

Offences and Penalty – Multiple Choice Questions



Rohit Kumar Singh
ACA, ACMA, FCS, LLB, DISA (ICAI)

Multiple Choice Questions

Multiple Choice Questions – Question 1

| Question | Options | |
|--|---------|---|
| A registered supplier failed to pay GST for the month of October 2023 amounting to Rs. 500/-. The proper officer imposed penalty on supplier for failure to pay tax. Which of the following statement is correct ? | A | Penalty leviable since it is not a “minor breach” |
| | B | Penalty not leviable since it is a “minor breach” |
| | C | Penalty leviable on failure to pay tax, irrespective of amount involved |
| | D | None of the above |

Correct Alternative - (B) Penalty not leviable since it is a “minor breach”

Multiple Choice Questions – Question 2

| Question | Options | |
|--|---------|--|
| What is the penalty for late filing of Annual return U/s 44 by a person registered under CGST Act? | A | Rs.100/day subject to maximum of 0.25% of annual turnover in the state |
| | B | Rs.100/day subject to maximum of Rs.5000/- |
| | C | Rs.25/day subject to maximum of Rs.5000/- |
| | D | Rs.50/day subject to maximum of Rs.5000/- |

Correct Alternative - (A) Rs.100/day subject to maximum of 0.25% of annual turnover in the state

Multiple Choice Questions – Question 3

| Question | Options | |
|--|---------|---|
| When shall the Director of a Private Limited Company be not liable to pay the tax, interest or penalty, if the company is not able to pay? | A | In all cases the Directors of the company is liable |
| | B | He is involved but has not received any benefit |
| | C | If the non-recovery is not due to gross neglect misfeasance or breach of duty of the Director |
| | D | None of the above |

Correct Alternative - (C) If the non-recovery is not due to gross neglect misfeasance or breach of duty of the Director

Multiple Choice Questions – Question 4

| Question | Options | |
|---|---------|---|
| <p>Cheap Limited got Order for Demand of Rs 1,00,000 tax, Interest of Rs 20,000 and Penalty of Rs 1,00,000. Subsequently, Department decided to enhance the demand the tax and panalty to Rs 2,00,000. No oppertunity of being heard was given to the company. Now, Chairman seeks your advise on enhanced demand</p> | A | Department may enhance the demand without any hearing |
| | B | Only 10% of demand can be enhanced without any hearing |
| | C | At proper officer's discretion |
| | D | No demand can be enhanced without giving any opporunity of being heard to Cheap Ltd |

Correct Alternative - (D) No demand can be enhanced without giving any opporunity of being heard to Cheap Ltd

Multiple Choice Questions – Question 5

| Question | Options | |
|--|---------|--|
| The amount for compounding of offences U/s 138 of the CGST Act,2017 is | A | Minimum :Rs.10,000 or 50% of tax involved (whichever is higher) & Maximum :Rs.30,000 or 150% of tax involved (whichever is higher) |
| | B | Minimum :Rs.10,000 or 50% of tax involved (whichever is lower) & Maximum :Rs.30,000 or 150% of tax involved (whichever is lower) |
| | C | Minimum :Rs.10,000 or 50% of tax involved (whichever is higher) & Maximum :Rs.30,000 or 150% of tax involved (whichever is lower) |
| | D | Minimum :Rs.10,000 & Maximum :Rs.30,000 |

Correct Alternative - (A) Minimum :Rs.10,000 or 50% of tax involved (whichever is higher) & Maximum :Rs.30,000 or 150% of tax involved (whichever is higher)

Multiple Choice Questions – Question 6

| Question | Options | |
|---|---------|--|
| In case of taxable goods, upon seizure, where the owner of the goods comes forward for payment of such penalty, the penalty amount shall be | A | 1% of the value of goods or Rs. 10,000 whichever is lower |
| | B | 200% of the tax payable on such goods |
| | C | 50% of the value of goods or Rs. 25,000 whichever is lower |
| | D | 5% of the value of goods or Rs. 25,000 whichever is lower |

Correct Alternative - (B) 200% of the tax payable on such goods

Multiple Choice Questions – Question 7

| Question | Options | |
|---|---------|--|
| Which courts cannot take cognizance of an offence under CGST Act, 2017? | A | Courts inferior than Magistrate of the First Class |
| | B | High Court |
| | C | Supreme Court |
| | D | Session court |

