



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

## INDIRECT TAX LAWS AND PRACTICE (PAPER - 19)

### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	Goods within the meaning of supply does not includes:	Movable property	Money and securities	Actionable claim other than specified actionable claims	All of the above
2	Items out of the purview of supply are provided in:	Schedule I	Schedule II	Schedule III	None of the above
3	M/s R Associates of Chennai received certain consultancy services from A Inc. of USA. Both are not related person. The services received is without any consideration. Does the same classify as supply?	Yes. Being import of services in the course of business	No. Since, party to the contract are not related	On the prior approval of the Government	None of the above
4	X Ltd. Transferred certain assets forming part of business assets. The same was transferred free of cost without any consideration as a part of corporate social responsibility (CSR). What shall be the classification of such supply? X Ltd. Not availed Input Tax Credit on such assets.	Supply of goods	Supply of services	Does not qualify as supply	Supply of goods and services or both
5	While repairing the factory shed, few goods were also supplied along with the labour service. Whether it is a:	Composite Supply	Mixed Supply	Works Contract Service	None of the above
6	What would be the tax rate applicable in case of mixed supply?	Tax rate as applicable on supply attracting the lowest rate of tax	Tax rate as applicable on supply attracting the highest rate of tax	Tax @ 28%	None of the above
7	A person purchases a bundle of toothpaste along with Tooth brush. Toothpaste under this case is liable to GST @ 12% and tooth brush for instance is liable to GST @ 18% and is sold as a single unit for a single price. What shall be the tax rate applicable in case of such supply?	18%	12%	6%	Nil
8	As per the CGST Act, 2017, the term “works contract” includes:	Construction, fabrication, completion, erection, installation, etc. of movable property	Construction, fabrication, completion, erection, installation, etc. of immovable property	Both (a) and (b)	None of the above
9	Which of the following are naturally bundled?	Hotel provides short-term accommodation and restaurant services	Hotel provides short-term accommodation and coaching or teaching Indirect Taxes	Hotel provides short-term accommodation and repairing services of customer watches	Hotel provides short-term accommodation
10	What is the threshold limit of turnover in the preceding financial year for opting to pay tax under composition scheme for States other than special category States?	₹20 lacs	₹10 lacs	₹50 lacs	₹1.5 crore
11	What is the rate applicable under CGST to a registered person being a manufacturer opting to pay taxes under composition scheme?	2.50%	1%	0.50%	No composition for manufacturer



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12	Mr. Ram, a trader in Delhi has opted for composition scheme of taxation under GST. Determine the rate of total GST payable by him under composition scheme:	0.5% CGST & 0.5% SGST	2.5% CGST & 2.5% UTGST	5% IGST	5% of UTGST
13	Can a registered person under composition scheme claim input tax credit?	Yes	No	Input tax credit on inward supply of goods only can be claimed	Input tax credit on inward supply of services only can be claimed
14	What will happen if the turnover of a registered person opting to pay taxes under composition scheme during the year 2024-25 crosses threshold limit?	He can continue under composition scheme till the end of the financial year	He will be liable to pay tax at normal rates of GST on the entire turnover for the financial year 2024- 25	He will cease to remain under the composition scheme with immediate effect	He will cease to remain under the composition scheme from the quarter following the quarter in which the aggregate turnover exceeds threshold limit
15	Aggregate turnover does not include—	Inward supplies on which tax is payable on reverse charge basis	Exempt supplies	Export of goods or services or both	Inter-State supplies of persons having the same PAN number
16	X Ltd. has provided following information for the month of January 2024: (i) Intra-State outward supply ₹ 8,00,000/- (ii) Inter-State exempt outward supply ₹5,00,000/- (iii) Turnover of exported goods ₹ 10,00,000/- (iv) Payment made to GTA ₹ 80,000/- (ITC not availed by GTA) Calculate the aggregate turnover of X Ltd.	₹8,00,000/-	₹23,80,000/-	₹23,00,000/-	₹18,00,000/-
17	The person was operating in regular scheme. Now in financial year 2022-23, he wants to opt for the composition scheme. Which form he must file to provide details of the input tax credit in respect of the stock of goods held with him on the day preceding the date of opting in composition scheme?	Form GST ITC-01	Form GST ITC-02	Form GST ITC-03	Form GST ITC-04
18	The person was operating under normal scheme, but now he wants to convert in composition scheme so which form he must file?	Form GST CMP-01	Form GST CMP-02	Form GST CMP-03	Form GST CMP-04
19	In which form can the person file for withdrawal of composition scheme?	Form GST CMP-01	Form GST CMP-02	Form GST CMP-03	Form GST CMP-04
20	What document shall a person under composition scheme issue to its customer?	Bill of supply	Tax invoice	Invoice	Debit note
21	Which return must be filed by the composition dealer?	GSTR-3B	GSTR-5	GSTR-4	GSTR-6



