ® dated 28.06.2017

#### QUESTION- 12

**Services by way of warehousing of –is exempt from GST.**

- i Cereals
- ii pulses
- iii Fruits
- iv Processed coffee



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

**Answer: (d)**

**Description:** Based on the provisions of Notification No. 12/2017 CT ® dated 28.06.2017

### QUESTION- 13

**Services by way of transportation of----by rail from Chennai to Gujarat is exempt from GST.**

- i Pulses
  - ii military equipment's
  - iii Electric equipment's
  - iv Jaggery
- a) , (i) & (ii)
  - b) (i) & (iii)
  - c) (ii) & (iv)
  - d) (i) (ii) (iii) & (iv)

**Answer: (a)**

**Description:** Based on the provisions of Notification No. 12/2017 CT ® dated 28.06.2017



## CHAPTER 6: TIME OF SUPPLY

### QUESTION- 1

In case of supply of goods for Rs.5.00000 following information is provided-

- ◆ Advance received on 1st April
- ◆ Invoice issued on 15th April
- ◆ Goods removed on 25th April

What is the time of supply of goods where tax is payable under forward charge?

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

**Answer: (b)**

**Description:** Based on the provisions of Section 12(2) of the CGST Act 2017.

### QUESTION- 2

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. 20000. She paid Rs. 5000 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. 20000. Pearl made balance payment of Rs. 15.000 on 30th November. Determine the time of supply in this case.

- a) Time of supply is 25<sup>th</sup> November for Rs. 20000.
- b) Time of supply is 25<sup>th</sup> November for Rs. 5.000 & 30<sup>th</sup> November for Rs. 15.000.
- c) Time of supply is 10<sup>th</sup> August for Rs. 5.000 & 10<sup>th</sup> October for Rs. 15.000.
- d) Time of supply is 10<sup>th</sup> October for Rs. 20.000.

**Answer: (c)**

**Description:** Section 13 of CGST Act 2017

### QUESTION- 3

Sham Ltd. located in Mumbai is receiving legal services from a lawyer Mr. Gyan registered under GST. The aggregate turnover of Sham Ltd. In the preceding financial year is Rs.42 lakh. The information regarding date of payment Invoice etc. is as follows-

- ◆ Invoice Issued by Mr. Gyan on 15th April
- ◆ Payment debited in the bank account of Sham Ltd. On 5th May



◆ **Date of payment entered in books of accounts of Sham Ltd. Is 1st May**

**What is time of supply of services?**

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

**Answer: (a)**

**Description:** Based on the provisions of section 13 of the CGST Act 2017.

#### QUESTION- 4

**Determine the time of supply of goods the help of the information provided below: with**

- ◆ **May 11 Supplier Diya Enterprises issues invoice for the goods taxable on reverse charge basis to Piya Constructions Ltd.**
- ◆ **May 12 Piya Constructions Ltd. Receives the goods**
- ◆ **May 30 Piya Constructions Ltd. Issues a cheque and records payment in its books of accounts**
- ◆ **May 31 Payment is debited from the bank account of Piya Constructions Ltd.**
- ◆ **June 1 Payment is credited in bank account of Diya Enterprises**
- ◆ **June 2 Payment is recorded in the books of Diya Enterprise**

- a) May 12
- b) May 30
- c) June 11
- d) June 1

**Answer: (a)**

**Description:** Based on the provisions of section 12(3) of the CGST Act 2017

#### QUESTION- 5

**The time of supply of service in case of reverse charge mechanism is:**

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

**Answer: (d)**



**Description:** Based on the provisions of section 13(3) of the CGST Act 2017

**QUESTION- 6**

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.20000. She paid Rs.5000 as advance on that day.

The classical singing function was organized on 10th October. The auditorium owner Issued Invoice to Ma. Pearl on 25th November amounting to Rs.20000. Pearl made balance payment of Rs.15000 on 30th November.

**Determine the time of supply in this case.**

- a) Time of supply is 25<sup>th</sup> November for Rs. 20.000.
- b) Time of supply is 25<sup>th</sup> November for Rs.5.000 & 30<sup>th</sup> November for Rs. 15.000.
- c) Time of supply is 10<sup>th</sup> August for Rs.5.000 & 10<sup>th</sup> October for Rs. 15000
- d) Time of supply is 10<sup>th</sup> October for Rs.20000.

**Answer: (c)**

**Description:** Based on the provisions of section 13 of the CGST Act 2017.



## CHAPTER 7: VALUE OF SUPPLY

### QUESTION- 1

Piramal Ltd. Has 24% shareholding of Anukul Ltd. Piramal Ltd. Supplied goods to Anukul Ltd. During the current FY.

Which of the following value shall be the value of goods under GST law?

- a) Maximum Retail Price (MRP)
- b) Exchange Value
- c) Transaction value
- d) Other than transaction value since supplier and recipient are related person

**Answer: (c)**

**Description:** Based on the provisions of section 15 of the CGST Act 2017

### QUESTION- 2

M/s. Gemini Exports has sold scrap amounting to Rs. 384000 excluding Tax collected at Source@ 1% under Income Tax Act 1961. The scrap was transported to the place of business of the recipient for which M/s. Gemini Exports charged additional Rs. 5100 as transportation charges.

All the given amounts are exclusive of GST.

Determine the value of supply.

- a) Rs. 384000
- b) Rs. 389.940
- c) Rs. 389100
- d) Rs. 382260

**Answer: (c)**

**Description:** Based on the provisions of section 15 of the CGST Act 2017 read with Circular No. 76/50/2018 GST dated 31.12.2018

### QUESTION- 3

Discount given after the supply has been affected is deducted from the value of taxable supply if

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

- a) (i)





- b) (i) and (ii)
- c) (ii) and (iii)
- d) (i) (it) and (iii)

**Answer: (d)**

**Description:** Based on the provisions of section 15(3) of the CGST Act 2017.

#### QUESTION- 4

The director of M/s. Carrier Ltd. Provided premises to it at a monthly rental of Rs. 250000 which is registered as principal place of business (from where its carries out business operations).

M/s. Carrier Ltd. wants to understand whether the monthly rental of Rs. 250000 should be termed as 'transaction value for determination of value of supply.

Will answer differ if premises is provided by independent supplier i.e. M/s. Kalp Ltd.

- a) No, yes.
- b) Yes, Yes
- c) Yes, No
- d) No, No

**Answer: (a)**

**Description:** Based on the provisions of section 15 of the CGST Act 2017.

#### QUESTION- 5

Which of the following are not includible in the value of supply in terms of section 15 of the CGST Act 2017?

- a) CGST SGST UTGST GST Compensation Cess
- b) Commission and packing charges
- c) Interest for delayed payment of consideration
- d) Payments made to third parties by the recipient on behalf of the supplier in relation to the supply

**Answer: (a)**

**Description:** Based on the provisions of section 15 of the CGST Act 2017



## CHAPTER 8: INPUT TAX CREDIT

### QUESTION- 1

TT Put. Ltd registered in Rajasthan furnished following information for the month of June:

- ◆ Inter-State sale of goods for Rs.1.25000 to JJ Enterprises registered in Haryana
- ◆ Inter-State purchases of goods from XYZ company registered in Punjab for Rs.40000
- ◆ Intra-State purchases of goods from RR Traders registered in Rajasthan. For Rs.65000

The applicable rate of GST is 18%. There is opening balance of ITC. All the above amounts are exclusive of taxes. GST liability payable in cash -

- a) CGST Rs.1.800 & SGST Rs.1800
- b) SGST Rs.3.600
- c) IGST Rs.3.600
- d) CGST Rs.3.600

**Answer: (c)**

**Description:** Based on the discussion of various topics from chapter-2 to 8.

### QUESTION- 2

Mr. Raghu avails services of Mr. Raja a Chartered Accountant as under-

- ◆ Audit of financial accounts of Mr. Raghu Rs.55000
- ◆ Tax audit and annual accounts filing of Mr. Raghu Rs.10.000
- ◆ Income-tax return filing of Mr. Raghu a wife (salaried-return) Ra.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.70000 plus GST in the books of account. Mr. Raghu is eligible to take

Input tax credit of-

- a) Rs. 13500
- b) Rs.11700
- c) Rs.9900
- d) Rs.1.800

**Answer: (b)**

**Description:** Based on the discussion of various topics from chapter-2 to 8.

### QUESTION- 3

ITC of motor vehicles used for making----is allowed.

- i Transportation of goods



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

**Answer: (d)**

**Description:** Based on the provisions of section 17(5) of the CGST Act 2017.

#### QUESTION- 4

**Mr. A has a tax Invoice dated 20-1-2023 of services received by him. It's input tax credit is lost if ITC is not availed on or before**

- a) 20-01-2024
- b) 31-12-2023
- c) due date of filing return under Section 39 for September 2023 or date of filing of annual return for 2022-23 whichever is earlier
- d) 30<sup>th</sup> November 2023 or furnishing of the relevant annual return whichever is earlier.

**Answer: (d)**

**Description:** Based on the provisions of section 16 of the CGST Act 2017.

#### QUESTION- 5

**If the goods are received in lots/instalment**

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

**Answer: (b)**

**Description:** Based on the provisions of section 16 of the CGST Act 2017.

#### QUESTION- 6

**Input tax credit is not available in respect of**

- i Services on which tax has been paid under composition levy
- ii goods given as free samples
- iii Goods used for personal consumption
- a) (i)
- b) (i) and (ii)



- c) (ii) and (iii)  
d) (i) (ii) and (iii)

**Answer: (d)**

**Description:** Based on the provisions of section 17(5) of the CGST Act 2017.

### QUESTION- 7

**Input tax credit shall not be available in respect of:**

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

**Answer: (d)**

**Description:** Based on the provisions of section 17(5) of the CGST Act 2017.

### QUESTION- 8

**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: -**

Particulars	GST Paid (Rs.)
General insurance taken on cars manufactured by PZY Ltd.	10000000
Buses purchased for transportation of employees (Seating capacity 23)	2500000
Life and health insurance for employees under statutory obligation	600000
Outdoor catering in Diwali Mela organized for employees	350000

- a) Rs.9.50000  
b) Ra.350000  
c) Rs.1.31.00.000  
d) Rs.28.50000

**Answer: (b)**



**Description:** Based on the discussion of various topics from chapter-2 to 8.

### QUESTION- 9

**A supplier takes deduction of depreciation On the GST component of the cost of capital Goods as per Income- tax Act 1 961. 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

**Answer: (b)**

**Description:** Based on the provisions of section 16(3) of the CGST Act 2017.



## CHAPTER 9: REGISTRATION

### QUESTION- 1

**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.

**Answer: (d)**

**Description:** Based on the provisions of discussion under this chapter.

### QUESTION- 2

**Dhruv Tara Ltd. an electronic commerce operator is liable to collect tax at source under section 52 of the CGST Act 2017 and is registered under GST. However, it is going to close its operations from the next month.**

- i No option is available for Dhruv Tara Ltd. To Suo-motu apply for cancellation of registration under GST. Only proper officer can initiate cancellation of registration
- ii Dhruv Tara Ltd. Can apply in writing for cancellation of registration under GST if it is no longer required to collect tax at source under section 52.
- iii Registration of Dhruv Tara Ltd. Can be cancelled if proper officer is satisfied that Dhruv Tara Ltd. Is no longer liable to collect tax at source under section 52 pursuant to the enquiry under GST law.

