

# MOCK TEST

## GST

### TIME OF SUPPLY/ VALUE OF SUPPLY/ MEANING OF SUPPLY

Time allowed: 3 hours

Maximum Marks: 100

#### DESCRIPTIVE TYPE QUESTION (70 Marks)

Question 1 (a)

(10 Marks)

Define the followings terms as per GST Act:

(i) Meaning of Business

Answer: As per section 2(17), "business" includes—

- (a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;
- (b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);
- (c) any activity or transaction in the nature of sub-clause (a), whether or not there is volume, frequency, continuity or regularity of such transaction;
- (d) supply or acquisition of goods including capital goods and services in connection with commencement or closure of business;
- (e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;
- (f) admission, for a consideration, of persons to any premises;
- (g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;
- (h) activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club; and
- (i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities;

(ii) Consideration

Answer: As per section 2(31), "consideration" in relation to the supply of goods / services includes—

(a) any payment made whether in money or otherwise in respect of the supply of goods / services, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government.

(b) the monetary value of any act or forbearance in respect of the supply of goods / services whether by the recipient or by any other person.

**Provided** that a deposit given in respect of the supply of goods / services shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply.

**(iii) "Goods"**

**Answer: As per Section 2(52), "Goods"** means every kind of movable property other than **money and securities** but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply. (As per schedule 3 actionable claim shall not be considered to be supply except lottery, betting and gambling.)

**(iv) Voucher**

**Answer: As per section 2 (118), "voucher"** means an instrument where there is an obligation to accept it as consideration for a supply of services. Further the identities of their potential suppliers including the terms and conditions of use of such instrument may be indicated either on the voucher or some other documents.

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

**Explain the meaning of the term "recipient of supply of goods and/or services" under the CGST Act, 2017.**

**Answer:**

Recipient of supply of goods or services or both, means —

- (i) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;
- (ii) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and
- (iii) where no consideration is payable for the supply of a service, the person to whom the service is rendered,  
and
- (iv) any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply, and

shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied.

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

**Explain activities to be considered as supply of goods or services under schedule II.**

**Answer:**

1. If any supplier has given possession of the goods under an agreement which stipulates that ownership of goods shall pass at a future date upon payment of full consideration as agreed, is a supply of goods i.e. goods delivered under hire purchase agreement.
2. Any treatment or process which is applied to another person's goods is a supply of services. eg. 'Job Work' performed by a job worker like dyeing of fabric in various colours is supply of service.
3. where goods held for the purposes of the business are put to any private use, whether or not for a consideration, is a supply of services
4. Development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software is a supply of service. Readymade software (packaged software) shall be considered to be supply of goods.
5. Works contract i.e. construction where goods as well as services are given shall be considered to be supply of service.
6. Supply of goods, being food or any other article for human consumption or any drink. i.e Restaurant services is a supply of service.

**Question 3 (a)****(4 Marks)**

**Examine whether the following activities would amount to supply under section 7 of the CGST Act.**

**(a)** Damodar Charitable Trust, a trust who gets the eye treatment of needy people done free of cost, donates clothes and toys to children living in slum area.

**(b)** Sulekha Manufacturers have a factory in Delhi and a depot in Mumbai. Both these establishments are registered in respective States. Finished goods are sent from factory in Delhi to the Mumbai depot without consideration so that the same can be sold.

**Answer:**

(a) Section 7 of the CGST Act, inter alia, provides that supply must be made for a consideration except the activities specified in Schedule I and in course or furtherance of business. Since, both these elements are missing, donation of clothes and toys to children living in slum area would not amount to supply under section 7 of the CGST Act.

(b) Schedule I of CGST Act, inter alia, stipulates that supply of goods or services or both between related persons or between distinct persons, is supply even without consideration provided it is made in the course or furtherance of business. Further, where a person who has obtained or is required to obtain registration in a State in respect of an establishment, has an establishment in another State, then such establishments shall be treated as establishments of distinct persons. In view of the same, factory and depot of Sulekha Manufacturers are establishments of two distinct persons. Therefore, supply of goods from Delhi factory of Sulekha Manufacturers to Mumbai Depot without consideration, but in course/furtherance of business, is supply under section 7 of the CGST Act

**Question 3 (b)****(4 Marks)**

Determine the Time of Supply.