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22	Calculate the tax to be paid by Mr. C, a composition dealer who supplied laptops being a trader from the following data: (i) Cost of purchases ₹3,00,000 plus GST 12%. (ii) Profit Margin 40% on cost of purchases.	4,704	7,404	4,074	None of the above
23	If the show cause notice in Form GST CMP-05 has been issued on 15th March 2019, then by when can the taxpayer (composition dealer) submit his reply?	Within 90 days	Within 180 days	Within 15 days	Within 60 days
24	Service provider other than section 10 of CGST Act, 2017 can opt to pay GST under composition scheme only when	whose aggregate turnover in the preceding financial year was Rs.50 lakh or below	whose aggregate turnover in the preceding financial year was Rs.150 lakh or below	whose aggregate turnover in the preceding financial year was Rs.75 lakh or below	whose aggregate turnover in the preceding financial year was below Rs.50 lakh
25	Under _____ section of CGST Act and _____ section of IGST Act, Government can issue a general exemption notification	Section 11(1) of the CGST Act & Section 6(1) of the IGST Act	Section 6(1) of the IGST Act & Section 11(1) of the CGST Act	Section 11(2) of the CGST Act & Section 6(2) of the IGST Act	Section 11(3) of the CGST Act & Section 6(3) of the IGST Act
26	Under _____ section of CGST Act and _____ section of IGST Act, Government exemption by way of special order	Section 11(2) of the CGST Act & Section 6(2) of the IGST Act	Section 6(2) of the IGST Act & Section 11(2) of the CGST Act	Section 11(1) of the CGST Act & Section 6(2) of the IGST Act	Section 11(3) of the CGST Act & Section 6(3) of the IGST Act
27	Services by a hotel, inn, guest house, club or campsite are not exempted for residential/lodging purposes—	If the actual tariff for a unit of accommodation is below Rs.10,000	irrespective of tariff value for a unit of accommodation	If the actual tariff for a unit of accommodation is exactly Rs.1,000	If the actual tariff for a unit of accommodation is above Rs.1,000
28	One of the following is exempted from GST—	Any business exhibition	A business exhibition in India	A business exhibition outside India	None of the above
29	Exemption can be claimed at _____ stage even if not claimed at _____ stage.	Adjudication, Investigation	Investigation, Adjudication	None of the above	Any, prior
30	Levy of GST on Priority Sector Lending Certificate (PSLC) under	Exempted supply of goods	Reverse Charge Mechanism (RCM)	Forward Charge	Partial Reverse Charge Mechanism
31	Mr. A, who has opted for composition levy, supplies goods worth Rs.24,300 to Mr. B and issues an invoice dated 25.09.20XX for Rs.24,300. and Mr. B pays Rs.25,000 on 1.10.20XX against such supply of goods. The excess Rs. 700 (being less than Rs.1,000) is adjusted in the next invoice for supply of goods issued on 5.01.20XX. Identify the time of supply and value of supply:	For Rs.25,000 – 1.10.20XX	For Rs.24,300 – 25.09.20XX and for Rs.700 – 1.10.20XX	For Rs.24,300 – 25.09.20XX and for Rs.700 – 5.10.20XX.	(b) or (c) at the option of supplier, who has opted for composition levy



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32	ABC Ltd has purchased for its customer 50 vouchers date 20th Aug 20XX worth ₹ 500 each from Ram Pvt. Ltd. a footwear manufacturing company. The vouchers were issued by Ram Pvt. Ltd on 20th Sep 20XX. The vouchers can be encashed at retail outlets of Ram Pvt. Ltd. The employees of ABC Ltd. encashed the same on 1st Oct 20XX. Determine the time of supply of vouchers.	20th Aug 20XX	20th Sep 20XX	1st Oct 20XX	None of the above
33	Determine the amount of GST in case of supply of service of ₹10,00,000 on 4th Sep 20XX and invoice has also been issued on the same date. The date of payment is 30th Aug 20XX. The CGST rate has been increased from 5% to 12% w.e.f. 1st Sep 20XX	₹ 50,000	₹ 1,00,000	₹ 70,000	₹ 1,20,000
34	There was decrease in tax rate from 28% to 18% w.e.f. 1.09.2024. Which of the following rate is applicable if the supplier has not opted for composition levy and supplies goods to Customer? Further, Goods were removed from its factory on 31.08.2024; delivered at buyer place on 2.02.2024; invoice is issued on 31.08.2024 and payment is received on 4.09.2024.	18% as it is lower of the two	28% as date of invoice and dispatch of goods from factory, has happened before change of rate	18% as both, payment and completion of supply, has happened after change of rate	none of the above
35	Money transferred service provided to foreign entity by Indian supplier of service is intermediary service and subject to	CGST & SGST	CGST & UTGST	IGST	UTGST
36	If RR shipping Co. located in Chennai charges ocean freight charges for transport of goods to USA for a customer located in Hyderabad, the place of supply of service will be	Chennai	USA	Hyderabad	None of the above
37	Agency fees paid to foreign banks for arranging finance is—	Export of service	Import of service	Tax free service	None of the above
38	Mr. Ram a second-hand car dealer purchased a second hand car for ₹2,50,000. He sold he same car to Mr. Lakshman for ₹3,00,000. Determine value of supply?	₹ 3,00,000	₹ 2,50,000	₹ 50,000	None of the above
39	Thomas Cook Forex Pvt. Ltd. being a registered person under GST purchased 2000 USD from M/s R Academy at the rate of INR 30 per USD. Actual exchange rate at that time was ₹70 per Dollar. RBI reference rate not available. What shall be the value of such supply	₹ 1,30,000	₹ 1,40,000	₹ 2,00,000	None of the above
40	What will be the value of supply if X & Co., supply Sony television set for ₹85000 along with the exchange of an old TV and if the price of the Sony television set without exchange is ₹1,00,000, the open market value of the Sony television set is:	₹ 85,000	₹ 1,00,000	₹ 15,000	₹ 1,15,000
41	The time limit to pay the value of supply with taxes to the supplier to avail the input tax credit is _____.	3 months	6 months	180 Days	Till the date of filling of annual return.