**Choose the most appropriate option.**

- a) (i)
- b) (ii)
- c) (iii)
- d) Either (ii) or (iii)

**Answer: (d)**

**Description:** Based on the provisions of Rule 12 of the CGST Rules 2017.

### QUESTION- 3

**Ram an individual based in Gujarat is in employment and earning Rs.10 lakh as salary. He is also providing intra-State consultancy services to different organizations on growth and expansion of business.**

**His turnover from the supply of such services is Rs.12 lakh.**



**Determine whether Ram is liable for taking registration as per provisions of the Act?**

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

**Answer: (c)**

**Description:** Based on the provisions of section 23 of the CGST Act 2017 read with relevant rules.

**QUESTION- 4**

**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 lakh.
- c) Mr. X is required to get registration under GST if the aggregate turnover in a financial year exceeds Rs.40 lakh.
- d) Mr. X has to compulsorily get registered under GST irrespective of the threshold limit.

**Answer: (d)**

**Description:** Based on the provisions of section 23 of the CGST Act 2017.

**QUESTION- 5**

**How is the aggregate turnover calculated for determining threshold limit for 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.

**Answer: (d)**

**Description:** Based on the provisions of section 2(6) of the CGST Act 2017.

### QUESTION- 6

**Within how many days a person should apply for registration under GST apart from provisions of voluntary registration?**

- Within 60 days from the date, he becomes liable for registration.
- Within 30 days from the date, he becomes liable for registration.
- No time limit
- Within 90 days from the date, he becomes liable for registration.

**Answer: (b)**

**Description:** Based on the provisions of section 25 of the CGST Act 2017.

### QUESTION- 7

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

- Intra-State supply of taxable goods amounting to Rs.17 lakh**
- Supply of exempted services amounting to Rs.1 lakh**
- 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?**

- Mr. Z is liable to obtain registration as the threshold limit of Rs. 10 lakh is crossed.
- Mr. Z is not liable to obtain registration as he makes exempted supplies.
- Mr. Z is liable to obtain registration as he makes the inter-State supply of goods.
- Mr. Z is not liable to obtain registration as the threshold limit of Rs.20 lakh is not crossed.

**Answer: (c)**

**Description:** Based on the provisions of section 24 of the CGST Act 2017.

### QUESTION- 8

**The person making inter-State supply of goods from Madhya Pradesh is compulsorily required to get registered under GST ---provided such goods are not notified handicraft goods nor predominantly hand-made notified products.**

- if his aggregate turnover exceeds Rs.20 lakh in a financial year





- b) Answer 2 if his aggregate turnover exceeds Rs.10 lakh in a financial year
- c) if his aggregate turnover exceeds Rs.40 lakh in a financial year
- d) irrespective of the amount of aggregate turnover in a financial year since he is making inter-State supply of taxable goods.

**Answer: (d)**

**Description:** Based on the provisions of section 24 of the CGST Act 2017.

### QUESTION- 9

**P Ltd. Has its registered office under the Companies Act 2013 in the State of Maharashtra from where it ordinarily carries on its business of taxable goods. It also has a warehouse in the State of Telangana for storing said goods.**

**What will be the place of business of 'P Ltd. Under the GST law?**

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

**Answer: (c)**

**Description:** Based on the provisions of discussion under section 22 of this chapter.

### QUESTION- 10

**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)

**Answer: (b)**

**Description:** Based on the provisions of Section 25(2) read with rule 11 of the CGST Rules 2017.

#### QUESTION- 11

**Mr. Ram a jeweler 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.

**Answer: (c)**

**Description:** Based on the provisions of discussion under this chapter.

#### QUESTION- 12

**A non-resident taxable person is required to apply for registration:**

- a) Answer 1 within 30 days from the date on which he becomes liable to registration
- b) Answer 2 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

**Answer: (c)**

**Description:** Based on the provisions of section 27 of the CGST Act 2017 read with relevant rules

#### QUESTION- 13

**Which of the following persons is mandatorily required to undergo Aadhaar authentication?**

- a) Department of Posts a Central Government Department
- b) Municipal Corporation of Delhi
- c) ICAI
- d) Supplier of pan masala in Delhi

**Answer: (d)**



**Description:** Based on the provisions of Section 25(6A) (6B) (6C) & (6D) of the CGST Act 2017 read with rules 8 9 10B and 25 of the CGST Rules 2017.

#### QUESTION- 14

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

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

**Answer: (c)**

**Description:** Based on the provisions of section 27 of the CGST Act 2017 read with relevant rules.

#### QUESTION- 15

**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.

**Answer: (c)**

**Description:** Based on the provisions of discussion under this chapter.

#### QUESTION- 16

**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: (a)**

**Description:** Based on the provisions of section 30 of the CGST Act 2017 read with relevant rules.

#### QUESTION- 17

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

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

**Answer: (c)**

**Description:** Based on the provisions of section 27 of the CGST Act 2017.



## CHAPTER 10: TAX INVOICE, DEBIT AND CREDIT NOTES

### QUESTION- 1

**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

**Answer: (a)**

**Description:** Based on the provisions of sections 31(1) & (2) of the CGST Act 2017 read with rule 48 of the CGST Rules 2017.

### QUESTION- 2

**Where the goods being sent or taken on approval for sale or return are removed before the supply takes place the invoice shall be issued:**

- a) before/at the time of supply
- b) 6 months from the date of removal
- c) Earlier of (a) or (b)
- d) Later of (a) or (b)

**Answer: (c)**

**Description:** Based on the provisions of Section 31(7) of the CGST Act 2017

### QUESTION- 3

**During the month of May Z Ltd. Sold goods to Y Ltd. For Rs.255000 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.40000 in the same month.**

**Z Ltd. Records the return of goods by issuing a credit note of Rs.40000 plus GST in the same month.**

**In this situation GST liability of Z Ltd. For the month of May will be-**

- a) Rs.45900
- b) Rs.38700
- c) Rs.53100
- d) Rs.40000

**Answer: (b)**

**Description:** Based on the provisions discussed in Chapter-7 and 10.



**QUESTION- 4**

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 of fer.
  - 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)

**Answer: (c)**

**Description:** Based on the provisions of section 34 of the CGST Act 2017.

**QUESTION- 5**

In case of taxable supply of services by a non-banking financial company (NBFC) to other than a distinct person invoice shall be issued within a period of---from the date of supply of service.

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

**Answer: (b)**

**Description:** Based on the provisions of sections 31(1) (2) (4) & (5) of CGST Act 2017 read with rule 47 of the CGST Rules 2017.

**QUESTION- 6**

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. 1200
- b) Rs.600
- c) Rs.150
- d) Rs.200



**Answer: (c)**

**Description:** Based on the provisions of Section 31(3)(b) of the CGST Act 2017 read with fourth proviso to rule 46 of CGST Rules 2017



## CHAPTER 11: ACCOUNTS & RECORDS

### QUESTION- 1

**What course of action can be adopted if there is any incorrect entry made in books of accounts other than those of clerical nature?**

- a) It can be deleted directly
- b) It must be deleted after obtaining approval from GST officer
- c) It can be scored out under attestation
- d) No entries can be corrected.

**Answer: (c)**

**Description:** Based on the provisions of section 35 of the CGST Act 2017 read with rule 56 of the CGST Rules 2017.

### QUESTION- 2

**Who is not required to maintain records relating to stock of goods and details of taxes in terms of Rule 56 of CGST Rules 2017?**

- a) Manufacturer
- b) Service provider
- c) Composition Supplier
- d) Transporter

**Answer: (c)**

**Description:** Based on the provisions of rule 56(2) and (4) of the CGST Rules 2017

### QUESTION- 3

**In which manner it is mandatory to maintain books of accounts?**

- a) Manual form
- b) Electronic Form
- c) Any form-manual or electronic
- d) Both manual and electronic

**Answer: (c)**

**Description:** Based on the provisions of section 35 of the CGST Act 2017 read with rule 56 of the CGST Rules 2017.

### QUESTION- 4

**Where the \_\_\_\_\_ considers that any class of taxable persons is not in a position to keep and maintain accounts in accordance with the provisions of this section**





he may for reasons to be recorded in writing permit such class of taxable persons to maintain accounts in such manner as may be prescribed.

- a) GST Council
- b) Commissioner
- c) Central Government
- d) Proper officer

**Answer: (b)**

**Description:** Based on the provisions of section 35(4) of the CGST Act 2017 read with rule 56 of the CGST Rules 2017.

#### QUESTION- 5

A registered person who is engaged in manufacturing of Plastic Bottles is required to maintain books of accounts relating to

- i Raw material
  - ii Input services
  - iii Goods manufactured including waste & by products
  - iv Waste and by products
- a) (i) & (ii)
  - b) (i) & (iii)
  - c) (iii) & (iv)
  - d) (i) (ii) (iii) & (iv)

**Answer: (d)**

**Description:** Based on the provisions of section 35 of the CGST Act 2017 read with rule 56 of the CGST Rules 2017.

#### QUESTION- 6

Principal place of business means the place of business

- a) as Informed to GST officer separately
- b) As mentioned in Income tax records
- c) As mentioned in the certificate of GST registration
- d) As mentioned on sign board of the premises

**Answer: (c)**

**Description:** Based on definition given under Section 2(89) of the CGST Act 2017



**QUESTION- 7**

All the accounts and records are required to be retained until the expiry of \_\_\_ from the due date of furnishing of annual return.