<b>Date of completion</b>	<b>Date of Invoice</b>	<b>Date of Payment</b>
01.08.2020	20.08.2020	18.08.2020
01.07.2020	20.08.2020	18.08.2020
01.07.2020	20.07.2020	01.05.2020
03.08.2020	31.08.2020	01.09.2020

**Solution:**

<b>Date of completion</b>	<b>Date of Invoice</b>	<b>Date of Payment</b>	<b>TOS</b>
01.08.2020	20.08.2020	18.08.2020	18.08.2020
01.07.2020	20.08.2020	18.08.2020	01.07.2020
01.07.2020	20.07.2020	01.05.2020	01.05.2020
03.08.2020	31.08.2020	01.09.2020	31.08.2020

**Question 3 (c)****(2 Marks)**

**Explain taxability if GST in case of Import of Services**

**Answer: As per section 7 (1) (b),** Import of services for a consideration for business purpose or for personal purpose shall be considered to be supply, however as per notification no. 9/2017 IT(R), Services imported by an individual for personal purpose shall be exempt from GST but no such exemption shall be allowed in case of OIDAR services i.e. online information and data base access and retrieval services. If individual is not registered, GST shall be collected by OIDAR and tax shall be paid by OIDAR and if individual is registered, GST shall be paid by individual under reverse charge.

**As per schedule I,** Import of services without consideration by a person from a related person or from any of his establishment outside India in the course or furtherance of business shall be taxable i.e. no GST in any other case without consideration.

**Question 4 (a)****(10 Marks)**

ABC Ltd has submitted information as given below:

Delivered goods on 31/07/2020 to Mr. A ₹ 7,00,000 + CGST @ 9% + SGST @ 9% and issued invoice on 03/08/2020 and received payment on 01/09/2020.

Delivered goods to Mr. B on 10/09/2020 and issued invoice on 31/08/2020 ₹ 6,00,000 + CGST @ 9% + SGST @ 9% and received payment on 01/09/2020.

Delivered goods to Mr. C on 10/08/2020 and issued invoice on 01/09/2020 ₹7,00,000 + CGST @ 9% + SGST @ 9% and payment has not been received so far.

Delivered goods to Mr. D on 30/09/2020 and issued invoice on 31/08/2020 ₹12,00,000 + CGST @ 14% + SGST @ 14% and received payment on 16/08/2020.

Determine TOS and tax liability for each month and last date of payment of GST and if each payment was delayed by 10 days compute Interest also.

**Solution:**

As per section 12, Liability to pay GST shall arise at the time of supply of goods which will be the date of issue of invoice or delivery of goods whichever is earlier.

As per the above,

1. For Goods to Mr. A TOS shall be 31/07/2020
2. For Goods to Mr. B TOS shall be 31/08/2020
3. For Goods to Mr. C TOS shall be 10/08/2020
4. For Goods to Mr. D TOS shall be 31/08/2020

**Tax Liability for the Month of July**

	₹
Goods to Mr. A	7,00,000.00
Add: CGST @ 9%	63,000.00
Add: SGST @ 9%	63,000.00
	8,26,000.00

Tax shall be payable upto 20<sup>th</sup> August 2020

**Tax Payable – CGST**

Tax Payable	63,000.00
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Interest @ 18% (₹63,000 x 18% x 10 /365)	310.68
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Rounded off u/s 170	311.00
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**Tax Payable – SGST**

Tax Payable	63,000.00
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Interest @ 18% (₹63,000 x 18% x 10 /365)	310.68
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Rounded off u/s 170	311.00
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**Tax Liability for the Month of August**

	₹
Goods to Mr. B	6,00,000.00
Goods to Mr. C	7,00,000.00
Total	13,00,000.00
Add: CGST @ 9%	1,17,000.00
Add: SGST @ 9%	1,17,000.00
	15,34,000.00