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42	As per Rule 42(2) of the CGST Rules, 2017 where the aggregate of the amount calculated finally in respect of ineligible credit exceeds the aggregate of the amounts determined under rule 42(1)(i) and (j), such excess shall be added to the output tax liability of the registered person in the month not later than the month of _____	September following the end of the financial year to which such credit relates	March following the end of the financial year to which such credit relates	June following the end of the financial year to which such credit relates	None of the above
43	As per Rule 42(2) of the CGST Rules, 2017 where the aggregate of the amount calculated finally in respect of ineligible credit exceeds the aggregate of the amounts determined under rule 42(1)(i) and (j), such excess shall be added to the output tax liability of the registered person in the month not later than the month of September following the end of the financial year to which such credit relates and the said person shall be liable to pay _____ on the said excess amount at the rate specified in sub-section (1) of Section 50 for the period starting from the 1st day of April of the succeeding financial year till the date of payment	interest 24% p.a.	interest 18% p.a.	interest 28% p.a.	interest 12% p.a.
44	Banking company or Financial Institution have an option of claiming:	Eligible Credit or 50% credit	Only 50% Credit	Only Eligible credit	Eligible credit and 50% credit
45	An assessee obtains new registration, voluntary registration, change of scheme from composition to regular scheme and from exempted goods/services to taxable goods/services. It can avail credit on inputs lying in stock. What is the time limit for taking said credit?	3 years from the date of invoice	1 years from the date of invoice	5 years from the date of invoice	None of the above
46	Maximum time limit for availing ITC is	The date of filing of annual return	30th November of the following financial year	Earliest of above two	Later of above two.
47	In case of supply of plant & machinery on which ITC is taken, tax to be paid on is	Amount equal to ITC availed less 5% for every quarter or part thereof	Tax on transaction value	Higher of above two	Lower of above two
48	Mr. C, a practicing Cost Accountant purchased 3 laptops each having tax element of ₹1,25,000 in his firm name. Two laptops he utilized in his office whereas one laptop he gifted to his sister. What is the amount of ineligible ITC?	₹ 1,25,000	₹ 2,50,000	₹ 2,75,000	None of the above
49	ABC Pvt Ltd. purchased a machinery on 15th July 2023 for ₹10 lacs on which IGST was paid @ 18%. He availed the ITC & utilized the capital goods. On 16th October 2024 he sold the machinery as second hand goods for ₹7,50,000. Calculate the amount of ITC that needs to be paid.	₹ 1,26,000	₹ 1,35,000	Lower of (a) or (b)	Higher of (a) or (b)



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50	Mr. Ajay purchased goods from Mr. Chethan, a composition dealer worth ₹100,000. Since Mr. Chethan was trader so he was supposed to pay only 1% of his turnover as his tax. The item so purchased was otherwise taxable at 12%. What is the amount of credit which Mr. Ajay is eligible to take?	₹ 990	₹ 12,000	₹ 1,000	Not eligible to claim credit
51	What is the rate of TDS?	1%	4%	5%	18%
52	What is the due date for payment of TDS?	Last day of the month to which payment relates	Within 10 days of the subsequent month	Within 20 days of the subsequent month	Within 15 days of the subsequent month
53	What is the due date for issue of TDS Certificate?	The date of payment of TDS	Within 10 days from the date of payment of TDS	Within 20 days from the date of payment of TDS	Within 05 days from the date of payment of TDS
54	Every registered person required to deduct tax at source under section 51 shall furnish return, in_____, for the month in which such deductions have been made within 10 days after the end of such month.	Form GSTR-5	Form GSTR-6	Form GSTR-7	Form GSTR-8
55	When should the e-commerce operator remit the amount of TCS to government and file the necessary returns with the government?	Within 10 days after the end of the month in which such amount was collected	Within 10 days after the end of the month in which such amount was collected, but no time limit for filing the return	Within 10 days after the end of the month in which such amount was collected, but no time limit for paying the money	No time limit for both
56	When an e-commerce operator is required to register under GST?	When he is required to collect tax at source u/s 52	When his aggregate turnover exceeds the threshold limit	It is mandatory to register irrespective of the threshold limit.	When he is required to collect tax at source u/s 52 and his aggregate turnover exceeds the threshold limit.
57	The validity period of E-Way Bill is said to initiate when:	Part A is completely filled	Part B is completely Filled	Both Parts are filled completely	None of the above
58	E-Way bill generation facility of a person paying tax under regular scheme will be blocked if he has not furnished the returns for a consecutive period of?	2 months	2 tax periods	3 tax periods	6 tax periods
59	What shall be the validity of E-Way bill in case of vehicles other than over dimensional cargo?	One day per 200 kms.	One day per 20 kms.	Both (a) & (b)	None of the above
60	Zero rated supply includes:	Export of goods and services.	Supply of goods and services to a SEZ developer or SEZ Unit	Supply of goods and services by a SEZ developer or SEZ Unit	Both (a) and (b)