- a) 60 months
- b) 72 months
- c) 84 months
- d) 96 months

**Answer: (b)**

**Description:** Based on the provisions of section 36 of the CGST Act 2017

**QUESTION- 8**

How the electronic records be authenticated by a registered person?

- a) physical signature
- b) digital signature
- c) scan copy of physical signature
- d) affixing stamp

**Answer: (b)**

**Description:** Based on the provisions of section 35 of the CGST Act 2017 read with rule 56 of the CGST Rules 2017.

**QUESTION- 9**

A registered person is required to maintain books of accounts relating to

- i Supply of goods or services
- ii Receipt of goods or services
- iii Stock of goods
- iv Input tax credit availed

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

**Answer: (d)**

**Description:** Based on the provisions of section 35 of the CGST Act 2017 read with rule 56 of the CGST Rules 2017.



## CHAPTER 12: E-WAY BILL

### QUESTION- 1

A jay proprietor of firm Surya Steels Pvt Ltd. Registered in Haryana has ordered TMT steel bars amounting to Rs. 575000 (excluding GST @18%) on 01.05.2023 02:25 pm from Kindle Steels registered in Madhya Pradesh which is at a distance of 650 km from the factory of Surya Steels Pvt Ltd in Haryana.

E-way bill is generated immediately and the validity period of e-way is 4 days.

However, due to unforeseen circumstances Surya Steels Pvt. Ltd. Asks Kindle Steels to cancel the order at 03:45 PM. The goods are still in the warehouse of Kindle Steels who has asked its accountant to cancel the e-way Bill.

What is the time-period within which e-way bill can be cancelled by Kindle Steels?

- a) 4 days
- b) 24 hrs.
- c) 48 hrs.
- d) 72 hrs.

**Answer: (b)**

**Description:** Based on the provisions of rule 138(9) of the CGST Rules 2017

### QUESTION- 2

Anna Private Limited registered in Delhi (consignor) sells goods to Krishan Chand registered in Punjab (consignee) a grocery store owner. The consignment contains eggs and fish of the value Rs. 50000 (exempt under GST) and corrugated boxes for packaging the eggs & fish of the value Rs. 40000 (excluding GST @18%).

Determine the consignment value for generation of e-way bill by consignor Anna Private Limited.

- a) 90000
- b) 97200
- c) 47200
- d) 106200

**Answer: (c)**

**Description:** Based on the provisions of Explanation 1 to rule 138(1) of the CGST Rules 2017

### QUESTION- 3



**ABC Ltd. Generated e-way bill on 12th February at 14.00 hrs. It transported over-dimensional cargo for a distance of 100 km. The validity period of the e-way bill will expire on if there is no extension of the same.**

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

**Answer: (b)**

**Description:** Based on the provisions of rule 138(10) of the CGST Rules 2017.

#### QUESTION- 4

**A registered person has to transport goods from its warehouse to its depot located at a distance of 300 km in a normal cargo. E-way bill is generated at 00:04 hrs. on 14th March. It will expire on**

- a) 12:00 midnight of 16-17 March
- b) 12:00 midnight of 15-16 March
- c) 12:00 midnight of 17-18 March
- d) 12:00 midnight of 18-19 March

**Answer: (a)**

**Description:** Based on the provisions of rule 138(10) of the CGST Rules 2017

#### QUESTION- 5

**Style Associates Delhi deals in denim garments has ordered jeans from Super Garments in Ludhiana (Punjab) which is 310 km away from its warehouse. E-way bill is generated by Super Garments and the order is coming by a normal cargo. For how many days will the E-way bill be valid from the time it is generated?**

- a) 24 hours
- b) 2 Days
- c) 5 Days
- d) 7 Days

**Answer: (b)**

**Description:** Based on the provisions of rule 138(10) of the CGST Rules 2017.



## CHAPTER 13: PAYMENT OF TAX

### QUESTION- 1

**Which type of number is created for every successful challan generated by the taxpayer to identify the challan?**

- a) Bank Reference Number (BRN)
- b) Challan Identification Number (CIN)
- c) Common Portal Identification Number (CPIN)
- d) Acknowledgement Reference Number (ARN)

**Answer: (c)**

**Description:** Refer discussion under electronic cash ledger of this chapter.

### QUESTION- 2

**How much time does a receipt for the payment made online takes to get appeared at common portal?**

- a) Instant
- b) Minimum of 2 Hours
- c) 12 Hours
- d) 1 Working Day

**Answer: (a)**

**Description:** Refer discussion under electronic liability register of this chapter

### QUESTION- 3

**How many types of challans are prescribed for all the taxes fees penalty interest and other payments to be paid under the GST regime?**

- a) 3 Challans
- b) 2 Challans
- c) 4 Challans
- d) Single Challan

**Answer: (d)**

**Description:** Refer discussion under electronic cash ledger of this chapter.

### QUESTION- 4

**What is the applicable rate of interest if a registered party fails to pay the amount of tax liability within the due date?**

- a) 24% p.a



- b) 18% p.a
- c) 22% p.a
- d) 20% p.a

**Answer: (b)**

**Description:** Refer discussion under section 50 of this chapter.

#### QUESTION- 5

**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.

**Answer: (a)**

**Description:** Based on the provisions of section 49(8) of the CGST Act 2017

#### QUESTION- 6

**Self-assessed Input Tax Credit (ITC) by a registered person which reflects in electronic credit ledger can only be used to make payment of which of the following liabilities?**

- a) Tax
- b) Penalty
- c) Interest
- d) Fee

**Answer: (a)**

**Description:** Refer section 49 of the CGST Act 2017

#### QUESTION- 7

**How many branches can be nominated by authorized banks as its & Electronic Focal Point Branch to collect payment of GST?**

- a) Only 2 Branches
- b) Only 5 Branches
- c) Only 3 Branches
- d) Only 1 Branch

**Answer: (d)**

**Description:** Refer discussion under electronic cash ledger of this chapter.



**QUESTION- 8**

**Balance in electronic credit ledger can be utilized against payment of**

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

**Answer: (a)**

**Description:** Based on the provisions of section 49(4) of the CGST Act 2017.



## CHAPTER 14: TAX DEDUCTED AT SOURCE AND COLLECTION OF TAX AT SOURCE

### QUESTION- 1

**Net value of taxable supplies for the purpose of TCS u/s 52 of the CGST Act excludes**

- (i) Central tax State tax Union Territory tax Integrated tax and cess indicated in the invoice
  - (ii) Aggregate value of taxable supplies of services notified under section 9(5)
  - (iii) Aggregate value of taxable supplies returned to the suppliers
- a) (i)
  - b) (ii)
  - c) (i) & (iii)
  - d) (i) (ii) & (iii)

**Answer: (d)**

**Description:** Based on the provisions of section 52 of the CGST Act 2017.

### QUESTION- 2

**Health department of Gujarat Government is making payment of Rs. 354000 [Rs. 300000 service value + Rs.54000 GST] to a supplier for a contract of printing. Calculate TDS required to be deducted if any?**

- a) Rs.7080
- b) Rs.3540
- c) Rs.6000
- d) Rs.3000

**Answer: (c)**

**Description:** Based on the provisions of section 51 of the CGST Act 2017.

### QUESTION- 3

**Under the GST law who is liable to collect TCS on the net value of taxable supplies made through it by the suppliers?**

- a) Input Service Distributor
- b) E-commerce Operator
- c) Composition Dealer
- d) Person Deducting Tax at Source

**Answer: (b)**





**Description:** Based on the provisions of section 52 of the CGST Act 2017.

#### QUESTION- 4

**When is tax not required to be deducted?**

- a) Contract value does not exceed Rs. 2 Lacs (excluding taxes)
- b) Contract value does not exceed Rs. 2 Lacs (Including taxes)
- c) Contract value does not exceed Rs. 2.5 Lacs (excluding taxes)
- d) Contract value does not exceed Rs. 2.5 Lacs (including taxes)

**Answer: (c)**

**Description:** Based on the provisions of section 51 of the CGST Act 2017.

#### QUESTION- 5

**Mr. P located in Gujarat is engaged in providing taxable services to a government undertaking Daman Branch. In this case government undertaking is liable to deduct TDS\_\_\_ in terms of Section 51 of the CGST Act 2017 where the total value of such supply under a contract exceeds Rs. 250000.**

- a) CGST & SGST @ 1% each
- b) IGST @ 2%
- c) CGST & UTGST @ 1% each
- d) CGST & UTGST @ 0.5% each

**Answer: (b)**

**Description:** Based on the provisions of section 51 of the CGST Act 2017.

#### QUESTION- 6

**Floret Jewels Pvt. Ltd. registered in Maharashtra sells floral jewellery via an E- commerce operator Zeebel.com. Mr. Ajay placed an order of 10 sets of floral jewellery in different colors each costing Rs. 5000 (GST @18% not included) on 20th May 2023.**

**However, he returned 2 sets back after 2 days in accordance with the exchange policy of Zeebel.com.**

**Determine the value of supply on which Zeebel.com should collect TCS from Floret Jewels Pvt. Ltd.**

- a) Rs. 40000
- b) Rs. 59.000
- c) Rs. 50000
- d) Rs. 47.200



**Answer: (a)**

**Description:** Based on the provisions of section 52 of the CGST Act 2017.

#### QUESTION- 7

The provisions of section 51 relating to TDS are applicable only to such authority or a board or any other body set up by an Act of parliament or a State legislature or established by any Government in which \_\_\_% or more participation by way of equity or control is with the Government.

- a) 26
- b) 51
- c) 76
- d) 100

**Answer: (b)**

**Description:** Based on the provisions of section 51 of the CGST Act 2017.

#### QUESTION- 8

**What is the due date of payment of TDS?**

- a) 11<sup>th</sup> of succeeding month
- b) 10<sup>th</sup> of succeeding month
- c) 15<sup>th</sup> of succeeding month
- d) 20<sup>th</sup> of succeeding month

**Answer: (b)**

**Description:** Based on the provisions of section 51 of the CGST Act 2017.

#### QUESTION- 9

Krishi Udyog la State government establishment) registered under GST in Maharashtra has purchased fabric worth Rs. 280000 (exclusive of GST @12%) from M/s Talwar Fabrics registered in Haryana (Inter-state supply). Determine the amount of TDS Krishi Udyog is liable to deduct while making payment to M/s Talwar Fabrics.