Goods to Mr. D	12,00,000.00
Add: CGST @ 14%	1,68,000.00
Add: SGST @ 14%	1,68,000.00
	15,36,000.00

Tax shall be payable upto 20<sup>th</sup> September 2020

<b>Tax Payable – CGST</b>	2,85,000.00
Tax Payable	2,85,000.00

Interest @ 18% ( $\text{₹}2,85,000 \times 18\% \times 10 / 365$ )	1,405.48
Rounded off u/s 170	1,405.00

<b>Tax Payable – SGST</b>	2,85,000.00
Tax Payable	2,85,000.00

Interest @ 18% ( $\text{₹}2,85,000 \times 18\% \times 10 / 365$ )	1,405.48
Rounded off u/s 170	1,405.00

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

**Explain Deemed supply under schedule I**

**Answer: Schedule I: Deemed supply i.e. supply without consideration**

In order to constitute supply there must be consideration but infact even the supply without consideration is taxable but only in situation given in schedule I and is as given below:

**1. Permanent Transfer or disposal of assets of business where input tax credit has been availed**

If any person has taken ITC with regard to assets of business and subsequently such assets have been disposed off by him without consideration, it will be considered to be supply and GST shall be payable.

**2. Supply of goods or services without consideration between Distinct persons or Related persons in the course of business or in the furtherance of business**

If any person has supplied goods/services to the person who is considered to be Distinct or Related, it will be considered to be supply even if there is no consideration.

**If goods or services have been given by employer to the employee**, they will be considered to be related person and GST shall be payable even if there is no consideration but if value of such goods or services is upto ₹50,000 during a particular financial year, it will not be considered to be supply, however as per section 17(5), any ITC taken with regard to such goods has to be reversed.

**3. Supply of goods by principal to agent**

Any supply of goods **by a principal to his agent** where the agent undertakes to supply such goods on behalf of the principal shall be considered to be supply. Similarly any supply of goods by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal shall be considered to be supply.

**Question.5. (b) (4 Marks)**

State whether the following supplies would be treated as supply of goods or supply of services as per Schedule-II of CGST Act:

- (i) Renting of Immovable Property
- (ii) Transfer of right in goods without transfer of title in goods.
- (iii) Works Contract Services
- (iv) Temporary transfer of permitting use or enjoyment of any intellectual property right.
- (v) Sale of personal car to dealer.

**Answer:**

**As per Schedule -II of CGST Act:**

- (i) Renting of Immovable property shall be treated as Supply of services.
- (ii) Transfer of right in goods without transfer of title in goods shall be treated as Supply of services.
- (iii) Works contract services shall be treated as Supply of services.
- (iv) Temporary transfer of permitting use or enjoyment of any intellectual property right shall be treated as Supply of services.
- (v) As per section 7(1)(a), it cannot be considered to be a supply

**Question 5 (c)****(2 Marks)****Explain Time of Supply of goods under direct charge/normal charge/forward charge.****Answer: Time of supply of goods Section 12 (1) & 12 (2) (a).**

(1) The liability to pay tax on goods shall arise at the time of supply, as determined in accordance with the provisions of this section.

(2) The time of supply of goods shall be the earlier of the following dates, namely:—

- (a) the date of issue of invoice by the supplier or the last date on which he is required, under sub-section (1) of section 31, to issue the invoice with respect to the supply.

eg. If invoice is issued on 28<sup>th</sup> July 2020 and goods are delivered on 31<sup>st</sup> July 2020 and payment is received on 10<sup>th</sup> August 2020, TOS is 28<sup>th</sup> July 2020 but if invoice is issued on 01<sup>st</sup> August 2020, TOS is 31<sup>st</sup> July 2020.

**Question 6 (a)****(4 Marks)**

Shri Krishna Pvt. Ltd., a registered dealer, furnishes the following information relating to goods sold by it to Shri Balram Pvt. Ltd. in the course of Intra State.