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61	Refund application is to be filed before the expiry of _____ from the relevant date.	Two years	One year	180 days	260 days
62	Refund shall not be paid to the applicant if the amount of refund is less than—	₹ 1,000	₹ 5,000	₹ 7,000	₹ 10,000
63	Refunds would be allowed on a provisional basis in case of refund claims on account of zero-rated supplies of goods and/or services made by registered persons. At what percentage, would such provisional refunds be granted?	70%	65%	80%	90%
64	Late fee for annual return for a tax payer having an aggregate turnover up to ₹5 crore in the relevant financial year is:	₹50 for everyday subject to a maximum of 0.04% of turnover in the State or Union Territory	₹100 for everyday subject to a maximum of 0.25% of turnover in the State or Union Territory	₹50 for everyday subject to a maximum of 0.50% of turnover in the State or Union Territory	₹100 for everyday subject to a maximum of 0.50% of turnover in the State or Union Territory.
65	Every registered person whose aggregate turnover during a financial year exceeds 2 crore rupees shall get his accounts audited and furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in—	Form GSTR-9	Form GSTR-9C	Form GSTR-11	Form GSTR-11A
66	The Appellant Authority for Advance Ruling shall comprise of :	Chief Commissioner of Central tax as designated by the Board and Commissioner of State tax/ Union Territory tax, having jurisdiction over the applicant.	Principal Chief Commissioner of Central tax and Commissioner of State tax/union Territory tax, having jurisdiction over the applicant.	Two sitting High Court Judges.	None of the above.
67	Appeal before AAAR can be filed within how many days?	30 days	60 days	90 days	120 days
68	As per section 69(2) of CGST Act, 2017, where a person is arrested under sub-section (1) for an offence specified under sub- section (5) of section 132, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within _____ hours:	four	twenty-four	twenty-five	twenty-six
69	What action should be taken by an assessee to satisfy with anti-profiteering provision?	Reduce rate of tax on any supply of goods or services, if such assessee has got the benefit of such reduced rate	Pass on the benefit of input tax credit, if such assessee has got such input tax credit	Both (a) and (b)	none of the above



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70	1,00,000 MT goods are imported for ₹10 lakh but goods actually received are 95,000 MT. In this case, value of goods liable to duty is—	10,00,000	9,50,000	50,000	10,50,000
71	Assessable value of goods is ₹5,00,000 (US \$10,000 at ₹50 per US \$) as per bill of entry for warehousing and BCD is 15%. The goods were cleared from warehouse on date when BCD is 10% and rate is? ₹60 per \$. IGST & GST Cess is NIL and Social Welfare Surcharge is 10%. Total duty =	₹ 55,000	₹ 66,000	₹ 82,500	₹ 99,000
72	Calculate Free on Board value from following: Ex-factory price of exporter- ₹10,000; Expenses upto loading of goods by foreign exporter- ₹12,000. Post importation cost- ₹8000:	₹ 30,000	₹ 22,000	₹ 18,000	₹ 22,250
73	Calculate Cost of transport/handling under Rule 10(2)(a) if FoB and insurance cost [total] is \$5000:	\$2,500	\$6,000	\$1,000	None of the above
74	From following data, find out the assessable value of imported goods: Cost of the machine at the factory of the exporting country- \$ 5,000; Transport charges incurred by the exporter from his factory to the port for shipment- \$ 250; Handling charges paid for loading the machine in the ship- \$25; Buying commission paid by the importer- \$25; Freight charges from exporting country to India (including handling charges \$ 100)- \$500. Exchange rate to be considered: 1 \$ = ₹45.	₹ 2,62,545.47	₹ 2,37,375.00	₹ 2,59,875.00	None of the above
75	Compute value: Machinery imported from USA by air (FOB price)- \$8,000; Accessories compulsorily supplied along with the machinery \$ 2,000; Air freight \$2400; Insurance charges not available; Local agent's commission to be paid in Indian Currency- ₹18,600; Exchange rate US \$ 1 = ₹48:	₹ 4,98,600	₹ 6,03,929.25	₹ 5,98,320	None of the above.
76	Determine price to be taken for computing deductive value in rule 7: Sale quantity- 80 units @ ₹90, 50 units @ ₹95, 25 units @ ₹105, 40 units @ ₹100:	₹ 105	₹ 100	₹ 95	₹ 90
77	Computed value DOES NOT consist of:	cost of materials and fabrication or other processing employed in producing the imported goods.	reasonable profit of foreign exporter	the cost or value of all other expenses under rule 10(2)	reasonable profit of Indian importer.
78	The proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on certain reasons which may include:	the sale involves an abnormal discount or abnormal reduction from ordinary competitive price.	the sale involves special discounts limited to exclusive agents.	Both (a) & (b)	None of the above.