- a) Rs. 5600
- b) Rs. 1400
- c) Rs. 2.800
- d) Rs. 14.000

**Answer: (a)**

**Description:** Based on the provisions of section 51 of the CGST Act 2017.



**QUESTION- 10**

Star Footwear a registered seller from Maharashtra has received order of shoes from unregistered wholesaler from Orissa through an e-commerce site Zamba.com amounting to Rs. 37500 (exclusive of GST @12%).

Star Footwear gave 10% discount at the time of supply to the wholesaler and received Rs. 37800 (inclusive of GST).

Determine the amount of tax that would be collected by the e-commerce operator Zamba.com?

- a) Rs. 375
- b) Rs. 420
- c) Rs. 337.50
- d) Rs. 378

**Answer: (c)**

**Description:** Based on the provisions of section 52 of the CGST Act 2017.

**QUESTION- 11**

Calculate the TCS required to be collected by e-commerce operator. A supplier sold goods through operator of Rs. 118000 (including GST Rs.18000) and out of which Rs. 23600 (including GST Rs.3600) goods were returned by customers.

- a) Rs.1.600
- b) Rs.1888
- c) Rs.800
- d) Rs.944

**Answer: (c)**

**Description:** Based on the provisions of section 52 of the CGST Act 2017.

**QUESTION- 12**

**At which point of time TDS is required to be deducted?**

- a) Payment to supplier
- b) Earlier of payment or invoice of supplier
- c) Invoice of supplier
- d) Filing GST Return

**Answer: (a)**

**Description:** Based on the provisions of section 51 of the CGST Act 2017.



## CHAPTER 15: RETURNS

### QUESTION- 1

Mr. Ritesh runs an e-commerce website “Flip- over” and he has registered himself as an E-commerce operator (ECO) under GST in Delhi. Being an ECO Flip-over needs to furnish the details of supplies on which it has collected TCS.

Which form does Mr. Ritesh need to file?

- a) Form GSTR-8
- b) Form GSTR-5
- c) Form GSTR-11
- d) Form GSTR-7

**Answer: (a)**

**Description:** Based on the provisions of section 52(4) read with rule 60(7) and rule 67 of CGST Rules 2017.

### QUESTION- 2

Mr. Rishabh Gaba registered under GST in Delhi had turnover of 75 lakh in the previous year. He has registered himself under composition scheme in GST as he projects his sale to be below Rs. 1.5 crores in the forthcoming years and all sales will take place within Delhi. He has deposited his tax quarterly. He wants to file the return of his company Rishabh Engineering Works on yearly basis.

Which form Mr. Rishabh Gaba should use for furnishing the yearly return of his company?

- a) Form GST CMP-08
- b) Form GSTR-9
- c) Form GSTR-4
- d) Form GSTR-10

**Answer: (c)**

**Description:** Based on the provisions of section 39(2) read with rule 62 of CGST Rules.

### QUESTION- 3

Jayanti Candles & Co. registered in Maharashtra supplies commercial grade candles to its customers PAN India. On 24th August 2023 its Accountant received a call from a customer in Orissa that its GST-2B has not reflected a bill dated 22nd April 2023 till now.

On checking he found that the bill has been inadvertently entered in GSTR-1 of April 2023 in the name of a party in Karnataka.



**In which return can the bill be amended by the Accountant of Jayanti Candles & Co.?**

- a) GSTR-1 of April 2023
- b) GSTR-3B of April 2023
- c) GSTR-1 of August 2023
- d) GSTR-3B of August 2023

**Answer: (c)**

**Description:** Based on the provisions of section 37(3) of CGST Act 2017

#### QUESTION- 4

**RR Stationers dealers of wholesale and retail stationary items are registered under QRMP scheme in GST for the Financial year 2023-24.**

**It has opted for Fixed sum method of tax payment in the previous quarter (April-June) and tax paid in cash was Rs. 10000 in April under GST PMT-06 Rs. 12000 in May under GST PMT-06 and Rs. 7000 in GSTR-3B of the quarter filed on 24th July 2023.**

**Now RR Stationers want to deposit tax for the month of July 2023 under QRMP Scheme (Fixed Sum payment method). Determine the amount of tax to be deposited for the month of October 2023 under this scheme?**

- a) Rs. 2.450
- b) Rs. 7700
- c) Rs. 10150
- d) Rs. 4200

**Answer: (c)**

**Description:** Rs.  $(10000 + 12000 + 7000) * 35\% =$  Rs. 10150

#### QUESTION- 5

**While filing GSTR-3B of a taxable person registered in GST which of the following need not be mentioned in the form GSTR-3B?**

- a) Summary of Outward Supplies
- b) Invoice-wise details of Outward Supplies
- c) Payment of tax under Reverse charge mechanism
- d) Eligible Input Tax Credit as per GSTR- 2B

**Answer: (b)**

**Description:** Based on the provisions of section 39 read with rule 61 & 61A of CGST Rules 2017

#### QUESTION- 6



Nirmaan Industries registered in Faridabad (Haryana) has purchased goods from 3 suppliers registered in Delhi and 2 suppliers registered in Punjab. One supplier from Delhi failed to file his GSTR-1 on time (assuming no supplier has opted for QRMP Scheme).

Now Nirmaan Industries wants to evaluate its tax payable in cash for the subject month and check which company has failed to file their GSTR-1 to calculate available input tax credit. Which form should Nirmaan Industries check to calculate available and eligible Input Tax Credit?

- a) GSTR-2A
- b) GSTR-1
- c) GSTR-2B
- d) GSTR-3B

**Answer: (c)**

**Description:** Based on the provisions of section 38 read with Rule 60 of CGST Rules 2017

#### QUESTION- 7

Kalim & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved w.e.f. 4th September by the proper officer by passing an order for the same on 14th September.

In the given case Kalim & Associates is:

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

**Answer: (d)**

**Description:** Based on the provisions of section 45 of the CGST Act 2017.

#### QUESTION- 8

ABC Ltd. Supplied certain taxable goods at list price of Rs. 153000 to PQR Ltd. Considering that the goods are of brittle nature PQR Ltd. Had asked for appropriate packing of the same to avoid breakage during transportation.

ABC Ltd. Additionally charged Rs. 5500 towards packing charges. ABC Ltd. Has also received subsidy of Rs. 2800 per item from State Government on sale of each such items.

Determine the value of taxable supply assuming that cash discount is allowed at the rate of 2.5% on list price of goods.



- a) Rs. 157267
- b) Rs. 154675
- c) Rs. 157.475
- d) Rs. 154538

**Answer: (b)**

**Description:** Based on the provisions of section 15 of the CGST Act 2017

#### QUESTION- 9

**The due date of filing Final Return is----.**

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

**Answer: (c)**

**Description:** Based on the provisions of section 45 of the CGST Act 2017.

#### QUESTION- 10

**Shubham Traders Pvt. Ltd. is registered in Meghalaya (a North-Eastern State). Its turnover in the immediate previous financial year is Rs. 4.95 crore.**

**While filing its GSTR-1 for the current financial year the accountant is preparing the HSN Summary but is unaware about the number of digits of HSN code to be mentioned in GSTR-1.**

**How many digits of HSN code is mandatory to be mentioned in GSTR-1 of Shubham Traders Pvt. Ltd.?**

- a) 6 digits HSN
- b) 4 digits HSN
- c) Only description of goods
- d) 8 digits HSN

**Answer: (a)**

**Description:** Based on the provisions of Notification No. 78/2020 CT dated 15.10.2020.



## CASE-STUDY BASED QUESTIONS

### CASE STUDY - 1

Mr. Pasupathi registered taxpayer under GST is engaged in trading of various types of consumer goods. His turnover in preceding financial year was below the threshold limit liable for registration.

During the month of April in the current year he availed the following services-

- ◆ GTA services from XYZ Transports (GST was Charged 5% and GTA did not opt to pay the tax itself) – Rs. 35000
- ◆ Renting of godown premises from Local Municipality- Rs. 40000
- ◆ Legal service availed from a firm of advocates-Rs. 50000

He sold a car used for his personal purposes for Rs. 100000. He disposed of his old computers being used for business purposes for Rs. 60000 on which no ITC was claimed. He also gave away his stock of old consumer goods amounting to Rs. 75000 (on which he had claimed ITC) to an Orphanage Home (solely philanthropic purpose and not for any commercial gain)

He received goods on 1st May that are liable to tax under reverse charge. Invoice was issued on 5th May and payment for the same was made on 6th June entered in the books of accounts on same day and debited in the bank account on 7th June.

He paid repair expenses for truck used for transportation of goods of his business. GST component involved thereon was Rs. 13000. He arranged for catering for his workers on Labour Day function and paid bill in which GST component was Rs. 15000. He received first lot of certain goods having GST component of Rs. 25000.

All the amounts given above are exclusive of taxes wherever applicable. All the supplies referred above are intra-State unless specified otherwise. Conditions necessary for claiming ITC have been fulfilled subject to the information given above.

Based on the information given above choose the most appropriate answer for the following questions: -

#### QUESTION- 1

Compute the amount of input tax credit (except ITC on services taxable under reverse charge mechanism) that can be claimed by Mr. Pasupathi?

- a) Rs. 28000
- b) Rs. 38000
- c) Rs. 40000
- d) Rs. 13000

Answer: (d)





**QUESTION- 2**

In respect of sale of personal car and disposal of computer and stock of goods total value of supply will be

- a) Rs. 60000
- b) Rs. 75000
- c) Rs. 135000
- d) Rs. 2.35000

**Answer: (a)**

**QUESTION- 3**

Time of Supply of goods received by Mr. Pasupathi is

- a) 1<sup>st</sup> May
- b) 5<sup>th</sup> May
- c) 5<sup>th</sup> June
- d) 6<sup>th</sup> June

**Answer: (a)**

**QUESTION- 4**

Determine the value of services availed by Mr. Pasupathi which are taxable under reverse charge mechanism?

- a) Rs. 35000
- b) Rs. 75000
- c) Rs. 85000
- d) Rs. 125000

**Answer: (b)**

**CASE STUDY - 2**

M/s. Vittal & Co. a sole-proprietorship firm is a registered supplier under GST is dealing in supply of taxable goods in the State of Karnataka.

The firm had opted for composition scheme from April month of last financial year. It's turnover crossed Rs. 1.50 crores on 9<sup>th</sup> May of current financial year and thus. It opted for withdrawal of composition scheme on the said date.

Vittal & Co. removed goods on 10<sup>th</sup> June for delivery to Suri & Co. on sale or return basis. Suri & Co. accepted the goods vide its confirmation mail dated 15<sup>th</sup> December.