S. No	Particulars	Amount (₹)
(i)	Price of the goods	1,00,000
(ii)	Municipal Tax	2,000
(iii)	Inspection charges	15,000
(iv)	Subsidies received from Shri Ram Trust (As the products is going to be used by blind association)	50,000
(v)	Late fees for delayed payment. (Though Shri Balram Pvt. Ltd, made late payment but these charges are waived by Shri Krishna Pvt. Ltd.)	1,000
(vi)	Shri Balram Pvt. Ltd. paid to Radhe Pvt. Ltd. (on behalf of Shri Krishna Pvt. Ltd.) weightment charges.	2,000

According to GST Law, determine the value of taxable supply made by Shri Krishna Pvt. Ltd .. Items given in Point (ii) to (vi) are not considered while arriving at the price of the goods given in point no. (i).

**Solution:****Computation of value of taxable supply**

Particulars	₹
List price of the goods	1,00,000
Tax levied by Municipal Authority [Includible in the value as per section 15]	2,000
Inspection charges [Includible in the value as per section 15]	15,000
Subsidy received from a non-Government body	Nil
Late fee for delayed Payment but waived by the seller.	Nil
Weightment charges [Includible in the value as per section 15] [Includible in the value as per section 15]	2,000
<b>Total</b>	<b>1,19,000</b>

**Question 6 (b)****(4 Marks)**

M/s XYZ & Co., a firm of Chartered Accountants, issued invoice for services rendered to Mr. A on 7<sup>th</sup> September, 2020. Determine the Time of Supply in the following independent cases:

- (1) The provision of service was completed on 1<sup>st</sup> August, 2020.
- (2) The provisions of service was completed on 14<sup>th</sup> August, 2020.
- (3) Mr. A made the payment on 3<sup>rd</sup> August, 2020 where provisions of service was remaining to be completed.
- (4) Mr. A made the payment on 15<sup>th</sup> September, 2020 where provision of service was remaining to be completed.

**Answer:**

**As per section 13 (1) & (2),** The liability to pay tax on services shall arise at the time of supply. Time of supply of services shall be the date of invoice or the date of receiving payment whichever is earlier but if invoice is not issued within 30 days of supply of service, TOS shall be the date of supply of service or the date of payment whichever is earlier.

As per the above provision Time of supply shall be:

- (1) Invoice is issued after 30 days, Date of completion shall be the time of supply i.e. 01<sup>st</sup> August.
- (2) Invoice is issued within 30 days, Date of invoice shall be the time of supply i.e. 7<sup>th</sup> September.
- (3) Payment received before the date of invoice hence time of supply shall be the date of receiving payment i.e. 3<sup>rd</sup> August.

Payment received after the date of invoice hence time of supply shall be the date of invoice i.e 7<sup>th</sup> September

**Question 6 (c)****(2 Marks)****Explain Payments in excess of amount of invoice.****Answer: Payments in excess of amount of invoice**

Wherever the supplier of service receives a payment up to ₹1,000 in excess of the amount indicated in the invoice, the time of supply to the extent of such excess amount, at the option of the provider of taxable service, shall be determined on the basis of invoice or completion of service, as the case may be, rather than payment.

**Example:** A telephone company receives ₹5000 against an invoice of ₹4800. The excess amount of ₹200 can be adjusted against the next invoice. The company has the option to take the date of the next invoice as the time of supply of service in relation to the amount of ₹200 received in excess against the earlier invoice

**Question 7 (a)****(4 Marks)**

Black and White Pvt. Ltd. has provided the following particulars relating to goods sold by it to Colourful Pvt. Ltd.

<b>Particulars</b>	<b>₹</b>
List price of the goods (exclusive of taxes and discounts)	50,000
Tax levied by Municipal Authority on the sale of such goods	5,000
Packing charges (not included in price above)	1,000

Black and White Pvt. Ltd. received ₹2000 as a subsidy from a NGO on sale of such goods. The price of ₹50,000 of the goods is after considering such subsidy. Black and White Ltd. offers 2% discount on the list price of the goods which is recorded in the invoice for the goods.

Determine the value of taxable supply made by Black and White Pvt. Ltd. and also amount of GST payable if Rate of CGST @ 10% and SGST @ 10%.

