

# MOCK TEST -1

**MAY 23/NOV 23**

## **GST UPTO FILING OF RETURN**

ATTEMPT ALL QUESTIONS

Time allowed: 3 hours

Maximum Marks: 100

MCQ BOOKLET NO. 1122022

PAPER CODE- MKG

### **MULTIPLE CHOICE QUESTION**

#### **(MCQ) (30 MARKS)**

**Question 1 to 3. (Marks 1 x 3 =3)**

M/s. Vittal & Co., a registered supplier under GST, is dealing in supply of taxable goods in the State of Karnataka.

The firm opted for Composition Scheme since April. It's turnover crossed ₹ 1.50 Crores on 9th May and has opted for withdrawal of composition scheme on the said date.

Vittal & Co. sent goods on 10th June to Suri & Co. on 'Sale or Return Basis'. Suri & Co. accepted the goods vide its confirmation mail dated 15th December.

The firm has paid GST for various items during the month of August. It comprised of the following-

(a) GST paid on input services intended to be used for personal purposes – ₹ 12,000

(b) GST paid on purchase of Motor Vehicle for business use (being a two-wheeler having engine capacity of 25CC) – ₹ 9,000

(c) GST paid on purchase of computer – ₹ 19,000

(GST portion was included as part of cost to claim depreciation under Income-tax Act, 1961)

During May, Vittal and Co. had reversed ITC of ₹ 10,000 for not making payment to Vendors within the time prescribed under CGST Act, 2017. This pending payment was cleared in the month of August.

Out of purchases made and ITC availed during earlier months, the following information is made available as on September:

| Supplier Name | Payment is due for<br>(Number of days) | Related ITC Component |
|---------------|--|-----------------------|
| XYZ           | 165                                    | ₹ 13,000              |
| ABC           | 199                                    | ₹ 15,000              |
| POQ           | 99                                     | ₹ 20,000              |

All the supply referred above is intra-State unless specified otherwise. Conditions applicable for availment of ITC are fulfilled subject to the information given above.

Based on the information provided above, choose the most appropriate answer for the following questions:

**1. Vittal & Co. needs to furnish a statement containing details of stock of inputs/ inputs held in finished goods on the withdrawal of composition scheme by \_\_\_\_\_**

- (a) 9th May
- (b) 23rd May
- (c) 8th June
- (d) 7th July

**2. Determine the amount of eligible input tax credit that can be availed by Vittal & Co for the month of August?**

- (a) Nil
- (b) ₹ 19,000
- (c) ₹ 22,000
- (d) ₹ 50,000

**3. Compute the amount of ITC to be reversed for the month of September?**

- (a) Nil
- (b) ₹ 28,000
- (c) ₹ 15,000
- (d) ₹ 13,000

**4. Prem & Sons had taken GST registration on 1st January but failed to furnish GST returns for the next 6 months. Owing to this, the proper officer cancelled its registration on 25th July and served the order for cancellation of registration on 31 st July. Now, Prem & Sons wants to revoke the cancellation of registration. Prem & Sons can file an application for revocation of cancellation of registration on or before.** (1 Marks)

- (a) 30th August
- (b) 29th August
- (c) 29th September
- (d) 29th October

**5. Calculate the amount of eligible input tax credit-**

| S.No. | Particulars   | GST paid (₹) |
|-------|---|--------------|
| 1.    | A Mini bus having seating capacity of 15 persons (including driver) used for running on hire  | 15,00,000    |
| 2.    | Car having seating capacity of 8 people used for business purposes                            | 1,00,00,000  |
| 3.    | Car having seating capacity of 4 persons used for imparting training on driving such car      | 50,00,000    |
| 4.    | Special purpose vehicle having seating capacity of 2 persons used for transportation of goods | 60,00,000    |

- (a) ₹ 2,25,00,000/-
- (b) ₹ 2,10,00,000/-
- (c) ₹ 1,25,00,000/-
- (d) ₹ 75,00,000/-

(1 Marks)

**6. PZY Ltd. is engaged in manufacturing of motor car. The company paid following amount of GST to its suppliers against the invoices raised to it. Compute the amount of ineligible input tax credit under GST law:-**

| S.No. | Particulars   | GST Paid (₹) |
|-------|---|--------------|
| 1.    | General insurance taken on cars manufactured by PZY Ltd.              | 1,00,00,000  |
| 2.    | Buses purchased for transportation of employees (Seating capacity 23) | 25,00,000    |
| 3.    | Life and health insurance for employees under statutory obligation    | 6,00,000     |
| 4.    | Outdoor catering in Diwali Mela organized for employees               | 3,50,000     |