The firm has paid GST for various items during the month of August. It comprised of the following-

- (a) GST paid on input services intended to be used for personal purposes – Rs. 12000



(b) GST paid on purchase of Motor Vehicle for transportation of goods (being a two-wheeler having engine capacity of 25CC) Rs. 9000

(c) GST paid on purchase of computer – Rs. 19000

(GST portion was included as part of cost to claim depreciation under Income-tax Act 1961) During May Vittal and Co. had reversed ITC of Rs. 10000 for not making payment to Vendors within 180 days from the date of issue of invoice. This pending payment was cleared in the month of August.

Out of purchases made and ITC availed during earlier months the following information is made available as on September:

Supplier Name	Payment is due for (No.of days)	Related ITC Component
XYZ	165	Rs.13000
ABC	199	Rs.15000
PQR	99	Rs.20000

Vittal & Co received accounting services from Raghu & Co. an associated enterprise located in Sri Lanka. Raghu & Co. issued invoice for the service on 1<sup>st</sup> September. Which was entered by Vittal & Co. in its book on but payment was made on 30<sup>th</sup> September. 10<sup>th</sup> October.

All the supply referred above is intra-State unless specified otherwise. Conditions applicable for Availment of ITC are fulfilled subject to the information given above.

Based on the information provided above choose the most appropriate answer for the following questions-

#### QUESTION- 1

Compute the amount of ITC to be reversed for the month of September? Ignore interest liability if any.

- Nil
- Rs. 28000
- Rs. 15000
- Rs. 13000

Answer: (c)

#### QUESTION- 2

Time of supply in respect of service imported by Vittal & Co from its Associated Enterprise is

- 1<sup>st</sup> September
- 30<sup>th</sup> September
- 1<sup>st</sup> October



d) 10<sup>th</sup> October

**Answer: (b)**

### QUESTION- 3

**Determine the amount of eligible input tax credit that can be availed by Vittal & Co for the month of August?**

- a) Nil
- b) Rs. 19000
- c) Rs. 22000
- d) Rs. 50000

**Answer: (b)**

### QUESTION- 4

**Vittal & Co. needs to furnish a statement containing details of stock of inputs/ inputs held in semi-finished / finished goods on the withdrawal of composition scheme by**

- a) 9<sup>th</sup> May
- b) 23<sup>rd</sup> May
- c) 8<sup>th</sup> June
- d) 7<sup>th</sup> July

**Answer: (c)**

### QUESTION- 5

**Vittal & Co. needs to furnish a statement containing details of stock of inputs/ inputs held in semi-finished / finished goods on the withdrawal of composition scheme by**

- a) 9<sup>th</sup> May
- b) 23<sup>rd</sup> May
- c) 8<sup>th</sup> June
- d) 7<sup>th</sup> July

**Answer: (c)**

### QUESTION- 6

**In respect of the goods sent on sale or return basis Vittal & Co. shall issue the invoice by**

- a) 10<sup>th</sup> June
- b) 10<sup>th</sup> September
- c) 10<sup>th</sup> December
- d) 15<sup>th</sup> December

**Answer: (c)**

### CASE STUDY - 3

**Poorva Logistics a Goods Transport Agency is registered under GST. It did not exercise the option to itself pay GST on the services supplied by it in the preceding**



financial year. It provided goods transport services (taxable @5%) to the following persons in February of preceding financial year-

- (a) Kunal Traders an unregistered partnership firm
- (b) Mr. Amar who is not registered under GST
- (c) Small Traders Co-operative Society registered under Societies Registration Act

In a particular consignment in March of preceding financial year Poorva Logistics transported the following-

- (a) Defense Equipment's
- (b) Railway Equipment's
- (c) Organic Manure

Poorva Logistics exercises the option to itself pay GST on services supplied by it @ 12% from 1<sup>st</sup> April of the current financial year. It provided goods transport services to Bama Steels Pvt. Ltd. On 1<sup>st</sup> April and issued an invoice dated 5th May. Payment was received on 6<sup>th</sup> May.

Based on the information provided above choose the most appropriate answer for the following questions-

#### QUESTION- 1

Which of the following persons are liable to pay GST under reverse charge in respect of the GTA services provided by Poorva Logistics in February of the preceding financial year?

- (i) Kunal Traders
- (ii) Mr. Amar
- (iii) Society Small Traders Co-operative

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

Answer: (c)

#### QUESTION- 2

Transportation of \_\_\_\_\_ Logistics is exempt from GST. By Poorva

- (i) Defence Equipment's
- (ii) Railway Equipment's
- (iii) Organic Manure

- a) i



- b) i & ii
- c) i & iii
- d) i ii & iii

**Answer: (c)**

### QUESTION- 3

**What will be the time of supply in respect of the services provided by Poorva Logistics to Bama Steels Pvt. Ltd.?**

- a) 6<sup>th</sup> May
- b) 5<sup>th</sup> May
- c) 30<sup>th</sup> May
- d) 1<sup>st</sup> April

**Answer: (d)**

### QUESTION- 4

**Let us assume that Poorva Logistics did not exercise the option to itself pay GST on services supplied by it from 1st April of the current financial year and services are taxable @ 5% what will be the time of supply in respect of the services provided by Poorva Logistics to Bama Steels Pvt. Ltd.?**

- a) 6<sup>th</sup> May
- b) 5<sup>th</sup> May
- c) 30<sup>th</sup> May
- d) 1<sup>st</sup> April

**Answer: (a)**

### CASE STUDY - 4

**Ms. Riya is engaged in providing various goods and services. She got registered under GST in the month of April of the current financial year under regular scheme.**

**She supplied a package to Dhruv Traders consisting of stapler calculator and charger at a single price of 300 in the month of May. Rates of GST for stapler calculator and chargers are 5% 12% and 18% respectively.**

**She received following payments during the month of May:**

**Earned 160000 by performing western music in a cultural event at a Resort**

**Earned 50000 by providing services by way of renting of residential dwelling for use as a boutique to Supriya an Unregistered person.**

**Received 70.000 by way of rent for letting of agro machinery Ms. Riya made a supply during June details of which are as Follows-**

- ◆ **Basic price of the product before TCS under Income-tax Act 1961-45000**
- ◆ **Tax collected at source under Income-tax Act 1961**



- ◆ She received a subsidy of 3500 from Green Foundation-2500. For usage of green energy and the subsidy was linked to the units of energy and not aforesaid product.

Ms. Riya provides the following information regarding receipt of inward supplies during July-

- ◆ Received invoice for goods having GST component of 30000. Goods were to be delivered in 5 lots out of which first three lots were received in the current month.
- ◆ Purchased a car having GST component of 150000 for imparting training on driving such motor vehicles.
- ◆ Availed health insurance service for her employees and paid GST of 7000 thereon. Health insurance service is being provided voluntarily by Ms. Riya and not mandated by any law.

All the amounts given above are exclusive of taxes wherever applicable. Further all the supplies referred above are intra-State supplies unless specified otherwise. Conditions necessary for claiming input tax credit (ITC) have been fulfilled subject to the information given above. The opening balance of input tax credit for the relevant tax period of Ms. Riya is Nil.

Based on the facts of the case scenario given above choose the most appropriate answer to Q. Nos. 1 to 4 below: -

#### QUESTION- 1

Supply of package made by Ms. Riya to Dhruv Traders is a GST @\_\_ and is taxable under

- a) composite supply: 12%
- b) mixed supply; 18%
- c) composite supply: 18%
- d) mixed supply: 12%

Answer: (b)

#### QUESTION- 2

Compute the amount of input tax credit that can be claimed by Ms. Riya in July.

- a) Rs. 30000
- b) Rs. 37.000
- c) Rs. 150000
- d) Rs. 157000

Answer: (c)



#### QUESTION- 3

**Out of payments received by Ms. Riya in month of May value of exempt supply is**

- a) Rs. 50000
- b) Rs. 70000
- c) Rs. 120000
- d) Rs. 160000

**Answer: (b)**

#### **QUESTION- 4**

**Compute the value of supply under section 15 of the CGST Act 2017 made by Ms. Riya in the month of June.**

- a) Rs. 45000
- b) Rs. 47.500
- c) Rs. 48500
- d) Rs. 51000

**Answer: (a)**

#### **CASE STUDY - 5**

**Ms. Chanchala is a doctor registered person under GST having in-patient facility in her hospital.**

**She availed interior decoration services from her spouse without any consideration being paid. She also availed IT related services from her sister-in-law without any consideration. Both services were for the purpose of her profession.**

**Ms. Chanchala provided treatment of various diseases in her hospital and apart from that she also provided the following services in her hospital-**

- (a) Plastic surgery to enhance the beauty of the face**
- (b) Ambulance service for transportation of patients**
- (c) Renting of space to run medical store in hospital premises**

**She is also a consultant in other hospitals and received 4000000 as consultancy fee from the other hospitals.**

**Further she also provides canteen facility and received 55000 from in-patients 35000 from patients who are not admitted and 25000 from visitors for the same facility.**

**She filed GSTR-3B for the month of June with some errors. She filed the Annual return for the said financial year on 31<sup>st</sup> October of the next year whereas due date for the said Annual return is 31<sup>st</sup> December of the next year.**

**Proper Officer of the department cancelled the registration certificate of Ms. Chanchala Suo-motu on 31<sup>st</sup> July. Order of cancellation was served on 5<sup>th</sup> August. However.**

**She applied for revocation of the same and got her registration restored back.**



All the amounts given above are exclusive of taxes wherever applicable. All the supplies referred above are intra-State unless specified otherwise.

From the information given above choose the most appropriate answer for the following questions-

#### QUESTION- 1

By which date Ms. Chanchala should have applied for revocation of cancellation of registration certificate in case no extension is granted?

- a) 5<sup>th</sup> August
- b) 20<sup>th</sup> August
- c) 30<sup>th</sup> August
- d) 4<sup>th</sup> September

Answer: (d)

#### QUESTION- 2

Which of the following is a correct statement as per the provisions of CGST Act 2017?

