

# MOCK TEST

**MAY 22/NOV 22**

**GST**

**(FULL SYLLABUS)**

**ATTEMPT ALL QUESTIONS**

**Time allowed: 3 hours**

**Maximum Marks: 100**

**Total No. of Question: 7**

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## **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 1**

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)

### **Question 2**

Kala Niketan School is an educational institution providing pre-school education and education up to higher secondary school. Which of the following services are exempt if provided to Kala Niketan School?

- (i) Transportation of students, faculty and staff
  - (ii) Catering services
  - (iii) Cleaning services performed in such educational institution
- (a) (i)

- (b) (i) and (iii)
- (c) (ii) and (iii)
- (d) (i), (ii) and (iii)

**Question 3**

Which of the following service is not exempt under GST?

- (a) Loading and unloading of paddy
- (b) Loading and unloading of sugarcane
- (c) Loading and unloading of tea bags
- (d) Loading and unloading of potato

**Question 4**

**GST is payable by the recipient under reverse charge on:**

- (a) Sponsorship services
- (b) Transport of goods by rail
- (c) Transport of passengers by air
- (d) All of the above

**Question 5**

**Part payment made on 30.06.2021 and balance amount paid on 01.09.2021 and date of issue invoice 29.06.2021, in this case TOS under reverse charge shall be**

- (a) 30.06.2021 for part payment and 29.08.2021 for balance payment
- (b) 29.06.2021 for part payment and 01.09.2021 for balance payment
- (c) 31.08.2021 for part payment and 01.09.2021 for balance payment
- (d) none of these

**Question 6**

**Time of supply of services in case of reverse charge shall be earliest of the following dates:**

**(i) the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier.**

**(ii) the date immediately following \_\_\_\_\_ days from the date of issue of invoice.**

- (a) 50 days
- (b) 30 days
- (c) 60 days
- (d) 40 days

**Question 7**

**Reverse charge shall be applicable**

- (a) Services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Government
- (b) Services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport
- (c) Transport of goods or passengers
- (d) in respect of services provided by Government or local authority except (a) , (b) & (c)

**Question 8 to 12**

Mr. Mandeep, a registered dealer, is doing building material business in the State of Assam. He availed architect services for his business from his friend in London free of cost. He also availed designing services from his brother in London for ₹ 5 Lakhs for his personal purposes.

He availed services which are liable to tax under reverse charge for which date of invoice was 01.09.2021, payment date as per his books of account and as per his bank account was 15.11.2021 and 18.11.2021 respectively.

His turnover for the current financial year is as follows:

Taxable supply of goods – ₹ 55 Lakhs

Exempt supply of goods – ₹ 16 Lakhs

Inward supply liable to tax under reverse charge – ₹ 8 Lakh

He intends to start providing services also from the next financial year and also to avail composition scheme. He also wishes to make supplies to the Government.

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

8. In respect of services imported by Mr. Mandeep, which of the following is a correct statement?
- Architect services for his business from his friend in London free of cost is considered as a supply
  - Designing services from his brother in London for ₹ 5 Lakh for his personal purposes is considered as a supply.
  - Architect services for his business from his friend in London free of cost is not considered as a supply
  - Designing services from his brother in London for ₹5 Lakh for his personal purposes is not considered as a supply.
- (a) i & ii  
(b) i & iv  
(c) ii & iii  
(d) iii & iv
9. The time of supply of services, received by him and taxable under reverse charge, is
- (a) 01.09.2021  
(b) 01.11.2021  
(c) 15.11.2021  
(d) 18.11.2021
10. Aggregate turnover of Mr. Mandeep for the given financial year will be,
- (a) ₹ 63 Lakhs  
(b) ₹ 79 Lakhs  
(c) ₹ 71 Lakhs  
(d) ₹ 47 Lakhs
11. Mr. Mandeep will be eligible for composition scheme in the next financial year, but he can supply services only upto:
- (a) ₹ 5.00 Lakhs  
(b) ₹ 6.3 Lakhs  
(c) ₹ 7.90 Lakhs  
(d) ₹ 7.10 Lakhs
12. In case he supplies services to State Government by way of any activity in relation to any function entrusted to a Municipality under Article 243W of the Constitution, in the next financial year, which of the following will be exempt?
- Pure Services
  - Composite supply of goods and services in which value of supply of goods constitutes not more than 25% of value of said composite supply
  - Composite supply of goods and services in which value of supply of service constitutes not more than 25% of value of said composite supply
- (a) i & iii  
(b) ii & iii  
(c) i, ii & iii  
(d) i & ii

### Question 13 to 18

Ms. Adisha, a Doctor having in-patient facility in her hospital is a registered person under GST.

