



Chapter 20

Liability to pay Certain cases

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01. Sec 85 - Liability in case of transfer of Business**MCQ 20.01.01.00**

Who shall be liable to pay the tax, interest or penalty with effect from the date of transfer of business?

- Transferor
- Transferee
- Transferor and transferee jointly and severally
- Either (a) or (b)

[Hint: Refer Sec 85]

02. Sec 86 - Liability of agent and principal**MCQ 20.02.02.00**

Mohandas, a registered person, has supplied goods to Karamchand, under his own invoice, on behalf of his principal, Krishnadev, a registered person. Which of the following statements is correct? [Study Mat]

- Mohandas shall be jointly and severally liable to pay the GST payable on such goods.
- Krishnadev shall be jointly and severally liable to pay the GST payable on such goods.
- Both (a) and (b)
- Neither (a) nor (b)

[Hint:- Refer Sec 86 & Para 3 of Schedule I - Here, principal-agent relationship exists as invoice is issued by agent in his own name]

03. Sec 87 - Liability in case of amalgamation or merger of companies**MCQ 20.03.03.00**

In case of amalgamation between two companies, such companies shall be treated as two distinct companies till-

- Till the date of the Court order
- Till the effective date of merger
- Till the date of cancellation of registration
- None of the above

[Hint: Refer Sec 87]

04. Sec 88 - Liability in case of company in liquidation**MCQ 20.04.04.00**

Who shall be liable to pay the dues of tax, interest and penalty of the private company in case of its winding up whether before or after its liquidation?

- Shareholders
- Every person who is director at the time of winding up of the company shall jointly and severally be liable.
- Every person who was director of the company at any time during the period, for which the tax was due, shall jointly and severally be liable.
- Liquidator

[Hint: Refer Sec 88]

05. Sec 90 - Liability of partner of firm to pay tax**MCQ 20.05.05.00**

Which of the following statements are true in case of retirement of a partner from the firm, under GST law? [Study Mat]

- Retiring partner and not the firm shall intimate the date of his retirement to the Commissioner. Retiring partner shall be liable to pay tax, interest or penalty due up to the date of such intimation.
- The firm and not the retiring partner shall intimate the date of retirement of such partner to the Commissioner. Retiring partner shall be liable to pay tax, interest or penalty due up to the date of such intimation.
- Either retiring partner or the firm, shall intimate the date of retirement of such partner to the Commissioner. Retiring partner shall be liable to pay tax, interest or penalty due up to the date of his retirement, whether determined or not, on that date.
- Either retiring partner or the firm, shall intimate the date of retirement of such partner to the Commissioner. Retiring partner shall be liable to pay tax, interest or penalty due up to the date of such intimation.

[Hint: Refer Sec 90]

06. Section 94 - Liability in other cases

MCQ 20.06.06.00

Who shall be liable to pay tax, interest or penalty in case of partition of HUF or AOP?

- a. Only Karta or head of AOP
- b. All the members of HUF/AOP at the time of partition are jointly & severally liable
- c. Only major members
- d. All members except Karta

[Hint: Refer Sec 94]

MCQ 20.06.07.00

In case of discontinuance of the AOP, the liability of the member exists in respect of the tax dues imposed_____

- a. Prior to the date of discontinuance
- b. After the date of discontinuance
- c. Both prior and after the date of discontinuance
- d. None of the above

[Hint: Refer Sec 94]

Answers: :-

20.01.01	b
20.02.02	c
20.03.03	a
20.04.04	c
20.05.05	c
20.06.06	b
20.06.07	c