**Answer:****Computation of value of taxable supply**

<b>Particulars</b>	<b>₹</b>
List price of the goods (exclusive of taxes and discounts)	50,000
Tax levied by Municipal Authority on the sale of such goods	5,000
[Includible in the value as per section 15]	

Packing charges [Includible in the value as per section 15]	1,000
Subsidy received from a non-Government body [Since subsidy is received from a non-Government body, the same is included in the value in terms of section 15]	2,000
<b>Total</b>	<b>58,000</b>
Less: Discount @ 2% on ₹50,000 [Since discount is known at the time of supply, it is deductible from the value in terms of section 15]	(1,000)
<b>Value of taxable supply</b>	<b>57,000</b>
<b>CGST @ 10%</b>	<b>5,700</b>
<b>SGST @ 10%</b>	<b>5,700</b>

**Question 7 (b)****(4 Marks)**

Mr. X is a dealer registered in GST in Delhi and he has submitted information as given below:

- Purchased goods A on 10/07/2020 ₹4,00,000 plus CGST @ 10% and SGST @ 10% and goods were sold on 31/08/2020 ₹ 6,00,000 + CGST @ 10% and SGST @ 10% but invoice was issued on 01/09/2020 and payment was received on 01/10/2020.
- Purchased goods B on 10/09/2020 ₹5,00,000 plus CGST @ 10% and SGST @ 10% and goods were exported on 12/12/2020 and profit taken is 30% on cost.
- Purchased goods C on 10/09/2020 ₹7,00,000 plus CGST @ 10% and SGST @ 10% and goods were sold to our own branch in some other State on 31/12/2020 for ₹7,00,000 + IGST @ 20%. No Invoice has been issued and no payment has been received.

Determine TOS in each case and ITC and Net tax Payable for each month and ITC to be carried forward.

**Solution:****Net Tax Payable for the Month of August**

<b>ITC</b>	<b>₹</b>
<b>Goods A</b>	
Transaction Value	4,00,000.00
Add: CGST @ 10%	40,000.00
Add: SGST @ 10%	40,000.00
	4,80,000.00
<b>Tax Liability</b>	
First Bill (TOS 31/08/2020)	6,00,000.00
Add: CGST @ 10%	60,000.00
Add: SGST @ 10%	60,000.00
	7,20,000.00
<b>Net Tax Payable</b>	
Output	
CGST	60,000.00
Less: ITC CGST	(40,000.00)
Tax Payable	20,000.00
Output	
SGST	60,000.00
Less: ITC SGST	(40,000.00)
Tax Payable	20,000.00
<b>Net Tax Payable for the Month of September</b>	
<b>ITC</b>	<b>₹</b>
<b>Goods B</b>	
Transaction Value	5,00,000.00
Add: CGST @ 10%	50,000.00
Add: SGST @ 10%	50,000.00
	6,00,000.00

**Goods C**

Transaction Value	7,00,000.00
Add: CGST @ 10%	70,000.00
Add: SGST @ 10%	70,000.00
	8,40,000.00

**Net Tax Payable for the Month of December****Output Tax**

Goods B	Nil
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**Goods C (TOS 31-12-2020)**

Transaction Value	7,00,000
IGST@ 20%	1,40,000
Less: ITC CGST Goods B	(50,000)
Less: ITC CGST Goods C	(70,000)
Less: ITC SGST Goods B	(20,000)
Net Tax Payable	Nil
<b>ITC to be carried forward</b>	
SGST	1,00,000

**Question 7 (c)****(2 Marks)**

A machine has to be supplied at site. It is done by sourcing various components from vendors and assembling the machine at site. The details of the various events are:

17.09.2020	Purchase order with advance of ₹50,000 is received for goods worth ₹12 lakh and entry duly made in the seller's books of account
20.10.2020	The machine is assembled, tested at site, and accepted by buyer
23.10.2020	Invoice raised
04.11.2020	Balance payment of ₹11,50,000 received

Determine the time of supply in the above scenario.

**Answer:** As per section 12, Liability to pay GST shall arise at the time of supply of goods which will be the date of issue of invoice or delivery of goods whichever is earlier.