She availed interior decoration services from her spouse without any consideration being paid. She also availed IT related services from her sister-in-law without any consideration. Both services were for the purpose of her profession.

Ms. Adisha provided treatment of various diseases in her hospital and apart from that she also provided the following services in her hospital-

- (a) Plastic surgery to enhance the beauty of the face
- (b) Ambulance service for transportation of patients
- (c) Renting of space to run medical store in hospital premises

She is also a consultant in other hospitals and received ₹ 40,00,000 as consultancy fee from the other hospitals. Further, she also provides canteen facility and received ₹ 55,000 from in-patients, ₹ 35,000 from patients who are not admitted and ₹ 25,000 from visitors for the same facility.

She filed GSTR-3B for the month of June with some errors. She filed the Annual return for the said financial year on 31<sup>st</sup> October of the next year, whereas due date for the said Annual return is 31<sup>st</sup> December of the next year.

Proper Officer of the department cancelled the registration certificate of Ms. Adisha suo-motu on 31<sup>st</sup> July. Order of cancellation was served on 5<sup>th</sup> August. However, she applied for revocation of the same and got her registration certificate revoked.

All the amounts given above are exclusive of taxes, wherever applicable. All the supply referred above is intra-State unless specified otherwise.

From the information given above, choose the most appropriate answer for the following questions -

**13.** Which of the following is a correct statement as per the provisions of CGST Act, 2017?

- (i) Service availed from her Spouse is a deemed supply
- (ii) Service availed from her Sister-in-Law is a deemed supply
- (i) Service availed from her Spouse is not a deemed supply
- (iv) Service availed from her Sister-in-Law is not a deemed supply
- (a) (i) and (iv)
- (b) (iii) and (iv)
- (c) (ii) and (iii)
- (d) (i) and (ii)

**14.** Compute the taxable value of supply of canteen service provided by Ms. Adisha?

- (a) ₹ 25,000
- (b) ₹ 35,000
- (c) ₹ 60,000
- (d) ₹ 80,000

**15.** Ms. Adisha should have applied for revocation of cancellation of registration certificate by

- (a) 5<sup>th</sup> August
- (b) 20<sup>th</sup> August
- (c) 30<sup>th</sup> August
- (d) 4<sup>th</sup> September

**16.** Maximum time permissible for rectification of error committed in monthly return of June is \_\_\_\_\_

- (a) 20<sup>th</sup> July
- (b) 20<sup>th</sup> October of the next year
- (c) 31<sup>st</sup> October of the next year
- (d) 31<sup>st</sup> December of the next year

**17.** Determine which of the following services provided by Ms. Adisha and her hospital is exempt from GST?

- (i) Plastic surgery to enhance the beauty of the face
- (ii) Ambulance service for transportation of patients
- (iii) Renting of space to run medical store in hospital premises
- (iv) Consultancy service by Ms. Adisha in other hospitals
- (a) (i), (ii) & (iv)
- (b) (i), (ii)
- (c) (ii) & (iv)
- (d) (i) & (iii)

### Question 18

Which of the following service is not exempt under GST?

- (a) Loading and unloading of paddy
- (b) Loading and unloading of sugarcane

- (c) Loading and unloading of tea bags
- (d) Loading and unloading of potato

**Question 19**

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)

**Question 20**

ABC Ltd. sold certain goods for ₹ 3,00,000 and received subsidy from a private organisation ₹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

**Question 21**

ABC Ltd. sold certain goods for ₹ 2,00,000 and charged ₹ 3,000 for packing and ₹ 5,000 for weightment and the buyer has also paid ₹ 1,00,000 to XYZ Ltd. on behalf of ABC Ltd., in this case value of supply shall be

- (a) 2,08,000
- (b) 3,08,000
- (c) 2,05,000
- (d) 3,00,000

**Question 22**

Mr. X has taken advance of ₹ 30,000 on 01.01.2022 for rendering services and services were rendered on 10.01.2022 and issued invoice on 09.01.2022 and balance amount of ₹ 70,000 was received on 31.01.2022, in this case TOS shall be

- (a) For ₹ 30,000, 01.01.2022 and for ₹ 70,000, 31.01.2022
- (b) For ₹ 30,000, 10.01.2022 and for ₹ 70,000, 09.01.2022
- (c) For ₹ 30,000, 01.01.2022 and for ₹ 70,000, 09.01.2022
- (d) none of these

**Question 23**

Mr. X, a registered person deals in supply of taxable goods. He need not issue tax invoice for the goods supplied on 16.04.2021 as the value of the goods is \_\_\_\_.

