

TEST 1 - INTRODUCTION TO GST (+) CHARGE OF GST

- **Total Marks:** 30 Marks; **Duration:** 55 Mins
- Wherever necessary, suitable assumptions may be made and disclosed by way of note.
- Working notes should form part of the respective answers.
- All questions should be answered on the basis of the position of GST law as amended up to 31st October 2024.
- The GST rates for goods and services mentioned in various questions are hypothetical and may not necessarily be the actual rates leviable on those goods and services. Further, GST compensation cess should be ignored in all the questions, wherever applicable.

QUESTION 1 (1 Mark)

Alcoholic liquor for human consumption is subject to

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

QUESTION 2 (1 Mark)

Various taxes have been subsumed in GST to make one nation one tax one market for consumers. Out of the following, determine which taxes have been subsumed in GST.

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

QUESTION 3 (1 Mark)

In GST Council, a decision will be taken by a _____ majority with the Centre having _____ weighted votes and the States remaining _____ weighted votes.

- a) three-fourth, one-third, two-third
- b) three-fourth, two-third, one-third
- c) two-third, one-third, one-third
- d) None of the above

QUESTION 4 (1 Mark)

GST is payable by recipient of services in the following cases:

- (i) Sponsorship services provided to ABC Ltd
 - (ii) Services supplied by a non-employee director of Galaxy Ltd to Mr Krishna
 - (iii) Speed post services by Department of Posts to MNO Ltd
 - (iv) Services by a recovering agent to SNSP Bank
- a) (i) & (iii)
 - b) (i) & (iv)
 - c) (ii) & (iii)
 - d) (ii) & (iv)

QUESTION 5 (1 Mark)

Which of the following services does not fall under reverse charge provisions as contained u/s 9(3) of the CGST Act?

- a) Services supplied by arbitral tribunal to business entity
- b) Sponsorship provided to any partnership firm
- c) Sponsorship provided to any body-corporate
- d) Service of renting of motor vehicle for passengers provided to a recipient other than body corporate

QUESTION 6 (1 Mark)

Which of the following services are notified u/s 9(3) of CGST Act, 2017 or 5(3) of IGST Act, 2017, the tax on which shall be paid on reverse charge basis by the recipient of such supply?

- (i) Supply of security services provided by a person other than a body corporate to a composition taxpayer.
- (ii) Services supplied by an insurance agent to insurance company located in taxable territory.
- (iii) Supply of services by way of renting of hotel accommodation through e-commerce operator.
- (iv) Supply of notified categories of goods or services or both by a supplier, who is not registered, to specified class of registered persons.

Choose from the following options:

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

QUESTION 7 (1 Mark)

XX, registered in Delhi, purchased books from PC Traders, registered in UP. Books are exempt from GST. XX arranged the transport of these books from a goods transport agency (GTA) which charged a freight of ₹ 9,000 for the same. GST is payable @ 5% on such GTA services. Which of the following statement is correct in the given context?

- a) GST of ₹ 450 is payable by XX on reverse charge basis.
- b) Supply of goods and supply of GTA service is a composite supply wherein supply of goods is the principal supply and since principal supply is an exempt supply, no tax is payable on freight.
- c) Since exempt goods are being transported, service provided by GTA for transporting the same is also exempt.
- d) GST of ₹ 450 is payable by the GTA

QUESTION 8 (1 Mark)

In case of Goods Transport Agency (GTA) services, tax is to be paid under forward charge if:

- a) GST is payable @ 12%
- b) GST is payable @ 5% and a factory registered under the Factories Act, 1948 is the recipient of GTA service and GTA wishes to minimise its compliance obligations.
- c) An unregistered individual end customer is the recipient of GTA service
- d) GST is payable @ 5% and a registered casual taxable person is the recipient of GTA service and GTA wishes to minimise its compliance obligations.

QUESTION 9 (Sep 2024 Exams - 3 Marks)

No act or proceedings of the Goods and Services Tax Council shall be invalid merely by certain reasons. What are they?

QUESTION 10 (Nov 2018 Exams - 3 Marks)

List any four central levies and four state levies, which are subsumed in GST.

QUESTION 11 (Nov 2020 Exams - 4 Marks)

In the following independent cases, decide, which person is liable to pay GST, if any. You may assume that recipient is located in the taxable territory. Ignore the aggregate turnover and exemption available.

- 1) 'Veer Transport', a registered Goods Transport Agency (GTA) paying IGST @ 12%, transported goods by road of Dilip & Co, a sole proprietary firm (other than 'specified person') which is not registered under GST or any other Law.
- 2) Mr Kamal Jain, an unregistered famous author, received ₹ 20 lakhs of consideration from PQR Publications Ltd for supply of services by way of temporary transfer of a copyright covered u/s 13(1)(a) of the Copyright Act, 1957 relating to original literary works of his new book.

QUESTION 12 (Nov 2018 Exams - 4 Marks)

Decide which person is liable to pay GST in the following independent cases, where the recipient is located in the taxable territory. Ignore the aggregate turnover and exemption available.

- (i) Mr Raghu provided sponsorship services to 'We Win Cricket Academy', an LLP.
- (ii) 'Safe Trans', a Goods Transport Agency, transported goods of Kapil & Co, a partnership firm which is not registered under GST. Assume that GTA doesn't wish to avail ITC on its inward leg and wishes to minimise its compliance obligations, if possible.

QUESTION 13 (May 2018 Exams - 4 Marks)

State, with reason, person liable to pay GST in each of following independent cases. Assume recipient is located in taxable territory.

- 1) Rental income received by Tamil Nadu State Government from renting an immovable property to Mannappa Pvt Ltd (Turnover of the company in the preceding financial year exceeds the applicable threshold given u/s 22)
- 2) Legal Fees received by Mr Sushrut, a senior advocate, from M/s Tatva Trading Company having turnover of ₹ 50 lakhs in preceding financial year

QUESTION 14 (Jan 2021 Exams - 4 Marks)

Mr Anurag, a famous author, is engaged in supply of services by the way of transfer or permitting the use or enjoyment of a copyright covered as per Section 13(1)(a) of the Copyright Act, 1957 relating to original literary works to a publisher. Explain in brief the conditions under which an author can choose to pay tax under forward charge.