- (i) Service availed from her Spouse is a deemed supply
  - (ii) Service availed from her Sister-in-Law is a deemed supply
  - (iii) Service availed from her Spouse is not a deemed supply
  - (iv) Service availed from her Sister-in-Law is not a deemed supply
- a) (i) and (iv)
  - b) (iii) and (iv)
  - c) (ii) and (iii)
  - d) (i) and (ii)

Answer: (a)

#### QUESTION- 3

Maximum time permissible for rectification of error committed in monthly return of June is

- a) 20<sup>th</sup> July
- b) 30<sup>th</sup> November of the next year
- c) 31<sup>st</sup> October of the next year
- d) 31<sup>st</sup> December of the next year

Answer: (c)

#### QUESTION- 4

Compute the taxable value of supply of canteen service provided by Ms. Chanchala?

- a) 25000





- b) 35000
- c) 60000
- d) 80000

**Answer: (c)**

#### QUESTION- 5

**Determine which of the following services provided by Ms. Chanchala and her hospital is exempt from GST?**

- (i) Plastic surgery to enhance the beauty of the face
  - (ii) For patients Ambulance service transportation of
  - (iii) Renting of space to run medical store in hospital premises
  - (iv) Consultancy service by Ms. Chanchala in other hospitals
- a) (i) (ii) & (iv)
  - b) (i) (ii)
  - c) (ii) & (iv)
  - d) (i) & (iii)

**Answer: (c)**

#### CASE STUDY - 6

**M/s. Visali & Co. a Partnership firm. Is engaged in manufacturing of equipment's in the State of Kerala.**

**The firm became liable for registration on 10th July. It applied for registration on 10th August and was granted registration certificate by 14th August.**

**The firm received sponsorship services from "Leisure Treat Bay Private limited" for conducting a business expo.**

**It received a consignment from M/s. Safe Logistics a GTA which charged 6% each CGST and SGST for its services. It also Received security services from Prompt Security Agency Pvt. Ltd.**

**The firm had opted for composition levy and its turnover for the quarter ending September was 14 lakhs out of which taxable supply amounted to 10 lakh and exempt supply amounted to `4 lakh.**

**The firm made a supply of equipment's to an unrelated limited company in the month of October having market value of 12 lakh wholesale value of 13 lakh and maximum retail price was 14 lakhs. However the transaction was made at`11 lakhs.**

**The firm belatedly paid the tax amounting to 40000 for the quarter ending December on 09th February of the succeeding year.**

**All the amounts given above are exclusive of taxes Wherever applicable. All the supplies referred above are Intra-State unless specified otherwise.**



Based on the information given above choose the most appropriate answer for the following questions-

**QUESTION- 1**

Compute the tax payable by the firm for the quarter ending September under CGST and SGST?

- a) Rs. 5.000 each
- b) Rs. 7000 each
- c) Rs. 10000 each
- d) Rs. 35000 each

Answer: (b)

**QUESTION- 2**

Amongst the services availed by M/s. Visali & Co which of the following services are taxable under reverse charge mechanism?

- (i) Sponsorship services received from Leisure Treat Bay Pvt. Ltd. Co.
- (ii) GTA Services received from Logistics Safe
- (iii) Security Services received from Prompt Security Agency Pvt. Ltd.

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

Answer: (a)

**QUESTION- 3**

Compute the interest payable by the firm for the belated payment of tax?

- a) Rs. 395
- b) Rs. 434
- c) Rs. 414
- d) Rs. 552

Answer: (b)

**QUESTION- 4**

The effective date of registration of M/s. Visali & Co is

- a) 10<sup>th</sup> July
- b) 9<sup>th</sup> August
- c) 10<sup>th</sup> August
- d) 14<sup>th</sup> August



Answer: (d)

**QUESTION- 5**

**Determine the value of supply of equipment's under section 15(1) of CGST Act 2017 made by M/s. Visali & Co. in the month of October?**

- a) Rs. 14 lakhs
- b) Rs. 13 lakhs
- c) Rs. 12 lakhs
- d) Rs. 11 lakhs

Answer: (d)

**CASE STUDY - 7**

**ABC Ltd. Has its manufacturing unit in the State of Rajasthan. Further it has ancillary units in the State of Madhya Pradesh and Gujarat and is registered in each of these States. Moreover ABC Ltd. Owns and operates a hotel in Udaipur Rajasthan.**

**In addition to the aforesaid ABC Ltd. Owns a commercial space which is rented out to a registered person at the monthly rent of 50000. The maintenance of the premises is the responsibility of ABC Ltd. In pursuance of the same during the month of April ABC Ltd. Incurred certain expenses on the purchase of maintenance related materials. The said expenses are recoverable from the tenant along with the invoice issued for rent. The rate of tax applicable on the material used for maintenance was 5%.**

**During the year ABC Ltd. Agreed to provide the hotel to Mr. X for a business conference to be held at Udaipur. Mr. X is an unregistered person residing in Maharashtra.**

**ABC Ltd. Made a supply of machinery in the month of June. Details of which are as follows-**

**Basic price of the machinery before TCS under Income Tax Act 1961-45000**

**Tax collected at source under Income-tax Act 1961 500**

**It received a subsidy of 3500 from Green Foundation Pvt. Ltd. For usage of green energy and the subsidy was linked to the units of energy saved and not aforesaid machinery. In addition to the aforesaid transactions ABC Ltd. Spent an amount of 5 lakh on the procurement of certain goods which were distributed as part of the corporate social responsibility [CSR] expenditure required under the provisions of the Companies Act 2013 During the scrutiny proceedings in the State of Gujarat jurisdictional GST officer asked ABC Ltd to submit the copy of audited financial statements for Gujarat and was of the view that ABC Ltd. Is required to get his accounts audited by a Chartered Accountant separately under GST Law for filing annual return and reconciliation statement in each State.**

**All above amounts are exclusive of GST wherever applicable. The rate of GST on all inward and outward supplies is 18%. Unless otherwise mentioned.**



Assume that there is no other outward or inward transaction apart from aforesaid transactions.

Based on the facts of the case scenario given above choose the most appropriate answer to Q. Nos. 1 to 5 below: -

#### QUESTION- 1

With respect to the hotel accommodation service provided to Mr. X GST payable by ABC Ltd. Is

- a) nil GST on accommodation service is payable by the recipient Mr. X under reverse charge
- b) nil GST on accommodation services provided to an unregistered person is exempt from GST
- c) in the nature of CGST and SGST
- d) in the nature of IGST

**Answer: (c)**

#### QUESTION- 2

For the transaction related to renting of commercial space what should be the rate of tax charged by ABC Ltd.?

- a) The rate of GST on rent and maintenance material related recovery shall be 18%.
- b) The rate of GST on rent shall be 18% and, on the material, shall be 5%.
- c) No GST shall be charged on the recovery related to material used in maintenance. Rate of GST on rent shall be 18%.
- d) The rate of GST on rent and maintenance material related recovery shall be 5%.

**Answer: (a)**

#### QUESTION- 3

Compute the value of supply under section 15 of the CGST Act 2017 made by ABC Ltd. In the month of June?

- a) 45000
- b) 47500
- c) 48500
- d) 51000

**Answer: (a)**

#### QUESTION- 4

Which of the following options is correct with regard to the advice given by GST officer in respect of auditing of accounts?

- a) There is no requirement of separate audit of the financial statements from the perspective of GST provisions.



- b) Only reconciliation statement shall be audited by a Chartered Accountant.
- c) The annual return as well as the reconciliation statement shall be audited by a Chartered Accountant.
- d) Separate audit of financial statements at each State level is required by ABC Ltd. Under the GST law.

**Answer: (a)**

#### QUESTION- 5

**Which of the following options is correct with regard to the availability of ITC to ABC Ltd. In respect of GST paid on the procurement of goods meant for the purpose of corporate social responsibility activity?**

- a) The amount of ITC related to such procurement of goods is not available to ABC Ltd.
- b) The amount of ITC related to such procurement of goods is available to ABC Ltd.
- c) The amount of ITC only to the extent of 50% of amount of such procurement of goods is available to ABC Ltd.
- d) The amount of ITC shall be available to the registered person to whom such goods are distributed under CSR activity.

**Answer: (a)**

#### CASE STUDY - 8

**XYZ Electronics Pvt. Ltd. Is a leading electronic goods manufacturing company in Delhi. The company produces a wide range of products including smartphones laptops and home appliances.**

**The sales by the company are mainly through its distributors on the following credit terms:**

**For laptops up to 15 days**

**For smartphones up to 90 days**

**For other home appliances up to 45 days**

**During the year the Company purchased plant and machinery worth 1 crore exclusive of GST. The GST rate for such plant and machinery is 18%. The input tax credit on such plant and machinery is not blocked under any provision of the CGST Act. 2017.**

**The Company is planning to demerge its operations in relation to the laptops and other computer accessories from the next financial year. The demerged entity will be a separate legal entity of the Company in form of a wholly owned subsidiary of the Company having common Board of Directors.**

**The Company also participates in domestic and international level trade fairs to showcase its products and sale through those events. The Electronics Association of Rajasthan is organizing a trade fair in Jaipur. The Company is keen to participate in the same. To ensure the GST compliances the Company wants to obtain the**



**GST registration as casual taxable person in the state of Rajasthan. The Company obtained the GST registration as casual taxable person in the state of Rajasthan with the validity period of 45 days.**

**The Company transferred the goods from one of its godowns in Delhi to another godown in Gujarat wherein the Company has a registered place of business. The value of goods transferred is 5 crores and the rate of GST applicable on such transfer is 18%. The tax invoice was issued and GST was deposited by the Company. However the consideration was not paid by the Gujarat office of the Company to the Delhi office even after 180 days of the invoice date. Further there was no reverse movement of such goods from Gujarat godown to Delhi Godown.**

**Based on the information provided above choose the most appropriate answer for the following questions-**

#### **QUESTION- 1**

**Which of the following statements is true in relation to the non-payment of consideration by the Gujarat godown to Delhi godown?**

- a) The Gujarat godown shall reverse the ITC availed on the goods received from Delhi and also required to pay interest computed from the date of invoice till the date of reversal of ITC.
- b) The Gujarat godown shall reverse the ITC availed on the goods received from Delhi and no interest shall be applicable.
- c) The restriction of 180 days for payment of consideration is not applicable in the present case.
- d) The Delhi godown shall issue a credit note to Gujarat godown to reverse the supply.

**Answer: (c)**

#### **QUESTION- 2**

**What shall be the time limit to issue invoice for supply of smartphones on credit:**

- a) Invoice shall be issued on 31<sup>st</sup> day from the date of removal of smartphones to distributors.
- b) Invoice shall be issued before or at the time of removal of smartphones to distributors.
- c) Invoice shall be issued at the time of receiving payment from distributors.
- d) Invoice shall be issued upon completion of credit term i.e. 90 days.