- (a) ₹1,200
- (b) ₹600
- (c) ₹150
- (d) ₹200

**Question 24**

In which of the following cases, a deliver challan can be issued instead of tax invoice

- (a) supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known
- (b) transportation of goods for job work
- (c) transportation of goods for reasons other than by way of supply
- (d) any of the above

**Question 25****CPIN Stands for**

- (a) Common portal identification number
- (b) Common portal identity number
- (c) Challan portal identification number
- (d) Challan passbook identification number

**Question 26**

The maximum amount of late fee payable by any registered person on failure to furnish return under section 39 by the due date is ₹ \_\_\_\_\_. (Turnover in the preceding year is 2 crore)

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

**Question 27**

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

**Question 28**

Manufacturer of following goods are not allowed for composition scheme.

- (a) Pan masala
- (b) Ice cream
- (c) Tobacco product
- (d) (a), (b) & (c)

**Question 29**

Mr. X is a dealer registered in GST and has purchased goods from other State ₹5,00,000 and paid IGST @ 10% 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 – ₹20,000 & SGST - ₹20,000
- (c) CGST – Nil & SGST - ₹20,000
- (d) CGST – Nil & SGST - Nil

**Question 30**

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

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

## **DESCRIPTIVE TYPE QUESTION (70 Marks)**

### **Question 1 (a)**

**(8 Marks)**

ABC Ltd. is registered under GST Act and has submitted particulars as given below:-

- Purchased Raw Material 'A' ₹1,00,000 + CGST @10% and SGST @10%
- Purchased Raw Material 'B' ₹2,00,000 + IGST @ 20%.
- Purchased plant and machinery ₹20,00,000 + CGST @10% and SGST @10%.

Life of plant and machinery is 5 years. Depreciation is allowed on SLM basis.

- Service taken ₹3,00,000 + CGST @10% and SGST @10%.
- Processing charges 4,00,000
- Profit 5,00,000

All the goods were sold CGST @10% and SGST @10%

Show tax treatment and compute net tax payable.

### **Question 1 (b)**

**(2 Marks)**

Mr. Y, a registered person, has filed its GSTR-3B for the month of September on 19th November. Determine the amount of late fee payable if tax payable is ₹90,000 (Outward Supplies ₹ 9,00,000), if any, by Mr. Y. Turnover in the preceding year is 1.20 crores.

### **Question 2 (a)**

**(5 Marks)**

Explain Electronic cash ledger.

### **Question 2 (b)**

**(5 Marks)**

Explain Payment of Interest on delayed payment of tax

### **Question 3 (a)**

**(4 Marks)**

Explain Credit Note.

### **Question 3 (b)**

**(4 Marks)**

Determine the Time of Supply.

| Date of completion | Date of Invoice | Date of Payment |
|--------------------|-----------------|-----------------|
| 01.08.2021         | 20.08.2021      | 18.08.2021      |
| 01.07.2021         | 20.08.2021      | 18.08.2021      |
| 01.07.2021         | 20.07.2021      | 01.05.2021      |
| 03.08.2021         | 31.08.2021      | 01.09.2021      |

### **Question 3 (c)**

**(2 Marks)**

Discuss the correctness of the following statements:-

- (i) Once generated, an e-way bill cannot be cancelled.
- (ii) E-way bill generated in one State is valid in another State.

**Question 4 (a)****(8 Marks)**

ABC Ltd has submitted information as given below:

Delivered goods on 31/07/2021 to Mr. A ₹ 7,00,000 + CGST @ 9% + SGST @ 9% and issued invoice on 03/08/2021 and received payment on 01/09/2021.

Delivered goods to Mr. B on 10/09/2021 and issued invoice on 31/08/2021 ₹ 6,00,000 + CGST @ 9% + SGST @ 9% and received payment on 01/09/2021.

Delivered goods to Mr. C on 10/08/2021 and issued invoice on 01/09/2021 ₹7,00,000 + CGST @ 9% + SGST @ 9% and payment has not been received so far.

Delivered goods to Mr. D on 30/09/2021 and issued invoice on 31/08/2021 ₹12,00,000 + CGST @ 14% + SGST @ 14% and received payment on 16/08/2021.