- (a) ₹ 9,50,000  
 (b) ₹ 3,50,000  
 (c) ₹ 1,31,00,000  
 (d) ₹ 28,50,000

(1 Marks)

**7. Pradeep Traders, registered in Haryana, sold goods for ₹ 2,05,000 to Balram Pvt. Ltd. registered in Uttar Pradesh (GST is leviable @ 5% on said goods). As per the terms of sales contract, Pradeep Traders has to deliver the goods at the factory of Balram Pvt. Ltd. For this purpose, Pradeep Traders has charged freight of ₹2,400 from Balram Pvt. Ltd. GST is leviable @ 12% on freight. What would be the net GST liability to be paid in cash in this case assuming that the amounts given herein are exclusive of GST?**

- (a) IGST-₹37,332  
 (b) IGST-₹10,370  
 (c) CGST-₹18,666 and SGST-₹18,666  
 (d) CGST-₹5,185 and SGST-₹5,185

(1 Marks)

**8. Mr. X is a dealer registered in GST and has purchased goods for ₹7,60,000 and paid CGST @ 9% & SGST @ 9% and sold the goods at a profit of 40% on cost and charged output CGST @ 9% and Output SGST @ 9%. Tax Payable shall be**

(1 Marks)

- (a) CGST – ₹27,360 & SGST - ₹27,360  
 (b) CGST – ₹27,360 & SGST - Nil  
 (c) CGST – Nil & SGST - ₹27,360  
 (d) CGST – Nil & SGST - Nil  
 (e) CGST – ₹95,760 & SGST - ₹95,760

**9. The maximum amount of late fee payable by any registered person under GST on failure to furnish return under section 39 by the due date is ₹ \_\_\_\_.**

(1 Marks)

- (a) 1,000  
 (b) 5,000  
 (c) 10,000  
 (d) 25,000

**10. Akash Ltd. a registered person in Punjab has purchased Air Conditioner for invoice value of ₹32,000 (which includes GST at 18%) from Mukesh Ltd. registered in Punjab. Akash Ltd. had capitalized Air Conditioner in his books of accounts for full value of ₹ 32,000 and taking the benefit of depreciation on the same. Keeping in view of the above situation the input tax credit which Akash Ltd. is required to take in his books of accounts will be;**

- (a) Nil  
 (b) ₹ 4,881

- (c) ₹ 5,760  
(d) ₹ 2,880

(1 Marks)

**11. Mr. Raghu avails services of Mr. Raja, a Chartered Accountant, as under-**

- (i) Audit of financial accounts ₹ 55,000  
(ii) Tax audit and annual filing ₹ 10,000  
(iii) Income-tax return filing of Mr. Raghu 's wife ₹ 5,000

All the above amounts are exclusive of taxes and the applicable rate of GST on these services is 18%. The accountant of Mr. Raghu has booked the entire expenses of ₹70,000 plus GST in the books of account. Mr. Raghu is eligible to take input tax credit of -

- (a) ₹ 13,500  
(b) ₹ 11,700  
(c) ₹ 9,900  
(d) ₹ 1,800

(1 Marks)

**12. Mr. A has started supply of goods in Delhi. He is required to obtain registration if his aggregate turnover exceeds \_\_\_\_\_ during a financial year.**

- (a) ₹10 lakh  
(b) ₹20 lakh  
(c) ₹30 lakh  
(d) ₹40 lakh

(1 Marks)

**13. C & Co., a registered supplier in Delhi, opted for composition levy under sub-sections (1) and (2) of section 10 of the CGST Act, 2017. It sold goods in the fourth quarter of a financial year for ₹ 15,00,000 (exclusive of GST). The applicable GST rate on these goods is 12%. C & Co. purchased goods from Ramesh & Co., registered in Delhi, for ₹ 9,55,000 on which Ramesh & Co. had charged CGST of ₹ 57,300 and SGST of ₹ 57,300. C & Co. had also purchased goods from E & Co., registered in Haryana, for ₹ 2,46,000 on which E & Co. had charged IGST of ₹ 29,520. GST liability of C & Co. for the fourth quarter of the financial year is-**

