

# Input Tax Credit – MCQ



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**Test your knowledge**

# Multiple Choice Questions

# Multiple Choice Questions – Question 1

Question	Options	
The term “used in the course or furtherance of business” means?	A	It should be directly co-related to output supply
	B	It is planned to use in the course of business
	C	It is used or intended to be used in the course of business
	D	It is used in the course of business for making outward supply

**Correct Alternative - (C) It is used or intended to be used in the course of business**

# Multiple Choice Questions – Question 2

Question	Options	
Whether credit on inputs should be availed based on receipt of documents or receipt of goods	A	Receipt of Goods
	B	Receipt of Documents
	C	Both
	D	Either Receipt of Goods or Receipt of Documents

**Correct Alternative - (C) Both**

# Multiple Choice Questions – Question 3

Question	Options	
Input tax credit on capital goods and Inputs can be availed in one installment or in multiple installments?	A	In thirty-six instalments
	B	In twelve instalments
	C	In six instalments
	D	In one instalment

**Correct Alternative - (D)** In one instalment

# Multiple Choice Questions – Question 4

Question	Options	
The tax paying documents in section 16(2) is	A	Bill of entry, Invoice raised on RCM supplies, etc.
	B	Acknowledged copy of tax paid to department
	C	Supply invoice by the recipient
	D	Any of the above

**Correct Alternative - (A) Bill of entry, Invoice raised on RCM supplies, etc.**

# Multiple Choice Questions – Question 5

Question	Options	
The time limit to pay the value of supply with taxes to avail the input tax credit?	A	Three Months
	B	Six Months
	C	One Hundred and Eighty Days
	D	Till the date of filing of Annual Return

**Correct Alternative - (C) One Hundred and Eighty Days**

# Multiple Choice Questions – Question 6

Question	Options	
<p>What is the time limit for taking input tax credit by a registered taxable person?</p>	A	No time limit
	B	1 year from the date of invoice
	C	Due date of furnishing of the return under section 39 for the month of November following the end of financial year to which such invoice or invoice relating to such debit note pertains
	D	30 <sup>th</sup> November of the next FY to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.

**Correct Alternative - (D) 30th November of the next FY to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.**

# Multiple Choice Questions – Question 7

Question	Options	
Whether depreciation on tax component of capital goods and Plant and Machinery and whether input tax credit is Permissible?	A	Yes
	B	No
	C	Input tax credit is eligible if depreciation on tax component is not availed
	D	None of the above

**Correct Alternative - (C) Input tax credit is eligible if depreciation on tax component is not availed**

# Multiple Choice Questions – Question 8

Question	Options	
What is the maximum time limit to claim the Input tax credit?	A	Till the date of filing annual return
	B	30 <sup>th</sup> November of the following financial year
	C	Later of (a) or (b)
	D	Earliest of (a) or (b)

**Correct Alternative - (D) Earliest of (a) or (b)**

# Multiple Choice Questions – Question 9

Question	Options	
Banking company or Financial Institution have an option of claiming	A	Eligible Credit or 50% credit
	B	Only 50% Credit
	C	Only Eligible credit
	D	Eligible credit and 50% credit

**Correct Alternative - (A) Eligible Credit or 50% credit**

# Multiple Choice Questions – Question 10

Question	Options	
Can the unutilized input tax credit be transferred in case of change in constitution of business?	A	Not possible
	B	No, it will be exhausted
	C	Yes, it will be transferred only if there is provision for transfer of liabilities
	D	It will be transferred only if it is shown in books of Accounts of transferor

**Correct Alternative - (C) Yes, it will be transferred only if there is provision for transfer of liabilities**

# Multiple Choice Questions – Question 11

Question	Options	
The time limit beyond which if Inputs are not returned, the inputs sent for job work shall be treated as supply	A	One Year
	B	Six Months
	C	Three Years
	D	One Year from end of the Financial Year

**Correct Alternative - (A) One Year**

# Multiple Choice Questions – Question 12

Question	Options	
Is the principal entitled for credit of goods though he has not received the goods and has been sent to job worker directly by vendor?	A	Yes
	B	No
	C	Yes, Vendor should be located in same place
	D	None of the above

**Correct Alternative - (A) Yes**

# Multiple Choice Questions – Question 13

Question	Options	
In case of ISD whether distributor and recipient should have same PAN	A	Yes
	B	No
	C	Yes, if in same state and different in other state
	D	Either A or B

**Correct Alternative - (A) Yes**

# Multiple Choice Questions – Question 14

Question	Options	
Input tax credit can be utilized against	A	Any Tax liability
	B	Self-Assessed Output Tax liability
	C	Interest and Penalty
	D	Fine

**Correct Alternative - (B) Self-Assessed Output Tax liability**

# Multiple Choice Questions – Question 15

Question	Options	
Input Tax credit as credited in Electronic Credit ledger can be utilized for	A	Payment of Interest
	B	Payment of Taxes
	C	Payment of Interest and Penalty
	D	Payment of Fine

**Correct Alternative - (B) Payment of Taxes**

# Multiple Choice Questions – Question 16

Question	Options	
ITC can be availed on	A	Possession of prescribed invoice/ debit note
	B	Receipt of goods/services
	C	Tax on such supply has been paid to government and return being furnished by the suppliers
	D	Fulfilling all the above conditions

**Correct Alternative - (D) Fulfilling all the above conditions**

# Multiple Choice Questions – Question 17

Question	Options	
ITC can be claimed by a registered person for	A	Taxable supplies for business purpose
	B	Taxable supplies for non-business purpose
	C	Exempted supplies
	D	Non-taxable supplies

**Correct Alternative - (A) Taxable supplies for business purpose**

# Multiple Choice Questions – Question 18

Question	Options	
ITC on motor vehicle can be claimed by	A	Any registered person
	B	Unregistered person engaged in same line of business
	C	Any registered person engaged in exempted supply
	D	None of the above

**Correct Alternative - (D) None of the above**

# Multiple Choice Questions – Question 19

Question	Options	
ITC can be claimed on goods/services for personal use if	A	Payment to supplier has been made, Return has been filed by supplier and tax is paid on such supplies
	B	If the recipient is engaged in exempt supplies
	C	No ITC can be claimed
	D	None of the above

**Correct Alternative - (C) No ITC can be claimed**

# Multiple Choice Questions – Question 20

Question	Options	
ITC on works contract service can be availed only if	A	Engaged in same line of business
	B	Service related to immovable property
	C	Service related to movable property
	D	All of the above

**Correct Alternative - (A) Engaged in same line of business**

# Thank you

Thanks for your Patience and Time