**Answer: (b)**

#### **QUESTION- 3**

**The period of retention of books of accounts related to period prior to demerger under GST Law is:**

- a) 36 months from the end of financial year
- b) 60 months from the end of financial year



- c) 72 months from the end of financial year
- d) 72 months from due date of furnishing annual return for the relevant financial year

**Answer: (d)**

#### QUESTION- 4

**The validity of GST registration as a casual taxable person in the state of Rajasthan is:**

- a) 45 days
- b) 90 days
- c) 180 days
- d) 135 days

**Answer: (a)**

#### QUESTION- 5

**In relation to the plant and machinery purchased by the Company select the correct alternative from the following:**

- a) ITC of 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income Tax Act 1961 shall be 1.18 crore.
- b) ITC of 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income- Tax Act. 1961 shall be `1 crore.
- c) ITC cannot be claimed in such transaction and value of asset on which depreciation can be claimed under the provisions of Income Tax Act 1961 shall be `1 crore.
- d) ITC of 18 lakh can be claimed and value of asset on which depreciation can be claimed under the provisions of Income Tax Act 1961 shall be 82 lakhs.

**Answer: (b)**

#### QUESTION- 6

**How shall the demerged entity be treated under the provisions of GST Law?**

- a) The demerged entity shall be treated as related party of the Company.
- b) The demerged entity shall be treated as distinct entity of the Company.
- c) The demerged entity shall be treated as additional place of business of the Company.
- d) The demerged entity shall be treated as sole selling agent of the Company.

**Answer: (a)**

### CASE STUDY - 9

**Ecotec Solutions Private Limited is engaged in manufacturing and supply of energy products and solutions across multiple States in India. The Company manufactures solar panels and also imports certain category of solar panels as per the customer orders. The company also provides installation services and annual maintenance contracts for its products. The Company received an advance payment for a bulk**



order of goods in March 2024 but the delivery was completed in May 2024. The amount of advance received by the Company was 1 crore.

During the month of March 2024 the Company sold goods worth 5 crores and provided services amounting to `1 crore to its customers across India. The goods worth 1 crore sold under multiple invoices were returned by a customer due to defective quality in the month of March 2024 which were originally sold by the Company in December 2023. The Company issued a GST credit note against the returned goods in March 2024.

The Company incurred an amount of 5 lakh on the repair of the returned goods to make them resalable in the market to customers other than a related party.

Further the customers who returned the goods issued an invoice to Gujarat unit of the Company of 1 lakh for the expense related to return of goods. The goods were initially sold from the Gujarat unit of the Company but the same were returned to Maharashtra unit of the Company and subsequently moved by the Company from Maharashtra unit to Gujarat Unit i.e. the original place of supply. The Company is registered under GST in both the States i.e. Gujarat and Maharashtra.

Based on the facts of the case scenario given above choose the most appropriate answer to Q. Nos. below: -

#### QUESTION- 1

Which of the following option(s) is correct in relation to the invoice of 1 lakh issued by the customer for the expenses relating to returned goods?

- a) The Company shall be eligible to avail full input tax credit.
- b) The Company shall not be allowed to avail input tax credit.
- c) The Company shall not be allowed to avail input tax credit in excess of 50% of the tax amount charged on such invoice.
- d) The Company shall be allowed to claim input tax credit only if it has not issued any credit note to the customer against such returned goods.

**Answer: (a)**

#### QUESTION- 2

The total amount of supply during the month of March 2024 to be reported in GSTR-1 by the Company is

- a) 1 crore
- b) 5 crores
- c) ` 6 crores
- d) 7 crores

**Answer: (b)**





**QUESTION- 3**

**While moving the goods from Maharashtra unit to Gujarat unit by the Company goods shall be accompanied by**

- a) Original invoice issued in December 2023
- b) Invoice issued by the returning customer to the Gujarat unit of the Company
- c) Invoice by Maharashtra unit to the Gujarat unit of the Company
- d) Delivery challan issued by the Customer to the Company

**Answer: (c)**

**QUESTION- 4**

**In case returned goods are sold by the Company to customers other than the related parties the value of supply of such goods under GST shall be**

- a) equivalent to original value of supply only.
- b) equivalent to original value of supply plus the cost incurred on making the goods reusable
- c) 110% of original value of supply plus the cost incurred on making the goods reusable.
- d) transaction value subject to the conditions mentioned in Section 15(2) of the CGST Act 2017.

**Answer: (d)**

**QUESTION- 5**

**Which of the following options is correct in relation to the returned goods of value `1 crore?**

- a) Company has an option to issue single credit note against multiple invoices.
- b) Company has to mandatorily issue credit note against each invoice.
- c) The Company cannot issue credit note in any subsequent period after the supply is made.
- d) The Company can only issue a commercial credit note and GST adjustment cannot be made.

**Answer: (a)**

**QUESTION- 6**

**At what point of time tax will be payable in relation to the advance received by the Company of 1 crore?**

- a) The tax is payable at the time of receipt of advance.
- b) The tax is payable at the time of supply of goods.
- c) 50% of tax is payable at the time of receipt of advance.
- d) Tax is payable at the time of issuance of receipt voucher.

**Answer: (b)**

**CASE STUDY - 10**

**Mr. Jambulal of Himachal Pradesh starts a new business and makes following supplies in the first month-**

1. Intra-State supply of taxable goods amounting to `17Lakh
2. Supply of exempted goods amounting to `1 lakh



### 3. Inter-State supply of taxable goods amounting to `1 lakh

#### QUESTION- 1

**Whether Mr. Jambulal is required to obtain registration?**

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

**Answer: (c)**

#### CASE STUDY - 11

**Simmo Singh a resident of Punjab is having a residential property in Amritsar Punjab which has been given on rent to a family for 72 lakh per annum for residence purposes.**

#### QUESTION- 1

**Determine whether Simmo Singh 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) Simmo Singh being individual is not liable to pay GST.

**Answer: (b)**

#### CASE STUDY - 12

**Sanu Associates Delhi dealing in garments has ordered ladies suits from Sahiba Garments in Ludhiana (Punjab) which is 350 km away from its warehouse. E-way bill is generated by Sahiba Garments and the order is coming by a normal cargo.**

#### QUESTION- 1

**For how many days will the e-way bill be valid from the time it is generated?**

- a) 24 hours
- b) 2 days
- c) 35 days
- d) 7 days

**Answer: (b)**



#### CASE STUDY - 13

**Pihu Ltd. Has its registered office under the Companies Act 2013 in the State of Maharashtra from where it ordinarily carries on its business of taxable goods. It also has a warehouse in the State of Telangana for storing said goods.**

### QUESTION- 1

**What will be the place of business of 'Pihu' Ltd. Under the GST law?**

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

**Answer: (c)**

### CASE STUDY - 14

**M/s. Triambak & Co. an LLP registered dealer under GST is engaged in various types of business activities.**

**It provided GTA services to Government Department registered Under GST for providing various services. Triambak & Co. did not exercise the option to pay GST.**

**The firm provided services of Direct Selling Agency (DSA Services) to NBFC located in Mumbai.**

**The firm provided free gift to each of its employees valuing \*50000 once in a financial year.**

**M/s Triambak & Co let out its warehouse to Mr. Grushnesh who in turn let out to an agriculturist for warehousing of agricultural produce. The firm also undertakes milling of paddy into rice for various agriculturists (not under the Public Distribution Scheme).**

**The firm purchased following goods during the month of July: -**

- (a) Capital goods amounting to 45000 purchased on which depreciation has been taken on full value including GST paid thereon.**
- (b) Raw materials purchased amounting to 55.000 for which invoice is missing but delivery challan is available.**

**Further for the month of July the GST liability of the firm was**

**IGST: 20000**

**CGST:10000**

**SGST: 10000**

**The following credits were available in the said month-**

**IGST: 8000**

**CGST: 12000**

**SGST: 5000**



All the amounts given above are exclusive of taxes wherever applicable. All the supply referred above is intra-State unless specified otherwise. Conditions for availing ITC are fulfilled subject to the information given above.

Based on the information provided above choose the most appropriate answer for the following questions-

#### QUESTION- 1

Choose the correct statement(s).

- (i) For GTA services Government is liable to pay GST under reverse charge
  - (ii) For DSA services NBFC is liable to pay GST under reverse charge
  - (iii) For GTA services Triambak & Co is liable to pay GST under forward charge
  - (iv) For DSA services Triambak & Co is liable to pay GST under forward charge
- a) i & ii
  - b) iii & iv
  - c) i & iv
  - d) ii & iii

Answer: (c)

#### QUESTION- 2

M/s Triambak & Co is eligible to claim input tax credit of

- a) 45000
- b) 55000
- c) 100000
- d) Nil

Answer: (d)

#### QUESTION- 3

Compute the GST liability of the firm for the month of July to be paid in cash if rule 86B of the CGST Rules 2017 is not applicable?

- a) IGST: 10000; CGST: Nil SGST: 5000
- b) IGST: ` 12000; CGST: Nil; SGST: ` 5000
- c) IGST: Nil; CGST: 10000 SGST: ` 5000
- d) IGST: 5000; CGST: Nil SGST: 10.000

Answer: (a)

#### QUESTION- 4

Which of the following options is correct in respect of GTA services provided to Government Department?



- a) GTA service is taxable @ 12% without restriction of availing input tax credit.
- b) GTA service is taxable @ 12% but input tax credit cannot be availed for the same.
- c) GTA service is taxable @ 5% without restriction of availing input tax credit.
- d) GTA service is taxable @ 5% but input tax credit cannot be availed for the same.

**Answer: (d)**

#### QUESTION- 5

**Gift of 50000 in value provided by Triambak & Co to each of its employee will be**

- a) Supply of goods
- b) Supply of services
- c) Exempt supply
- d) Not a supply

**Answer: (d)**

#### QUESTION- 6

**Which of the following statement is correct: -**

- (i) Letting out of warehouse to Grushnesh is exempt
  - (ii) Milling of paddy into rice is exempt
  - (iii) Letting out of warehouse to Grushnesh is not exempt
  - (iv) Milling of paddy into rice is not exempt
- a) i & ii
  - b) iii & iv
  - c) i & iv
  - d) ii & iii

**Answer: (b)**

#### CASE STUDY - 15

Floret Jewels Pvt. Ltd. registered in Maharashtra sells floral jewellery via an E-commerce operator Zeebel.com. Mr. Ajay placed an order of 10 sets of floral jewellery in different colors each costing 5000 (GST @18% not included) on 20th May 2023. However, he returned 2 sets back after 2 days in accordance with the exchange policy of Zeebel.com.