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79	Does the Adjudicating Authority include Value of Personal Computer is ₹1,10,000 and Personal Effects is ₹60,000 and duty-free allowance is ₹1,00,000. What is the value of the baggage liable to duty?	₹ 50,000	₹ 60,000	₹ 70,000	₹ 10,000
80	After visiting UK for 10 days, Mr. K brought to India a laptop computer valued at ₹76,000, personal effects valued at ₹1,20,000 and a personal computer for ₹72,000. What is the customs Duty payable?	₹ 22,000	₹ 8,470	₹ 10,000	₹ 15,000
81	The current limit of ₹1 lakh per annum for duty free import of samples in terms of NT 154/94-Customs, dated 13.7.1994 is enhanced to:	₹30 lakh per annum (w.e.f. 27.2.2010)	₹3 lakh per annum (w.e.f. 27.2.2010)	₹13 lakh per annum (w.e.f. 27.2.2010)	₹3 lakh per month (w.e.f. 27.2.2010).
82	A Gentleman passenger returning to India having resided abroad for more than a year shall be allowed clearance free of duty jewellery in his bona fide baggage to the extent of the following:	₹ 50,000	₹ 1,00,000	₹ 1,50,000	None of the above.
83	A Lady passenger returning to India having resided abroad for more than a year shall be allowed clearance free of duty jewellery in his bona fide baggage to the extent of the following:	₹ 50,000	₹ 1,00,000	₹ 1,50,000	None of the above.
84	A person, who is engaged in a profession abroad, or is transferring his residence to India after stayed abroad more than 2 years can bring, used household items without payment of duty up to:	₹ 50,00,000	₹ 25,00,000	₹ 5,00,000	₹ 50,000
85	Section 58 the Principal Commissioner of Customs or Commissioner of Customs may, subject to such conditions as may be prescribed, license a _____ wherein dutiable goods imported by or on behalf of the licensee may be deposited.	private warehouse	public warehouse	special warehouse	warehouse
86	_____ grants the permission for manufacturing or other operations in the bonded facility.	Assistant Commissioner of Customs	Deputy Commissioner of Customs	Additional Commissioner of Customs	Commissioner of Customs
87	At present manufacture, and other operations in which bonded warehouse is not allowed?	Public Bonded Warehouse	Special Bonded warehouses	Only Private Bonded warehouse	Both (a) and (b)
88	Maximum duty drawback rate @ _____ on FOB value of exports.	45%	15%	25%	33%
89	Once a _____ is cleared for home consumption, the bond submitted by the importer gets debited automatically in the customs automated system and the details shall be made available electronically to the Jurisdictional Custom Officer	Bill of Entry	Shipping Bill	Entry inwards	Entry outwards
90	Full form of IIN	Import of goods at concessional rate of duty Identification Number	Import of Goods at Concessional Rate Identification Number	Import of Goods Identification Number	Import at Concessional Rate Identification Number



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91	The importer who intends to avail the benefit of an exemption notification shall mention the _____ as indicated in sub-rule (2) of rule 4 of Customs (Import of goods at Concessional rate of duty) Rules, and continuity bond number and details while filing the _____.	IIN	NIL, Bill of Entry	Bill of Entry	Both (a) & (c)
92	The importer shall submit a monthly statement on the common portal in the Form IGCR-3 (Import of Goods at Concessional Rate of Duty) appended to these rules by the _____ day of the following month.	Tenth	Twentieth	Fiftieth	Eleventh
93	Value of goods to be exported as gift can't exceed _____ in a licensing year	₹ 7,00,000.00	₹ 10,00,000.00	₹ 50,00,000.00	₹ 5,00,000.00
94	Minimum value addition required to be achieved under DFIA is _____.	10%	15%	20%	5%
95	Only projects having a minimum investment of _____ in plant & machinery shall be considered for establishment as EOUs.	₹1 crore	₹10 crores or above	Below ₹5 crores	₹100 crores or above
96	Status holders shall be entitled to export freely exportable items (excluding Gems and Jewelry, Articles of Gold and precious metals) on free of cost basis for export promotion subject to an annual limit of _____	Rupees One Crore or @2% of average annual export realization during preceding three licensing years, whichever is lower.	8% of average annual export realization during preceding 3 licencing years	2% of average annual export realization during preceding 3 licencing years	8% of average annual export realization during preceding 2 licencing years
97	The companies or industries flexibility to allow a maximum _____ of their employees to work from home and along with prior permission to temporarily remove goods such as laptops, computers, electronic equipment, etc., from the SEZ unit to a domestic tariff area without payment of duty.	50%	100%	25%	15%
98	In case the developer submit the proposal to the State Government for The SEZ approval, then state government forwards this proposal to the Board of Approval (BoA) along with its recommendation within _____.	five days	forty days	fifty-five days	forty-five days
99	When an SEZ supplies goods/services to a Domestic Tariff Area (DTA), it is exempt from paying taxes, although the receiver in the DTA has to pay: _____	IGST under reverse charge mechanism (RCM).	CGST and SGST under reverse charge mechanism (RCM).	CGST and UTGST under reverse charge mechanism (RCM).	IGST under forward charge



