



BUDDHA SERIES

(Unit Wise Solved Question & Answers

Course – B.Com 5th Sem.

College – Buddha Degree College

(DDU Code-859)

Department: Commerce

Subject: Goods & Services Tax-I

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Unit -I

1. **Which of the following is an indirect tax?**

- A) Income Tax
- B) Wealth Tax
- C) GST
- D) Corporate Tax

Answer: C

2. **Indirect tax is ultimately borne by the:**

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

Answer: B

3. **Which of the following is a characteristic of indirect tax?**

- A) Progressive
- B) Non-shiftable
- C) Tax on income
- D) Tax on consumption

Answer: D

4. **Indirect taxes are generally considered:**

- A) Proportional
- B) Progressive
- C) Regressive
- D) Neutral

Answer: C

5. **Which of these taxes was applicable on manufacturing before GST?**

- A) Service Tax
- B) Excise Duty
- C) VAT
- D) Customs Duty

Answer: B

6. **What is the nature of indirect taxes?**

- A) Cannot be shifted
- B) Paid by the person who earns income
- C) Burden can be shifted to the consumer
- D) Tax on capital

Answer: C

7. **An example of an indirect tax before GST was:**

- A) Income Tax
- B) Professional Tax
- C) Sales Tax
- D) Gift Tax

Answer: C

8. **Customs duty is charged on:**

- A) Domestic income

- B) Imported and exported goods
- C) Salary
- D) Real estate

Answer: B

9. **Excise duty was imposed on:**

- A) Exported goods
- B) Imported goods
- C) Manufacturing within India
- D) Services

Answer: C

10. **VAT was imposed by:**

- A) Central Government
- B) State Government
- C) RBI
- D) SEBI

Answer: B

11. **The main drawback of the pre-GST system was:**

- A) No taxation
- B) Only income was taxed
- C) Cascading effect of tax
- D) Single tax system

Answer: C

12. **Which tax system was more complicated before GST?**

- A) Direct Tax System
- B) Corporate Tax
- C) Indirect Tax System
- D) Income Tax System

Answer: C

13. **Before GST, tax was levied at multiple levels such as:**

- A) Manufacturer
- B) Wholesaler
- C) Retailer
- D) All of the above

Answer: D

14. **Tax on tax is referred to as:**

- A) Input Tax
- B) Output Tax
- C) Cascading Effect
- D) Fiscal Deficit

Answer: C

15. **Which of the following is NOT a shortcoming of pre-GST tax system?**

- A) Multiple taxes
- B) Cascading effect
- C) Uniformity in tax rates

D) No ITC mechanism across states

Answer: C

16. What does GST stand for?

- A) Goods and Sales Tax
- B) Goods and Supply Tax
- C) Goods and Services Tax
- D) Government Sales Tax

Answer: C

17. Which of the following is a benefit of GST?

- A) Increases inflation
- B) Encourages black money
- C) Removes cascading effect
- D) Increases tax burden

Answer: C

18. GST is a tax based on:

- A) Origin
- B) Destination
- C) Manufacturing location
- D) Investment location

Answer: B

19. Which of the following taxes were subsumed under GST?

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

Answer: D

20. GST is a:

- A) Direct Tax
- B) Corporate Tax
- C) Indirect Tax
- D) Property Tax

Answer: C

21. CGST is collected by:

- A) State Government
- B) Central Government
- C) Municipal Corporation
- D) Local Body

Answer: B

22. SGST is applicable in case of:

- A) Import of goods
- B) Intra-state transactions
- C) Export of goods
- D) Sale to another state

Answer: B

23. **IGST is collected in case of:**

- A) Within state transactions
- B) Imports and inter-state supply
- C) Local retail sales
- D) Services within UT

Answer: B

24. **UTGST is applicable in:**

- A) States
- B) Metropolitan cities
- C) Union Territories
- D) Rural areas

Answer: C

25. **GST structure in India is:**

- A) Single-tier
- B) Dual model
- C) Triple model
- D) Centralized

Answer: B

UNIT II

26. Which tax is applicable for interstate sale of goods?

- A) SGST
- B) IGST
- C) CGST
- D) UTGST

Answer: B

27. Which tax is applicable for interstate sale of goods?

- A) SGST
- B) IGST
- C) CGST
- D) UTGST

Answer: B

28. "Goods" under GST means:

- A) Immovable property
- B) Money and securities
- C) Every kind of movable property
- D) Shares

Answer: C

29. "Services" under GST excludes:

- A) Real estate services
- B) Money and securities
- C) Consultancy
- D) Telecom

Answer: B

30. Input Tax Credit refers to:

- A) Tax paid on final output
- B) Refund on exports
- C) Credit of tax paid on inputs
- D) None of these

Answer: C

31. A "Taxable Person" is one who is:

- A) Below GST threshold
- B) Liable to be registered under GST
- C) Paying direct tax
- D) Under Income Tax

Answer: B

32. The term "Supply" under GST includes:

- A) Sale
- B) Barter
- C) Exchange
- D) All of the above

Answer: D

33. GST was implemented in India on:

- A) 1st April 2016
- B) 1st July 2017
- C) 1st Jan 2018
- D) 1st March 2017

Answer: B

34. The Constitution Amendment for GST was:

- A) 100th
- B) 101st
- C) 102nd
- D) 99th

Answer: B

35. Which Council is responsible for GST decisions?

- A) Planning Commission
- B) GST Council
- C) RBI
- D) Finance Ministry

Answer: B

36. Who heads the GST Council?

- A) RBI Governor
- B) Prime Minister
- C) Finance Minister
- D) President

Answer: C

37. GST aims to create:

- A) Tax-free India
- B) Export-driven economy
- C) Unified national market
- D) Double taxation

Answer: C

38. Which type of GST is shared between Centre and State?

- A) CGST
- B) SGST
- C) IGST
- D) UTGST

Answer: C

39. What is the maximum GST rate in India (standard slab)?

- A) 18%
- B) 12%
- C) 28%
- D) 30%

Answer: C

40. GST is levied at how many main rates?

- A) 1
- B) 2

C) 3

D) 4

Answer: D (5%, 12%, 18%, 28%)

41. **Which type of GST is applicable in Chandigarh?**

A) CGST + SGST

B) CGST + UTGST

C) Only SGST

D) Only IGST

Answer: B

42. **GST is applicable on:**

A) Sale of real estate

B) Alcohol for human consumption

C) Petrol

D) All goods and services except few items

Answer: D

43. **GST is NOT applicable to:**

A) Gold

B) Crude oil

C) Electronic items

D) Footwear

Answer: B

44. **Composition scheme is meant for:**

A) Large businesses

B) International exporters

C) Small taxpayers

D) Government organizations

Answer: C

45. **HSN code is used for:**

A) Identification of taxpayers

B) Classification of goods

C) Location of businesses

D) None

Answer: B

46. **SAC code is related to:**

A) Products

B) Services

C) Tax evasion

D) Import duties

Answer: B

47. **E-way bill is required for:**

A) Import/export

B) Movement of goods above specified value

C) Filing income tax

D) Export refunds

Answer: B

48. **GST returns must be filed:**

- A) Quarterly only
- B) Yearly
- C) As per taxpayer category
- D) Once a decade

Answer: C

49. **GSTIN is a:**

- A) Product Code
- B) Service Identifier
- C) Unique tax identity number
- D) PAN number

Answer: C

50. **Reverse charge mechanism means:**

- A) Buyer pays tax on behalf of seller
- B) Tax is refunded
- C) Government pays tax
- D) Supplier is exempt

Answer: A