



BUDDHA SERIES

(Unit Wise Solved Question & Answers)

Course – B.Com 5th Sem

College – Buddha Degree College

(DDU Code-859)

Department: Commerce

Subject: Goods and Services Tax-II

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UNIT-I

1. Goods and Services Tax (GST) was introduced in India on:

- A) 1st July 2017
- B) 1st January 2017
- C) 15th August 2017
- D) 1st April 2017

Answer: A) 1st July 2017

2. GST is a type of tax on:

- A) Income
- B) Consumption
- C) Wealth
- D) Property

Answer: B) Consumption

3. Which of the following is true about GST?

- A) GST is a single tax on the supply of goods and services
- B) GST is applicable only to goods
- C) GST is applicable only to services
- D) GST is only applicable to state governments

Answer: A) GST is a single tax on the supply of goods and services

4. GST is levied by:

- A) Central Government
- B) State Government
- C) Both Central and State Government
- D) Local Municipalities

Answer: C) Both Central and State Government

5. Under GST, which of the following taxes is subsumed?

- A) Value Added Tax (VAT)
- B) Service Tax
- C) Excise Duty
- D) All of the above

Answer: D) All of the above

6. Which of the following is the primary objective of GST?

- A) To increase tax evasion
- B) To simplify the tax structure

- C) To increase the taxes for consumers
- D) To increase imports

Answer: B) To simplify the tax structure

7. GST is a _____ tax.

- A) Direct
- B) Indirect
- C) Regressive
- D) Progressive

Answer: B) Indirect

8. The GST system in India is based on:

- A) Single Tax Model
- B) Dual Tax Model
- C) Dual Tax and Multi-Tier Model
- D) National Tax Model

Answer: B) Dual Tax Model

9. Which of the following taxes are applicable under the GST regime?

- A) CGST
- B) SGST
- C) IGST
- D) All of the above

Answer: D) All of the above

10. What is the full form of CGST?

- A) Central Goods and Services Tax
- B) Corporate Goods and Services Tax
- C) Consumer Goods and Services Tax
- D) Commercial Goods and Services Tax

Answer: A) Central Goods and Services Tax

11. IGST is applicable when the supply of goods or services is:

- A) Within the same state
- B) Between two states
- C) Between two countries
- D) Only on export transactions

Answer: B) Between two states

12. Which of the following is a taxable event under GST?

- A) Import of goods
- B) Sale of goods
- C) Provision of services
- D) All of the above

Answer: D) All of the above

13. Under GST, the supply of goods and services is taxed at:

- A) Different rates for different goods and services
- B) A fixed rate of tax
- C) A flat rate across all goods and services
- D) No rate at all

Answer: A) Different rates for different goods and services

14. The GST Council is chaired by:

- A) Prime Minister of India
- B) Union Finance Minister
- C) President of India
- D) Chief Justice of India

Answer: B) Union Finance Minister

15. Under GST, tax on supply is paid by:

- A) Supplier
- B) Consumer
- C) Both Supplier and Consumer
- D) Government

Answer: A) Supplier

16. Which of the following is a taxable supply under GST?

- A) Transfer of goods without consideration
- B) Goods sold in retail
- C) Personal services
- D) Sale of government securities

Answer: B) Goods sold in retail

17. Under GST, the term "input tax" refers to:

- A) Tax paid by the seller to the government
- B) Tax paid by the buyer to the seller
- C) Tax paid on goods and services purchased
- D) Tax collected on the sale of goods

Answer: C) Tax paid on goods and services purchased

18. Which of the following is a part of the GST process?

- A) Filing of GST returns
- B) Registering for GST
- C) Issuing GST invoices
- D) All of the above

Answer: D) All of the above

19. GST is applicable on:

- A) Interstate supply of goods and services
- B) Intrastate supply of goods and services
- C) Import of goods and services
- D) All of the above

Answer: D) All of the above

20. What is the maximum time period for the retention of GST records by a taxpayer?

- A) 1 year
- B) 3 years
- C) 5 years
- D) 6 years

Answer: C) 5 years

21. GST is applicable to:

- A) Goods
- B) Services
- C) Both goods and services
- D) Neither goods nor services

Answer: C) Both goods and services

22. Which of the following goods are exempted from GST?

- A) Alcoholic beverages
- B) Petroleum products
- C) Gold
- D) All of the above

Answer: A) Alcoholic beverages

23. The GST rates in India are:

- A) 5%, 12%, 18%, 28%
- B) 10%, 15%, 20%, 25%
- C) 5%, 10%, 15%, 20%
- D) 3%, 8%, 12%, 18%

Answer: A) 5%, 12%, 18%, 28%

24. Under GST, the concept of "Place of Supply" determines:

- A) Where goods are produced
- B) The taxability of supply
- C) The location of the supplier
- D) The rate of tax

Answer: B) The taxability of supply

25. A registered taxpayer under GST must file a return:

- A) Once a year
- B) Once every quarter
- C) Once every month
- D) On the due date fixed by the government