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### ANSWERS TO MCQ BANK

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2	Items out of the purview of supply are provided in:	Schedule III
3	M/s R Associates of Chennai received certain consultancy services from A Inc. of USA. Both are not related person. The services received is without any consideration. Does the same classify as supply?	No. Since, party to the contract are not related
4	X Ltd. Transferred certain assets forming part of business assets. The same was transferred free of cost without any consideration as a part of corporate social responsibility (CSR). What shall be the classification of such supply? X Ltd. Not availed Input Tax Credit on such assets.	Does not qualify as supply
5	While repairing the factory shed, few goods were also supplied along with the labour service. Whether it is a:	Works Contract Service
6	What would be the tax rate applicable in case of mixed supply?	Tax rate as applicable on supply attracting the highest rate of tax
7	A person purchases a bundle of toothpaste along with Tooth brush. Toothpaste under this case is liable to GST @ 12% and tooth brush for instance is liable to GST @ 18% and is sold as a single unit for a single price. What shall be the tax rate applicable in case of such supply?	18%
8	As per the CGST Act, 2017, the term "works contract" includes:	Construction, fabrication, completion, erection, installation, etc. of immovable property
9	Which of the following are naturally bundled?	Hotel provides short-term accommodation and restaurant services
10	What is the threshold limit of turnover in the preceding financial year for opting to pay tax under composition scheme for States other than special category States?	₹ 1.5 crore
11	What is the rate applicable under CGST to a registered person being a manufacturer opting to pay taxes under composition scheme?	0.50%
12	Mr. Ram, a trader in Delhi has opted for composition scheme of taxation under GST. Determine the rate of total GST payable by him under composition scheme:	0.5% CGST & 0.5% SGST
13	Can a registered person under composition scheme claim input tax credit?	No
14	What will happen if the turnover of a registered person opting to pay taxes under composition scheme during the year 2024-25 crosses threshold limit?	He will cease to remain under the composition scheme with immediate effect
15	Aggregate turnover does not include—	Inward supplies on which tax is payable on reverse charge basis
16	X Ltd. has provided following information for the month of January 2024: (i) Intra-State outward supply ₹ 8,00,000/- (ii) Inter-State exempt outward supply ₹ 5,00,000/- (iii) Turnover of exported goods ₹ 10,00,000/- (iv) Payment made to GTA ₹ 80,000/- (ITC not availed by GTA) Calculate the aggregate turnover of X Ltd.	₹ 23,00,000/-
17	The person was operating in regular scheme. Now in financial year 2022-23, he wants to opt for the composition scheme. Which form he must file to provide details of the input tax credit in respect of the stock of goods held with him on the day preceding the date of opting in composition scheme?	Form GST ITC-03
18	The person was operating under normal scheme, but now he wants to convert in composition scheme so which form he must file?	Form GST CMP-02
19	In which form can the person file for withdrawal of composition scheme?	Form GST CMP-04
20	What document shall a person under composition scheme issue to its customer?	Bill of supply
21	Which return must be filed by the composition dealer?	GSTR-4
22	Calculate the tax to be paid by Mr. C, a composition dealer who supplied laptops being a trader from the following data: (i) Cost of purchases ₹ 3,00,000 plus GST 12%. (ii) Profit Margin 40% on cost of purchases.	4,704
23	If the show cause notice in Form GST CMP-05 has been issued on 15th March 2019, then by when can the taxpayer (composition dealer) submit his reply?	Within 15 days
24	Service provider other than section 10 of CGST Act, 2017 can opt to pay GST under composition scheme only when	whose aggregate turnover in the preceding financial year was Rs.50 lakh or below
25	Under _____ section of CGST Act and _____ section of IGST Act, Government can issue a general exemption notification	Section 11(1) of the CGST Act & Section 6(1) of the IGST Act
26	Under _____ section of CGST Act and _____ section of IGST Act, Government exemption by way of special order	Section 11(2) of the CGST Act & Section 6(2) of the IGST Act
27	Services by a hotel, inn, guest house, club or campsite are not exempted for residential/lodging purposes—	irrespective of tariff value for a unit of accommodation
28	One of the following is exempted from GST—	A business exhibition outside India
29	Exemption can be claimed at _____ stage even if not claimed at _____ stage.	Adjudication, Investigation
30	Levy of GST on Priority Sector Lending Certificate (PSLC) under	Reverse Charge Mechanism (RCM)
31	Mr. A, who has opted for composition levy, supplies goods worth Rs.24,300 to Mr. B and issues an invoice dated 25.09.20XX for Rs.24,300. and Mr. B pays Rs.25,000 on 1.10.20XX against such supply of goods. The excess Rs. 700 (being less than Rs.1,000) is adjusted in the next invoice for supply of goods issued on 5.01.20XX. Identify the time of supply and value of supply:	(b) or (c) at the option of supplier, who has opted for composition levy
32	ABC Ltd has purchased for its customer 50 vouchers date 20th Aug 20XX worth ₹ 500 each from Ram Pvt. Ltd. a footwear manufacturing company. The vouchers were issued by Ram Pvt. Ltd on 20th Sep 20XX. The vouchers can be encashed at retail outlets of Ram Pvt. Ltd. The employees of ABC Ltd. encashed the same on 1st Oct 20XX. Determine the time of supply of vouchers.	20th Sep 20XX
33	Determine the amount of GST in case of supply of service of ₹10,00,000 on 4th Sep 20XX and invoice has also been issued on the same date. The date of payment is 30th Aug 20XX. The CGST rate has been increased from 5% to 12% w.e.f. 1st Sep 20XX	₹ 1,20,000
34	There was decrease in tax rate from 28% to 18% w.e.f. 1.09.2024. Which of the following rate is applicable if the supplier has not opted for composition levy and supplies goods to Customer? Further, Goods were removed from its factory on 31.08.2024; delivered at buyer place on 2.02.2024; invoice is issued on 31.08.2024 and payment is received on 4.09.2024.	28% as date of invoice and dispatch of goods from factory, has happened before change of rate
35	Money transferred service provided to foreign entity by Indian supplier of service is intermediary service and subject to	IGST