Correct Alternative - (A) Courts inferior than Magistrate of the First Class

Multiple Choice Questions – Question 8

| Question | Options | |
|---|---------|-------------|
| What is the quantum of General Penalty for contravention of any provisions of CGST Act for which no penalty is separately provided? | A | Rs 50,000 |
| | B | Rs 25,000 |
| | C | Rs 10,000 |
| | D | Rs 1,00,000 |

Correct Alternative - (B) – Rs 25,0000

Multiple Choice Questions – Question 9

| Question | Options | |
|--|---------|---|
| In case of exempt goods, upon seizure, where the owner of the goods comes forward for payment of such penalty, the penalty amount shall be | A | 2% of the value of goods or Rs. 25,000 whichever is lower |
| | B | 200% of the tax payable on such goods |
| | C | 5% of the value of goods of Rs. 25,000 whichever is lower |
| | D | 5% of the value of goods or Rs. 25,000 whichever is lower |

Correct Alternative - (A) 2% of the value of goods or Rs. 25,000 whichever is lower

Multiple Choice Questions – Question 10

| Question | Options | |
|---|---------|--|
| In case of taxable goods, upon seizure, where the owner of the goods does not come forward for payment of such penalty, the penalty amount shall be | A | 2% of the value of goods or Rs. 25,000 whichever is lower |
| | B | 200% of the tax payable on such goods |
| | C | 50% of the value of goods or 200% of the tax payable on such goods is higher |
| | D | 5% of the value of goods or Rs. 25,000 whichever is lower |

Correct Alternative - (C) - 50% of the value of goods or 200% of the tax payable on such goods is higher

Multiple Choice Questions – Question 11

| Question | Options | |
|--|---------|---|
| What is the penalty for supply of goods without issuance of Invoice? | A | Higher of (i) 100% of tax due; or (ii) Rs. 10,000 |
| | B | Rs 25,000 |
| | C | Higher of (i) 10% of tax due; or (ii) Rs. 10,000 |
| | D | No penalty is leviable |

Correct Alternative - (A) Higher of (i) 100% of tax due; or (ii) Rs. 10,000

Multiple Choice Questions – Question 12

| Question | Options | |
|--|---------|--|
| What is the penalty for Failure to Furnish information return u/s 150? | A | Rs. 50/ day for the period during which such failure continues Subject to maximum penalty of Rs. 25,000 |
| | B | Rs. 500/ day for the period during which such failure continues Subject to maximum penalty of Rs. 50,000 |
| | C | Rs. 100/ day for the period during which such failure continues Subject to maximum penalty of Rs. 5,000 |
| | D | No penalty specified |

Correct Alternative - (C) - Rs. 100/ day for the period during which such failure continues Subject to maximum penalty of Rs. 5,000

Multiple Choice Questions – Question 13

| Question | Options | |
|---|---------|--|
| Mr. A is a Government Servant and is proposed to be prosecuted for an offence under CGST Act, 2017. What is the pre-requisite for his prosecution? | A | He can be prosecuted only with the previous sanction of the Government |
| | B | He can be prosecuted only with the previous sanction of the Commissioner |
| | C | No prior permission is needed for his prosecuted |
| | D | A government servant is immune from any prosecution under CGST Act |

Correct Alternative - (A) - He can be prosecuted only with the previous sanction of the Government

Multiple Choice Questions – Question 14

| Question | Options | |
|--|---------|--|
| Mr. Sharp is a director of public Listed Company and is proposed to be prosecuted for an offence under CGST Act, 2017. What is the pre-requisite for his prosecution? | A | He can be prosecuted only with the previous sanction of the Government |
| | B | He can be prosecuted only with the previous sanction of the Commissioner |
| | C | No prior permission is needed for his prosecuted |
| | D | A government servant is immune from any prosecution under CGST Act |

Correct Alternative - (B) - He can be prosecuted only with the previous sanction of the Commissioner

Multiple Choice Questions – Question 15

| Question | Options | |
|---|---------|-------------------|
| Application for Compounding shall be made in_____ | A | Form GST CPD – 03 |
| | B | Form GST DRC – 03 |
| | C | Form GST CPD – 01 |
| | D | Form GST CPD - 02 |

Correct Alternative - (C) – Form GST CPD 01

Thank you

Thanks for your Patience and Time