In the given case, time of supply of goods is 20.10.2020 which is the date on which the goods were made available to the recipient because invoice issued after the date of delivery of goods

# MULTIPLE CHOICE QUESTION

## (MCQ) (30 Marks)

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

**Question :**

Mr. Kumar started interior designing practice from the month of January. His turnover up to the month of March was ₹12,50,000. On 30th June, his turnover exceeded ₹20,00,000 & reached to ₹ 20,05,000. Mr. Kumar applied for GST registration (as regular taxpayer) on 15th July and registration was granted to him on 25th July.

On 16th July, he entered into a contract for designing the flat of Mr. Shyam. The service was completed on 22nd July and Mr. Kumar issued invoice on the same day for ₹ 6,00,000. On 5th July, Mr. Kumar purchased capital goods amounting to ₹ 4,50,000 and from 25th July to 31st July, he availed services amounting to ₹1,75,000 for the purpose of completing the service.

On 1st August, Mr. Kumar got another contract for interior designing from Mr. Ram, which he accepted on 2nd August. The service was completed on 6th August and invoice was issued on 7th August for ₹ 5,00,000. Payment was received on 29th August.

Note: All values are excluding taxes, unless specifically mentioned. Mr. Kumar makes only intra-State outward supplies and all purchases are also intra-State. Rates of tax are CGST - 9% and SGST – 9%.

In relation to the above, answer the following questions:

**Q 1: The effective date of registration for Mr. Kumar is-**

- (a) 30th June
- (b) 15th July
- (c) 25th July
- (d) 16th July

**Q 2: Mr. Shyam can issue a revised tax invoice till-**

- (a) 23rd October
- (b) 8th September
- (c) 25th September
- (d) 25th August

**Q 3: Eligible input tax credit available with Mr. Kumar for the month of July is-**

- (a) CGST ₹ 40,500 & SGST ₹ 40,500
- (b) CGST ₹ 15,750 & SGST ₹ 15,750
- (c) CGST ₹ 56,250 & SGST ₹ 56,250
- (d) CGST ₹ 36,000 & SGST ₹ 36,000

**Q 4: The time of supply of services provided by Mr. Kumar to Mr. Ram is-**

- (a) 7th August
- (b) 1st August
- (c) 29th August
- (d) 06th August

**Q 5: If instead of opting for regular scheme, Mr. Kumar opts to pay tax under section 10(2A) of the CGST Act, 2017, the tax liability for the month of July will be-**

- (a) Nil
- (b) CGST ₹ 54,000 & SGST ₹ 54,000
- (c) CGST ₹ 18,000 & SGST ₹ 18,000
- (d) CGST ₹ 78,150 & SGST ₹ 78,150

**1. Answer: (a)**

Hint: If applicant has submitted application within a period of 30 days, he will be considered to be registered from the date on which he becomes liable to registration and if application is given after 30 days, effective date of registration shall be the date of granting registration.

**2. Answer: (d)**

**Hint:** A registered person is allowed to issue revised invoice for the invoice already issued from the effective date of registration till the date of issuance of registration certificate. Further revised invoice should be issued within one month from the date of issuing of registration certificate.

**3. Answer: (c)**

Hint:  $CGST = (1,50,000 \times 9\% + 4,50,000 \times 9\%) = 56,250$

$SGST = (1,50,000 \times 9\% + 4,50,000 \times 9\%) = 56,250$

**4. Answer: (a)****5. Answer: (c)**

Hint:  $CGST = 6,00,000 \times 3\% = 18,000$ ,  $SGST = 6,00,000 \times 3\% = 18,000$

**Q 6:** Which of the following is not covered under Schedule III of CGST Act, 2017?

- (a) Director's monthly salary under employment agreement
- (b) Sitting fees to independent directors for attending AGMs
- (c) Payment to employee for providing broking services to the employer for purchase of commercial property. Such services do not form part of the employment contract entered into by the employer with the employee.
- (d) Both (b) and (c)