- (a) CGST ₹ 7,500 & SGST ₹ 7,500  
(b) CGST ₹ 3,180 & SGST ₹ 32,700  
(c) CGST ₹ 32,700 & SGST ₹ 3,180  
(d) Nil

(1 Marks)

**14. Kalim & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved on 14th September. In the given case, Kalim & Associates is:**

- (a) required to file Final Return on or before 13th December  
(b) not required to file Final Return  
(c) required to file Final Return on or before 30th September  
(d) required to file Final Return on or before 14th December

(1 Marks)

15. TT Pvt. Ltd., registered in Rajasthan, furnished following information for the month of June:

- (i) Inter-State sale of goods for ₹1,25,000 to JJ Enterprises registered in Haryana
  - (ii) Inter-State purchases of goods from XYZ company, registered in Punjab, for ₹ 40,000
  - (iii) Intra-State purchases of goods from RR Traders, registered in Rajasthan, for ₹ 65,000
- The applicable rate of GST is 18%. All the above amounts are exclusive of taxes. GST liability payable in cash is-

- (a) CGST ₹ 1,800 & SGST ₹ 1,800
- (b) SGST ₹ 3,600
- (c) IGST ₹ 3,600
- (d) CGST ₹ 3,600

(1 Marks)

16. GST is

- (a) Direct Tax
- (b) Indirect Tax
- (c) both (a) & (b)
- (d) None of the above

(1 Marks)

17. GST is

- (a) Progressive in nature
- (b) Regressive in nature
- (c) both (a) & (b)
- (d) None of the above

(1 Marks)

18. GST shall be rounded off in the multiple of

- (a) ₹100
- (b) ₹10
- (c) ₹1
- (d) ₹1000

(1 Marks)

19. Mr. X is a dealer registered in GST and has purchased goods of ₹5,00,000 and paid CGST @ 5% and SGST @ 5% and sold the goods at a profit of ₹2,00,000 and charged output CGST @ 5% and Output SGST @ 5%. Tax Payable shall be

- (a) CGST – ₹35,000 & SGST - ₹35,000
- (b) CGST – ₹10,000 & SGST - ₹10,000
- (c) CGST – Nil & SGST - Nil
- (d) CGST – ₹20,000 & SGST - Nil

(1 Marks)

20. In case of shifting from normal scheme to composition scheme, input tax credit can be reversed by submitting form no. \_\_\_\_\_.

- (a) ITC-02
- (b) ITC-03
- (c) ITC-01
- (d) ITC-04

(1 Marks)

21. Input tax credit is not available in respect of \_\_\_\_\_.

- (a) Goods lost
- (b) Goods stolen
- (c) Goods destroyed
- (d) all of the above

(1 Marks)

22. Rama Ltd. has provided following information for the month of September:

Intra-State outward supply ₹ 8,00,000  
 Inter-State exempt outward supply ₹ 5,00,000  
 Turnover of exported goods ₹ 10,00,000  
 Payment made for availing GTA services ₹ 80,000  
 Calculate the aggregate turnover of Rama Ltd.

- (a) ₹ 8,00,000
- (b) ₹ 23,80,000

- (c) ₹ 23,00,000  
 (d) ₹ 18,00,000

(1 Marks)

**23.** A radio taxi driver has provided his services through Electronic Commerce Operator – Kuber Cabs. The tax on such supplies shall be paid by the \_\_\_\_\_.

- (a) Electronic Commerce Operator – Kuber Cabs  
 (b) Radio taxi driver  
 (c) Customer receiving the services from radio taxi driver  
 (d) None of the above

(1 Marks)

**24.** The persons making inter-State supplies from Madhya Pradesh is compulsorily required to get registered under GST, \_\_\_\_\_

- (a) if his all India based aggregate turnover exceeds ₹20 lakh in a financial year  
 (b) if his all India based aggregate turnover exceeds ₹10 lakh in a financial year  
 (c) irrespective of the amount of aggregate turnover in a financial year  
 (d) if his all India based aggregate turnover exceeds ₹40 lakh in a financial year

(1 Marks)

**25.** Which of the following statement is true for Mr. X, a casual taxable person?

- (a) Mr. X is not required to take registration under GST.  
 (b) Mr. X is required to get registration under GST, if the aggregate turnover in a financial year exceeds ₹20 lakh.  
 (c) Mr. X can opt for voluntary registration under GST.  
 (d) Mr. X has to compulsorily get registered under GST irrespective of the threshold limit.