Answer: D) On the due date fixed by the government

UNIT-II

1. Which of the following is true about the composition scheme under GST?

- A) It is available only for service providers
- B) It is applicable to businesses with a turnover exceeding Rs. 1 crore
- C) It allows businesses to pay tax at a reduced rate
- D) It is compulsory for all small businesses

Answer: C) It allows businesses to pay tax at a reduced rate

2. GST is applicable on which of the following transactions?

- A) Supply of goods
- B) Supply of services
- C) Both goods and services
- D) Only supply of goods

Answer: C) Both goods and services

3. The GST rate on essential food items is:

- A) 12%
- B) 18%
- C) 0%
- D) 28%

Answer: C) 0%

4. GST applies to:

- A) Goods only
- B) Services only
- C) Both goods and services
- D) Neither goods nor services

Answer: C) Both goods and services

5. Who is responsible for the payment of GST under the reverse charge mechanism?

- A) The supplier
- B) The recipient of the goods or services
- C) The government
- D) The local municipality

Answer: B) The recipient of the goods or services

6. What does the term “CGST” stand for?

- A) Central Goods and Services Tax
- B) Commercial Goods and Services Tax

- C) Central Government Service Tax
- D) Central General Service Tax

Answer: A) Central Goods and Services Tax

7. Under GST, what is the maximum limit for aggregate turnover for opting the composition scheme for a taxpayer?

- A) Rs. 50 lakh
- B) Rs. 75 lakh
- C) Rs. 1 crore
- D) Rs. 1.5 crore

Answer: C) Rs. 1 crore

8. GST is applicable on:

- A) Sale of old and used goods
- B) Sale of new goods
- C) Both sale of old and used goods and sale of new goods
- D) Sale of non-taxable goods only

Answer: C) Both sale of old and used goods and sale of new goods

9. Who is responsible for collecting GST on interstate sales?

- A) Seller
- B) Buyer
- C) Government
- D) Transporter

Answer: A) Seller

10. What is the full form of SGST?

- A) State Goods and Services Tax
- B) State General Services Tax
- C) State Goods and Sales Tax
- D) Sales Goods and Services Tax

Answer: A) State Goods and Services Tax

11. What is the main advantage of the GST system for businesses?

- A) It increases the cost of goods
- B) It reduces the number of taxes
- C) It makes the tax system more complicated
- D) It increases tax evasion

Answer: B) It reduces the number of taxes

12. Under GST, which of the following is NOT a taxable supply?

- A) Sale of goods
- B) Export of goods
- C) Sale of land
- D) Service rendered by the government

Answer: C) Sale of land

13. Under GST, which of the following is NOT a tax-paying entity?

- A) GST-registered person
- B) Consumer
- C) Supplier of goods and services
- D) Exporter

Answer: B) Consumer

14. Under GST, which of the following is exempt from tax?

- A) Goods exported from India
- B) Import of goods
- C) Sale of immovable property
- D) Sale of luxury goods

Answer: A) Goods exported from India

15. Which of the following taxes has been subsumed into GST?

- A) Sales tax
- B) Excise duty
- C) VAT
- D) All of the above

Answer: D) All of the above

16. Under GST, which of the following is required to be provided to the buyer when goods are sold?

- A) Payment receipt
- B) Tax invoice
- C) Proforma invoice
- D) Delivery note

Answer: B) Tax invoice

17. Which of the following is NOT covered under the definition of "Goods" in GST?

- A) Goods to be used for trade
- B) Plants and machinery
- C) Articles of personal use
- D) Currency

Answer: D) Currency

18. GST is applicable on which type of transactions?

- A) Only B2B transactions
- B) Only B2C transactions
- C) Both B2B and B2C transactions
- D) Only exports

Answer: C) Both B2B and B2C transactions

19. What is the rate of tax under GST for luxury goods?

- A) 5%
- B) 12%
- C) 18%
- D) 28%

Answer: D) 28%

20. Which of the following is a provision under the GST Law?

- A) Tax credit on capital goods
- B) Tax credit on sale of goods only
- C) Tax credit on import of goods only
- D) No tax credits

Answer: A) Tax credit on capital goods

21. The GST tax system is:

- A) Progressive tax system
- B) Regressive tax system
- C) Neutral tax system
- D) Both progressive and regressive

Answer: A) Progressive tax system

22. Which of the following is an example of an exempt service under GST?

- A) Public transportation services
- B) Educational services
- C) Health services
- D) All of the above

Answer: D) All of the above

23. Which of the following items is taxable under GST at 28%?

- A) Food and agricultural products
- B) Luxury cars

- C) Medicine and healthcare
- D) Textiles and garments

Answer: B) Luxury cars

24. In which of the following cases is GST applicable on the reverse charge mechanism?

- A) Service provided by a legal practitioner to an individual taxpayer
- B) Goods imported into India
- C) Purchase of agricultural land
- D) Sale of food grains

Answer: B) Goods imported into India

25. The input tax credit (ITC) is available on:

- A) Only capital goods
- B) Only raw materials
- C) Only services
- D) Goods and services used for business purposes

Answer: D) Goods and services used for business purposes