**Answer: (d)**

**Q 7. What is the time of supply of vouchers when the supply with respect to the voucher is not identifiable?**

- (a) Date of issue of voucher
- (b) Date of redemption of voucher
- (c) Date of entry in books of accounts
- (d) Earlier of (a) or (b) or (c)

**Answer: (b);**

**Q 8. What is the time of supply of service if the invoice is issued within 30 days from the date of provision of service?**

- (a) Date of issue of invoice
- (b) Date on which the supplier receives payment
- (c) Date of provision of service
- (d) Earlier of (a) & (b)

**Answer: (d)**

**Q 9. Mr. X has rendered services on 10.09.2020 issued invoice 07.10.2020 received payment by cheque on 06.10.2020 and entered in the books of accounts on the same date and amount was credited in the bank account on 11.10.2020, in this case TOS shall be**

- (a) 10.09.2020
- (b) 07.10.2020
- (c) 06.10.2020
- (d) 11.10.2020
- (e) none of these

**Answer: (c);**

**Q 10. Mr. X has taken advance of ₹ 30,000 on 01.01.2021 for rendering services and services were rendered on 10.01.2021 and issued invoice on 12.01.2021 and balance amount of ₹ 70,000 was received on 31.01.2021, in this case TOS shall be**

- (a) For ₹ 30,000, 01.01.2021 and for ₹ 70,000, 31.01.2021
- (b) For ₹ 30,000, 10.01.2021 and for ₹ 70,000, 12.01.2021
- (c) For ₹ 30,000, 01.01.2021 and for ₹ 70,000, 12.01.2021
- (d) For ₹ 30,000, 31.01.2021 and for ₹ 70,000, 12.01.2021
- (e) none of these

**Answer: (c);**

**Q 11. A machine has to be supplied at site. It is done by sourcing various components from vendors and assembling the machine at site. The details of the various events are:**

- 10.09.2020 Purchase order with advance of ₹ 50,000 is received for goods worth ₹ 12 lakh and entry duly made in the seller's books of account
- 20.09.2020 The machine is assembled, tested at site, and accepted by buyer
- 30.09.2020 Invoice raised
- 10.10.2020 Balance payment of ₹ 11,50,000 received

Time of supply shall be

- (a) 10.09.2020
- (b) 20.09.2020
- (c) 30.09.2020
- (d) 10.10.2020

**Answer: (b);**

**Q 12. ABC Ltd. has imported certain goods for ₹ 2,00,000 and paid custom duty ₹ 20,000, in this case IGST shall be charges on**

- (a) 2,00,000
- (b) 20,000
- (c) 2,20,000
- (d) none of these

**Answer: (c);**

**Q 13. ABC Ltd. sold certain goods for ₹ 2,00,000 and charged ₹ 3,000 for packing and ₹ 5,000 for weightment, in this case value of supply shall be**

- (a) 2,00,000
- (b) 2,03,000
- (c) 2,05,000
- (d) 2,08,000
- (e) none of these

**Answer: (d);**

**Q 14. ABC Ltd. sold certain goods for ₹ 3,00,000 and received subsidy from the Govt. ₹ 1,00,000 hence charged from customer ₹ 2,00,000, in this case value of supply shall be**

- (a) 3,00,000
- (b) 2,00,000
- (c) 4,00,000
- (d) 5,00,000
- (e) none of these

**Answer: (b);**

**Q 15. While computing transaction value, discount allowed shall be deducted provided such discount was given**

- (a) at or before the time of supply
- (b) after making the supply
- (c) after making supply but it has been established in term of agreement entered into at or before the time of supply
- (d) option (a) or (c)
- (e) none of these

**Answer: (d);**

**Q16. Discount given after the supply is deducted from the value of supply, if –**

- (a) such discount is given as per the agreement entered into at/or before the supply
- (b) such discount is linked to the relevant invoices
- (c) proportionate input tax credit is reversed by the recipient of supply
- (d) all of the above

**Answer: (d);**

**Q17.** Mr. Avishkar is a painter registered under GST in Delhi. He sends his artwork for exhibition in Mumbai. At what point of time, supply is considered to have been made under GST?