#### QUESTION- 1

**Determine the value of supply on which Zeebel.com should collect TCS from Floret Jewels Pvt. Ltd.**

- a) 40000



- b) 59000
- c) 50000
- d) 47200

**Answer: (a)**

### CASE STUDY - 16

**Mr. Ram a jeweller registered under GST in Mumbai wants to sell his jewellery in a Trade Expo held in Delhi.**

#### QUESTION- 1

**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.

**Answer: (c)**

### CASE STUDY - 17

**Mr. Mandeep a registered dealer is engaged in the business of supplying construction material in the State of Assam. He availed architect services for his business from his friend in London free of cost. He also availed designing services from his brother in London for 5 lakhs for his personal purposes. He availed services from an entity in India which are liable to tax under reverse charge for which date of invoice was 1<sup>st</sup> September payment date as per his books of account and as per his bank account statement was 15<sup>th</sup> November and 18<sup>th</sup> November respectively. His turnover for the current financial year is as follows-**

- ◆ Taxable supply of goods-55 lakh
- ◆ Exempt supply of goods-16 lakh
- ◆ Inward supply liable to tax under reverse charge-8 Lakh

**He intends to start providing services other than restaurant services also from the next financial year and also to avail composition scheme under section 10(1) of the CGST Act 2017. He also wishes to provide services relating to roads and bridges [function entrusted to a Municipality under Article 243W of the Constitutional to the State Government of Assam in the next financial year.:**

- (i) Pure services amounting to Rs. 10 lakhs



- (ii) Composite supply of goods and services amounting to Rs. 25 lakhs in which value of supply of goods amounts to Rs. 5 lakhs.
- (iii) Composite supply of goods and services amounting to Rs. 30 lakhs in which value of supply of services amounts to Rs. 6 lakhs.

All the amounts given above are exclusive of Taxes wherever applicable. All the supplies referred above are Intra-State unless specified otherwise.

Based on the information given above choose the most appropriate answer for the following questions-

#### QUESTION- 1

Determine the time of supply of services received by Mr. Mandeep which are taxable under reverse charge mechanism?

- a) 1<sup>st</sup> September
- b) 1<sup>st</sup> November
- c) 15<sup>th</sup> November
- d) 18<sup>th</sup> November

Answer: (b)

#### QUESTION- 2

Mr. Mandeep will be eligible for composition scheme under section 10(1) of the CGST Act 2017 in the next financial year but he can supply services only up to

- a) 5.00 lakh
- b) 6.3 lakh
- c) 7.90 lakh
- d) 7.10 lakh

Answer: (d)

#### QUESTION- 3

Compute the aggregate turnover of Mr. Mandeep for the current financial year?

- a) 63 lakhs
- b) 79 lakhs
- c) 71 lakhs
- d) 55 lakhs

Answer: (c)

#### QUESTION- 4



In case of supply of service to State Government of Assam which of the following will be exempt?

- (i) Lakh Pure services amounting to Rs. 10
  - (ii) Composite supply of goods and services amounting to Rs. 25 lakhs in which value of supply of goods amounts to Rs. 5 lakhs.
  - (iii) Composite supply of goods and services amounting to Rs. 30 lakhs in which value of supply of services amounts to Rs. 6 lakhs.
- a) (i) & (iii)
  - b) (ii) & (iii).
  - c) (i) (ii) and (iii)
  - d) (i) and (ii)

**Answer: (d)**

#### QUESTION- 5

In respect of services imported by Mr. Mandeep which of the following is a correct statement?

- i. Architect services for his business from his friend in London free of cost is considered as a supply
  - ii. Designing services from his brother in London for 5 Lakh for his personal purposes considered as a supply.
  - iii. Designing services from his brother in London for 5 Lakh for his personal purposes is not considered as a supply.
- a) i & ii
  - b) i & iv
  - c) ii & iii
  - d) iii & iv

**Answer: (c)**

#### CASE STUDY - 18

M/s. Shanky Consultants a partnership firm registered in Delhi as a regular tax payer render following services during the year:

- (i) Security services: 2,00,00,000 to registered business entities.
- (ii) Manpower services (Accountants): 5,00,000
- (iii) Auditing services: 1,00,00,000

**Other Information:**

- (i) Shanky Consultants also paid sponsorship fees of 70000 at seminar organized by Banarsidas Private Limited in Delhi.





- (ii) Shanky Consultant pays rent amounting to 600000 for a building owned by Municipal Corporation of Delhi.
- (iii) Assume all services are taxable at 18% and all Transactions to be intra-State supplies.

Based on the above information answer the following questions:

#### QUESTION- 1

What is the aggregate turnover of Shanky Consultants?

- a) 30500000
- b) 30570000
- c) 10500000
- d) 10570000

Answer: (a)

#### QUESTION- 2

GST liability paid under reverse charge by Shanky Consultants is?

- a) CGST: 60300 SGST: 60300
- b) CGST: 6300 SGST: 6300
- c) CGST:54000 SGST: 54000
- d) CGST: 240300 SGST: 240300

Answer: (a)

#### QUESTION- 3

State which of the following statement is true in respect of security services provided by Shanky Consultants to registered business entities:

- a) Shanky Consultants shall issue GST compliant tax invoice.
- b) Shanky Consultants shall issue bill of supply stating "Tax to be paid by service recipient under reverse charge".
- c) Shanky Consultants can issue any document in lieu of tax invoice.
- d) Shanky Consultants shall issue receipt voucher every time it receives payment.

Answer: (a)

### CASE STUDY - 19

Suvidha Enterprises issued invoices pertaining to two independent outward supplies where in one invoice value of supply was understated by 75000 and in another invoice. Value was overstated by 45000.

#### QUESTION- 1



Which of the following is correct in respect of document to be issued by the firm for understatement overstatement of invoice value? And

- i Debit note is to be issued for Rs.75,000.
  - ii Credit note is to be issued for Rs.75,000.
  - iii Debit note is to be issued for Rs.45,000.
  - iv Credit note is to be issued for Rs.45,000.
- a) (i) & (iii)
  - b) (ii) & (iii)
  - c) (i) & (iv)
  - d) (ii) & (iv)

Answer: (c)

### CASE STUDY - 20

Riya & Co. a partnership firm is engaged in retail trade since 1st April. The firm became liable for registration on 1st October. However, it applied for registration on 10th October and was granted certificate of registration on 5th November.

#### QUESTION- 1

Determine the effective date of registration of Riya & Co.?

- a) 1<sup>st</sup> April
- b) 1<sup>st</sup> October
- c) 10<sup>th</sup> October
- d) 5<sup>th</sup> November

Answer: (b)

### CASE STUDY - 21

Himadri started providing a bouquet of goods and services in the month of April of the current financial year under the regular scheme in the State of Telangana and obtained voluntary registration under GST before starting the business.

In the month of April she availed the services of construction of a godown for the business from her brother-in-law who was financially dependent on him. She also availed professional consultancy services in April for her business from her son who is a well settled Chartered Accountant in Telangana. Himadri did not pay any consideration for both these services as both of them were her relative/ family member respectively.

In April. She supplied 1000 packages to Natraj Traders each consisting of a pen holder a pen and a pencil box at a single price of 150. Rates of GST for pen holder pen and pencil box are 5% 12% and 18% respectively.



She received following payments during the month of May: earned 160000 by providing services as business

Facilitator to YYZ Bank with respect to accounts in its urban area branch

Earned 50000 by providing services by way of renting of residential dwelling for use as a boutique to Supriya an unregistered person. Received 70.000 for supply of manpower for Cleanliness of roads public places architect services etc. not Involving any supply of goods to Municipality.

Himadri made supply of taxable Product A during June details of which are as follows-

Basic price of Product A before TCS under Income-tax Act 1961-45000

Tax collected at source under Income-tax Act 1961 2500

She received a subsidy of 55000 from Dhruv Foundation Pvt. Ltd. For usage of green energy and the subsidy was linked to the units of green energy and not the aforesaid product.

Himadri provides the following information regarding receipt of inward supplies during July-

Purchased buses (seating capacity of 24 persons) for transportation of her employees from their residence to office and back. Depreciation is claimed on the GST component under the Income tax Act 1961.

Purchased a truck having GST component of 150000 for transportation of her finished goods. No depreciation claimed on the GST component under the Income tax Act 1961.

Availed outdoor catering services for a marketing event organized for her prospective customers.

All the amounts given above are exclusive of taxes wherever applicable. Further all the supplies referred above are intra-State supplies unless specified otherwise. Conditions necessary for claiming input tax credit (ITC) have been fulfilled subject to the information given above. The opening balance of input tax credit for the relevant tax period of Himadri is Nil.

Based on the facts of the case scenario given above choose the most appropriate answer to Questions below:

### QUESTION- 1

In respect of services availed by Himadri in April which of the following is a correct statement?

- a) Godown construction service availed from her brother-in-law free of cost is considered as a deemed supply.



- b) Professional service availed from her son free of cost is considered as a deemed supply.
- c) Neither of the two services availed by her is a deemed supply.
- d) Both services availed by her are deemed supply.

**Answer: (b)**

#### QUESTION- 2

**Out of payments received by Himadri in month of May the value of supply on which tax payable by the recipient under reverse charge is**

- a) 50000
- b) 70000
- c) 120000
- d) 160000

**Answer: (d)**

#### QUESTION- 3

**Out of payments received by Himadri in month of May value of exempt supply is**

- a) 50000
- b) 70000
- c) 120000
- d) 160000

**Answer: (b)**

#### QUESTION- 4

**Compute the amount of input tax credit that can be claimed by Himadri in July.**

- a) 30000
- b) 37000
- c) 150000
- d) 157000

**Answer: (c)**

#### QUESTION- 5

**Compute the value of supply under section 15 of the CGST Act 2017 made by Himadri in the month of June.**

- a) 45000
- b) 47500
- c) 48500
- d) 51000

**Answer: (a)**

#### QUESTION- 6



**Supply of package made by Himadri to Natraj Traders is a taxable under GST @ and is**

- a) composite supply: 12%
- b) mixed supply; 18%
- c) composite supply: 18%
- d) mixed supply: 12%

**Answer: (b)**