(1 Marks)

**26.** A person opting for composition scheme can file annual return in

- (a) GSTR-1  
 (b) GSTR-2  
 (c) GSTR-3  
 (d) GSTR-4

(1 Marks)

**27.** A person opting for composition scheme can pay taxes within

- (a) 18 days from the end of the quarter  
 (b) 20 days from the end of the quarter  
 (c) 30 days from the end of the quarter  
 (d) 60 days from the end of the quarter

(1 Marks)

**28.** Which form is furnished for submission of details of outward supplies u/s 37?

- (a) GSTR-1  
 (b) GSTR-2  
 (c) GSTR-3  
 (d) GSTR-5

(1 Marks)

**29.** Which of the following are not required to file the Annual Return?

- (a) Input Service Distributor  
 (b) Casual Taxable Person

- (c) Non-resident Taxpayer  
(d) All of the above

(1 Marks)

**30. What is the due date for submission of monthly GSTR-3B for the persons who are required to file the return on monthly basis?**

- (a) on or before 10th day of the immediately succeeding month  
(b) on or before 15th day of the immediately succeeding month  
(c) on or before 17th day of the immediately succeeding month  
(d) on or before 20th day of the immediately succeeding month

(1 Marks)

## **GST DESCRIPTIVE TYPE (70 MARKS)**

**Question 1****(10 Marks)**

Mr. X is registered in GST and he is a manufacturer and he has purchased raw material R1 for ₹2,50,000 and has paid CGST @ 10% plus SGST @ 10%.

He purchased raw material R2 for ₹3,20,000 and paid IGST @ 20% and raw material was purchased from other state.

He has purchased raw material R3 for ₹5,50,000 and has paid CGST @ 10% plus SGST @ 10%.  
Processing charges ₹4,00,000 plus profit ₹70,000.

The manufacturer has taken input services in connection with manufacturing of the product and has paid ₹5,00,000 plus CGST @ 10% plus SGST @ 10%.

Final product was sold and charged CGST @ 10% plus SGST @ 10%.

Show the working for GST and also show the working for payment of tax at the time of sale of final product.

Compute Net GST Payable.

**Question 2 (a)****(5 Marks)**

(i) There is a dairy farm selling milk and milk products in Delhi. The turnover of his dairy farm is as below:

Milk (Exempted): ₹39,90,000

Butter (Taxable): ₹50,000

What is the registration liability under GST for the above mentioned person assuming he has same PAN ?

**(ii) Answer the following questions with respect to casual taxable person under the CGST Act, 2017:**

- a. Who is a casual taxable person?
- b. Can a casual taxable person opt for the composition scheme?
- c. When is the casual taxable person liable to get registered?
- d. What is the validity period of the registration certificate issued to a casual taxable person?
- e. Can the validity of registration certificate issued to a casual taxable person be extended? If yes, what will be the period of extension?

**Question 2 (b)****(5 Marks)**

Dina Ltd., a registered supplier from Maharashtra is engaged in the manufacturing of passenger auto. The company provides the following details of purchase made/services availed by it during the month of March 2023:

| Sl. No. | Particulars  | GST Paid<br>₹ |
|---------|--|---------------|
| i.      | Purchase of iron which is used as a raw material (Goods were received in two instalments, first on in March 2023 and the second instalment was received in April ) | 2,50,000      |
| ii.     | Purchase of accessories which were delivered directly to the Dealers of the company. Only invoice was received by Dina Ltd.  | 90,000        |
| iii.    | Purchase of Bus (seating capacity 15) for the transportation of employees from their residence to company and back   | 1,97,000      |
| iv.     | Input tax credit on general insurance taken on a car used by Executives of the company for official purposes.  | 5,200         |
| v       | Payment made to M/s Tasty Caterers for providing daily breakfast & lunch to the employees of the company, as voluntary staff welfare measure.                      | 54,700        |

You are required to determine the eligible input Tax Credit available to M/s Dina Ltd. for the month of March 2023, by giving brief explanations for treatment of various items. Subject to the information given above, all the other conditions necessary for availing input tax credit have been fulfilled.

**Question 3 (a)****(5 Marks)**

Examine whether the supplier is liable to get registered in the following independent cases:-

- Happy Ltd. of Himachal Pradesh is exclusively engaged in intra-State supply of pan masala. It's aggregate turnover in the current financial year is ₹ 24 lakh.
- Akki Ltd. of Assam is exclusively engaged in intra-State supply of taxable services. It's aggregate turnover in the current financial year is ₹ 25 lakh.
- Aaru Ltd. of Assam is engaged in intra-State supply of both taxable goods and services. It's aggregate turnover in the current financial year is ₹ 30 lakh.