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

## INDIRECT TAX LAWS AND PRACTICE (PAPER - 19)

### ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
36	If RR shipping Co. located in Chennai charges ocean freight charges for transport of goods to USA for a customer located in Hyderabad, the place of supply of service will be	Hyderabad
37	Agency fees paid to foreign banks for arranging finance is—	Import of service
38	Mr. Ram a second-hand car dealer purchased a second hand car for ₹2,50,000. He sold he same car to Mr. Lakshman for ₹3,00,000. Determine value of supply?	₹ 50,000
39	Thomas Cook Forex Pvt. Ltd. being a registered person under GST purchased 2000 USD from M/s R Academy at the rate of INR 30 per USD. Actual exchange rate at that time was ₹70 per Dollar. RBI reference rate not available. What shall be the value of such supply	₹ 1,40,000
40	What will be the value of supply if X & Co., supply Sony television set for ₹85000 along with the exchange of an old TV and if the price of the Sony television set without exchange is ₹1,00,000, the open market value of the Sony television set is:	₹ 1,00,000
41	The time limit to pay the value of supply with taxes to the supplier to avail the input tax credit is _____.	180 Days
42	As per Rule 42(2) of the CGST Rules, 2017 where the aggregate of the amount calculated finally in respect of ineligible credit exceeds the aggregate of the amounts determined under rule 42(1)(i) and (j), such excess shall be added to the output tax liability of the registered person in the month not later than the month of _____.	September following the end of the financial year to which such credit relates
43	As per Rule 42(2) of the CGST Rules, 2017 where the aggregate of the amount calculated finally in respect of ineligible credit exceeds the aggregate of the amounts determined under rule 42(1)(i) and (j), such excess shall be added to the output tax liability of the registered person in the month not later than the month of September following the end of the financial year to which such credit relates and the said person shall be liable to pay _____ on the said excess amount at the rate specified in sub-section (1) of Section 50 for the period starting from the 1st day of April of the succeeding financial year till the date of payment	interest 18% p.a.
44	Banking company or Financial Institution have an option of claiming:	Eligible Credit or 50% credit
45	An assessee obtains new registration, voluntary registration, change of scheme from composition to regular scheme and from exempted goods/services to taxable goods/services. It can avail credit on inputs lying in stock. What is the time limit for taking said credit?	1 years from the date of invoice
46	Maximum time limit for availing ITC is	Earliest of above two
47	In case of supply of plant & machinery on which ITC is taken, tax to be paid on is	Higher of above two
48	Mr. C, a practicing Cost Accountant purchased 3 laptops each having tax element of ₹1,25,000 in his firm name. Two laptops he utilized in his office whereas one laptop he gifted to his sister. What is the amount of ineligible ITC?	₹ 1,25,000
49	ABC Pvt Ltd. purchased a machinery on 15th July 2023 for ₹10 lacs on which IGST was paid @ 18%. He availed the ITC & utilized the capital goods. On 16th October 2024 he sold the machinery as second hand goods for ₹7,50,000. Calculate the amount of ITC that needs to be paid.	₹ 1,26,000
50	Mr. Ajay purchased goods from Mr. Chethan, a composition dealer worth ₹100,000. Since Mr. Chethan was trader so he was supposed to pay only 1% of his turnover as his tax. The item so purchased was otherwise taxable at 12%. What is the amount of credit which Mr. Ajay is eligible to take?	Not eligible to claim credit
51	What is the rate of TDS?	1%
52	What is the due date for payment of TDS?	Within 10 days of the subsequent month
53	What is the due date for issue of TDS Certificate?	Within 05 days from the date of payment of TDS
54	Every registered person required to deduct tax at source under section 51 shall furnish return, in _____, for the month in which such deductions have been made within 10 days after the end of such month.	Form GSTR-7
55	When should the e-commerce operator remit the amount of TCS to government and file the necessary returns with the government?	Within 10 days after the end of the month in which such amount was collected
56	When an e-commerce operator is required to register under GST?	When he is required to collect tax at source u/s 52 and his aggregate turnover exceeds the threshold limit.
57	The validity period of E-Way Bill is said to initiate when:	Both Parts are filled completely
58	E-Way bill generation facility of a person paying tax under regular scheme will be blocked if he has not furnished the returns for a consecutive period of?	2 tax periods
59	What shall be the validity of E-Way bill in case of vehicles other than over dimensional cargo?	One day per 200 kms.
60	Zero rated supply includes:	Both (a) and (b)
61	Refund application is to be filed before the expiry of _____ from the relevant date.	Two years
62	Refund shall not be paid to the applicant if the amount of refund is less than—	₹ 1,000
63	Refunds would be allowed on a provisional basis in case of refund claims on account of zero-rated supplies of goods and/or services made by registered persons. At what percentage, would such provisional refunds be granted?	90%
64	Late fee for annual return for a tax payer having an aggregate turnover up to ₹5 crore in the relevant financial year is:	₹50 for everyday subject to a maximum of 0.04% of turnover in the State or Union Territory
65	Every registered person whose aggregate turnover during a financial year exceeds 2 crore rupees shall get his accounts audited and furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in—	Form GSTR-9C
66	The Appellant Authority for Advance Ruling shall comprise of :	Chief Commissioner of Central tax as designated by the Board and Commissioner of State tax/ Union Territory tax, having jurisdiction over the applicant.
67	Appeal before AAAR can be filed within how many days?	30 days
68	As per section 69(2) of CGST Act, 2017, where a person is arrested under sub-section (1) for an offence specified under sub- section (5) of section 132, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within _____ hours:	twenty-four
69	What action should be taken by an assessee to satisfy with anti-profiteering provision?	Both (a) and (b)
70	1,00,000 MT goods are imported for ₹10 lakh but goods actually received are 95,000 MT. In this case, value of goods liable to duty is—	9,50,000
71	Assessable value of goods is ₹50,000 (US \$10,000 at ₹50 per US \$) as per bill of entry for warehousing and BCD is 15%. The goods were cleared from warehouse on date when BCD is 10% and rate is? ₹60 per \$. IGST & GST Cess is NIL and Social Welfare Surcharge is 10%. Total duty =	₹ 55,000