- (a) When painting is completed.
- (b) When painting is sent for exhibition in Mumbai.
- (c) When painting is displayed at the exhibition in Mumbai.
- (d) When painting is purchased by one of the visitors in the exhibition.

**Answer: (d)**

**Q18.** Which of the following is not covered under Schedule III of CGST Act, 2017?

- (a) Director's monthly salary under employment agreement
- (b) Sitting fees to independent directors for attending AGMs
- (c) Payment to employee for providing broking services to the employer for purchase of commercial property. Such services do not form part of the employment contract entered into by the employer with the employee.
- (d) Both (b) and (c)

**Answer: (d)**

**Q19. A \_\_\_\_\_ supply comprising of two or more supplies shall be treated as the supply of that particular supply that attracts highest rate of tax.**

- (a) Composite
- (b) Mixed
- (c) Both (a) and (b)
- (d) None of the above

**Q20. Which of the following activities is a supply of services?**

- (a) Transfer of right in goods/ undivided share in goods without transfer of title in goods
- (b) Transfer of title in goods
- (c) Transfer of title in goods under an agreement which stipulates that property shall pass at a future date.
- (d) All of the above

**Q21. Which of the following activity shall be treated neither as a supply of goods nor a supply of services?**

- (i) Permanent transfer of business assets where input tax credit has been availed on such assets**
- (ii) temporary transfer of intellectual property right**
- (iii) transportation of deceased**
- (iv) services by an employee to the employer in the course of employment**
- (a) (i) & (iii)
- (b) (ii) & (iv)
- (c) (i) & (ii)
- (d) (iii) & (iv)

**Q22. As per section 7(1)(a) supply includes**

- (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made with or without consideration by a person in the course or furtherance of business
- (b) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person whether or not in the course or furtherance of business
- (c) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business
- (d) none of these

**Q23. As per section 7(1)(b) Supply includes**

- (a) import of services with or without consideration whether or not in the course or furtherance of business
- (b) import of services for a consideration in the course or furtherance of business
- (c) import of services for a consideration whether or not in the course or furtherance of business
- (d) none of these

**Q24. As per schedule I, activity to be treated as supply even if made without consideration shall include**

- (a) Supply of goods or services or both between related persons or between distinct persons as specified in section 25, whether or not made in the course or furtherance of business
- (b) Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business
- (c) Supply of goods or services or both between unrelated persons as specified in section 25, when made in the course or furtherance of business
- (d) none of these

**Q25. As per schedule I, activity to be treated as supply even if made without consideration shall include**

Supply of goods—

- (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
- (b) by a principal to his agent where the agent undertakes to supply such goods on his own behalf or by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
- (c) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or by an agent to his principal where the agent undertakes to receive such goods on his own behalf.
- (d) none of these

**Q26. Which of the following transactions is not covered in schedule III**

- (a) Services by an employee to the employer in the course of or in relation to his employment.
- (b) Services by any court or Tribunal established under any law for the time being in force.
- (c) Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- (d) Pre school education or education upto higher secondary school or equivalent
- (e) none of these

**Q27. Which of the following transactions is not covered in schedule III**

- (a) Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- (b) Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.
- (c) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;
- (d) Actionable claims, other than lottery, betting and gambling.
- (e) none of these

**Q28. Which of the following shall not be included in value of supply?**

- (a) GST                      (b) Interest                      (c) Late fee                      (d) Commission

**Q29. When can the transaction value be rejected for computation of value of supply?**

- (a) When the buyer and seller are related and price is not the sole consideration  
(b) When the buyer and seller are related or price is the sole consideration  
(c) It can never be rejected  
(d) When the goods are sold at very low margins

**Q30. Which of the following statement(s) is/are correct?**

- (a) Section 15 of CGST Act prescribes different provisions for valuation of goods and services  
(b) CGST Act and IGST Act have different provisions for valuation of supply  
(c) Section 15 of CGST Act prescribes same set of provisions for valuation of goods and services  
(d) (a) and (b)

**Answer:**

19. (b); 20. (a); 21. (d); 22. (c); 23. (c); 24. (b); 25 (a); 26.(d); 27. (c) 28. (a); 29. (a); 30. (c);