**Question 3 (b)****(5 Marks)**

Examine in relation to composition levy scheme under the CGST Act, 2017 and the rules made thereunder in the following individual cases:

(1) Ketu is a manufacturer of Ice-cream and pan masala in State of Maharashtra. His turnover for the year does not exceed ₹1.5 Crore. He wants to register for composition levy scheme. Is he eligible for it?

(2) Jadhu of Gujarat opts for composition scheme during a financial year 2022-23. But on 10-02-2023 his turnover crosses ₹ 1.5 Crore, can he continue under composition levy scheme.

(3) X Ltd. has 2 branches K & L in Delhi, having same PAN. Branch K opts for normal scheme. X Ltd. want to continue composition levy in case of its branch L. Can X Ltd. continue Composition levy only for Branch L?

**Question 4 (a)****(5 Marks)**

Mr. X is a registered in GST in Delhi and is in Composition scheme.

Purchased goods A ₹30,00,000 + CGST @ 10% + SGST @ 10% on 01/04/2022.



Purchased Plant & Machinery ₹18,00,000 + CGST @ 10% + SGST @ 10% on 01/06/2022.

Sold half of the goods A for ₹22,00,000 on 01/10/2022.

He shifted to the normal scheme on 01/01/2023 and remaining goods were sold by him on 01/03/2023 for ₹22,00,000 + CGST @ 10% + SGST @ 10%

Compute ITC/Output tax/ Net tax and also composition tax

**Question 4 (b)**

**(5 Marks)**

Mr. Nimit, a supplier of goods, pays GST under regular scheme. He is not eligible for any threshold exemption. He has made the following outward taxable supplies in the month of August, 2022:-

Intra state supplies of goods ₹6,00,000

Inter state supplies of goods ₹2,00,000

He has also furnished following information in respect of purchases made by him from registered dealers during August, 2022:-

Intra state purchase of goods ₹4,00,000

Inter state purchase of goods ₹50,000

Balance of ITC available at the beginning of the August 2022:-

CGST ₹15,000

SGST ₹35,000

IGST ₹20,000

**Note:**

- (i) Rate of CGST, SGST and IGST to be 9%, 9% and 18% respectively, on both inward and outward supplies.
- (ii) Both inward and outward supplies given above are exclusive of taxes, wherever applicable.
- (iii) All the conditions necessary for availing the ITC have been fulfilled.

Compute the net GST payable by Mr. Nimit for the month of August, 2022.

**Question 5 (a)**

**(5 Marks)**

Explain Eligibility and conditions for taking Tax Credit under GST.

**Question 5 (b)**

**(5 Marks)**

XYZ Ltd., is engaged in manufacture of taxable goods. Compute the ITC available with XYZ Ltd. for the month of October, 2022 from the following particulars:-

| S. No. | Inward supplies | GST (₹)  | Remarks  |
|--------|-----------------|----------|--|
| (i)    | Inputs 'A'      | 1,00,000 | One invoice on which GST payable was ₹ 10,000, is missing  |
| (ii)   | Inputs 'B'      | 50,000   | Inputs are to be received in two instalments. First instalment has been received in October, 2022.   |
| (iii)  | Capital goods   | 1,20,000 | XYZ Ltd. has capitalised the capital goods at full invoice value inclusive of GST as it will avail depreciation on the full invoice value. |
| (iv)   | Input services  | 2,25,000 | One invoice dated 20.01.2022 on which GST payable was ₹50,000 has been received in October, 2022.  |

**Note:**

- (i) All the conditions necessary for availing the ITC have been fulfilled.
- (ii) ABC Co. Ltd. is not eligible for any threshold exemption.
- (iii) The annual return for the financial year 2021-22 was filed on 15th September, 2022.

**Question 6 (a)**

**(5 Marks)**

Explain Furnishing of returns u/s Section 39 GSTR 3B

**Question 6 (b)**

**(5 Marks)**

Explain who is required to furnish final return, time limit for filling of final return and late fee for delay in filing final return.

**Question 7 (a)**

**(5 Marks)**

Explain the circumstances under which proper officer can cancel the registration on his own of a registered person under CGST Act, 2017.

**Question 7 (b)**

**(5 Marks)**

Explain the goods for which tax credit is not allowed i.e. blocked credit.