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SL NO	QUESTIONS	CORRECT ANSWER
72	Calculate Free on Board value from following: Ex-factory price of exporter- ₹10,000; Expenses upto loading of goods by foreign exporter- ₹12,000. Post importation cost- ₹8000:	₹ 22,000
73	Calculate Cost of transport/handling under Rule 10(2)(a) if FoB and insurance cost [total] is \$5000:	\$1,000
74	From following data, find out the assessable value of imported goods: Cost of the machine at the factory of the exporting country- \$ 5,000; Transport charges incurred by the exporter from his factory to the port for shipment- \$ 250; Handling charges paid for loading the machine in the ship- \$25; Buying commission paid by the importer- \$25; Freight charges from exporting country to India (including handling charges \$ 100)- \$500. Exchange rate to be considered: 1 \$ = ₹45.	₹ 2,62,545.47
75	Compute value: Machinery imported from USA by air (FOB price)- \$8,000; Accessories compulsorily supplied along with the machinery \$ 2,000; Air freight \$2400; Insurance charges not available; Local agent's commission to be paid in Indian Currency- ₹18,600; Exchange rate US \$ 1 = ₹48:	₹ 6,03,929.25
76	Determine price to be taken for computing deductive value in rule 7: Sale quantity- 80 units @ ₹90, 50 units @ ₹95, 25 units @ ₹105, 40 units @ ₹100:	₹ 90
77	Computed value DOES NOT consist of:	reasonable profit of Indian importer.
78	The proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on certain reasons which may include:	Both (a) & (b)
79	Does the Adjudicating Authority include Value of Personal Computer is ₹1,10,000 and Personal Effects is ₹60,000 and duty-free allowance is ₹1,00,000. What is the value of the baggage liable to duty?	₹ 10,000
80	After visiting UK for 10 days, Mr. K brought to India a laptop computer valued at ₹76,000, personal effects valued at ₹1,20,000 and a personal computer for ₹72,000. What is the customs Duty payable?	₹ 8,470
81	The current limit of ₹1 lakh per annum for duty free import of samples in terms of NT 154/94-Customs, dated 13.7.1994 is enhanced to:	₹3 lakh per annum (w.e.f. 27.2.2010)
82	A Gentleman passenger returning to India having resided abroad for more than a year shall be allowed clearance free of duty jewellery in his bona fide baggage to the extent of the following:	₹ 50,000
83	A Lady passenger returning to India having resided abroad for more than a year shall be allowed clearance free of duty jewellery in his bona fide baggage to the extent of the following:	₹ 1,00,000
84	A person, who is engaged in a profession abroad, or is transferring his residence to India after stayed abroad more than 2 years can bring, used household items without payment of duty up to:	₹ 5,00,000
85	Section 58 the Principal Commissioner of Customs or Commissioner of Customs may, subject to such conditions as may be prescribed, license a _____ wherein dutiable goods imported by or on behalf of the licensee may be deposited.	private warehouse
86	_____ grants the permission for manufacturing or other operations in the bonded facility.	Commissioner of Customs
87	At present manufacture, and other operations in which bonded warehouse is not allowed?	Both (a) and (b)
88	Maximum duty drawback rate @ _____ on FOB value of exports.	33%
89	Once a _____ is cleared for home consumption, the bond submitted by the importer gets debited automatically in the customs automated system and the details shall be made available electronically to the Jurisdictional Custom Officer	Bill of Entry
90	Full form of IIN	Import of Goods at Concessional Rate Identification Number
91	The importer who intends to avail the benefit of an exemption notification shall mention the _____ as indicated in sub-rule (2) of rule 4 of Customs (Import of goods at Concessional rate of duty) Rules, and continuity bond number and details while filing the _____.	Both (a) & (c)
92	The importer shall submit a monthly statement on the common portal in the Form IGCR-3 (Import of Goods at Concessional Rate of Duty) appended to these rules by the _____ day of the following month.	Tenth
93	Value of goods to be exported as gift can't exceed _____ in a licensing year	₹ 5,00,000.00
94	Minimum value addition required to be achieved under DFIA is _____.	20%
95	Only projects having a minimum investment of _____ in plant & machinery shall be considered for establishment as EOUs.	₹1 crore
96	Status holders shall be entitled to export freely exportable items (excluding Gems and Jewelry, Articles of Gold and precious metals) on free of cost basis for export promotion subject to an annual limit of	Rupees One Crore or @2% of average annual export realization during preceding three licensing years, whichever is lower.
97	The companies or industries flexibility to allow a maximum _____ of their employees to work from home and along with prior permission to temporarily remove goods such as laptops, computers, electronic equipment, etc., from the SEZ unit to a domestic tariff area without payment of duty.	50%
98	In case the developer submit the proposal to the State Government for The SEZ approval, then state government forwards this proposal to the Board of Approval (BoA) along with its recommendation within.	forty-five days
99	When an SEZ supplies goods/services to a Domestic Tariff Area (DTA), it is exempt from paying taxes, although the receiver in the DTA has to pay:	IGST under reverse charge mechanism (RCM).