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.

**Question 4 (b)****(2 Marks)**

Insight Ltd. is operating in West Bengal. The Tax liability for the month of August, 2021 is as follows:

| SL. No. | Tax Liability       | West Bengal (₹) |
|---------|---------------------|-----------------|
| (1)     | Output CGST Payable | 24,000          |
| (2)     | Output SGST Payable | 9,000           |
| (3)     | Output IGST Payable | 3,000           |
| (4)     | Input CGST          | 7,000           |
| (5)     | Input SGST          | 14,000          |
| (6)     | Input IGST          | 12,000          |

Calculate Tax payable and carry forward for the month of August, 2021.

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

Candy Blue Ltd., Mumbai, a registered supplier, is manufacturing Chocolates and Biscuits. It provides the following details of taxable inter-state supply made by it for the month of October 2021:

| Particulars  | GST paid (₹) |
|--|--------------|
| (i) List price of goods supplied inter-state                                     | 12,40,000    |
| <b>Item already adjusted in the price given in (i) above:</b>                    |              |
| (1) Subsidy from Central Government for supply of Biscuits to Government School. | 1,20,000     |
| (2) Subsidy from Trade Association for supply of quality Biscuits.               | 30,000       |
| <b>Items not adjusted in the price given in (i) above:</b>                       |              |
| (3) Tax levied by Municipal Authority  | 24,000       |
| (4) Packing Charges  | 12,000       |
| (5) Late fee paid by the recipient of supply for delayed Payment of invoice      | 5,000        |

Calculate the Value of taxable supply made by M/s Candy Blue Ltd. for the month of October 2021.



**Question.5. (b)****(4 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 2022:

| Sl. No. | Particulars  | GST Paid ₹ |
|---------|--|------------|
| i.      | Purchase of iron which is used as a raw material (Goods were received in two instalments, first on in March 2022 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 2022, 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 5 (c)****(2 Marks)**

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

- (a) Renting of immovable property
- (b) Goods forming part of business assets are transferred or disposed of by/under directions of person carrying on the business, whether or not for consideration.
- (c) Transfer of right in goods without transfer of title in goods.
- (d) Possession of goods under an agreement which stipulates that title in property shall pass at a future date.

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

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

- (i) Who is a casual taxable person?
- (ii) Can a casual taxable person opt for the composition scheme?
- (iii) When is the casual taxable person liable to get registered?
- (iv) What is the validity period of the registration certificate issued to a casual taxable person?
- (v) Can the validity of registration certificate issued to a casual taxable person be extended? If yes, what will be the period of extension?

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

P Ltd, a registered person provided following information for the month of October, 2021:

| Particulars                      | Amount (₹) |
|----------------------------------|------------|
| Intrastate outward supply        | 8,00,000   |
| Interstate exempt outward supply | 4,00,000   |
| Turnover of exported goods       | 20,00,000  |

|  |             |
|--|-------------|
| Payment of IGST                        | 1,20,000    |
| Payment of CGST and SGST               | 45,000 each |
| Payment of custom duty on export       | 40,000      |
| Payment made for availing GTA Services | 3,00,000    |

GST is payable of Reverse Charge for GTA services.

Explain the meaning of aggregate turnover u/s 2(6) of CGST Act and compute the aggregate turnover of P Ltd. for the month of October, 2021. All amounts are exclusive of GST.

**Question 6 (c)**

**(2 Marks)**

Explain Filing of First Return.

**Question 7 (a)**

**(4 Marks)**

Worldwide Pvt. Ltd (a registered Taxable Person) having the Gross receipt of ₹50 Lakhs in the previous financial year provides the following information relating to their services for the month of July, 2021

| Particulars   | Amount in (₹) |
|---|---------------|
| (1) Running a boarding school (upto higher secondary)   | 2,40,000      |
| (2) Fees from prospective employer for campus interview   | 1,70,000      |
| (3) Education Services for obtaining the qualification recognised by law of foreign country                         | 3,10,000      |
| (4) Renting of Furnished Flats for Temporary Stay to different persons (Rent per day is less than 1000 per person). | 1,20,000      |
| (5) Conducting Modular Employable Skill Course. Approved by National Council of Vocational Training                 | 1,40,000      |
| (6) Conducting Private Tutions  | 3,00,000      |

Compute the value of Taxable Supply and the amount of GST Payable. The above receipts doesn't include the GST Amount. Rate of GST is 18%

**Question 7 (b)**

**(4 Marks)**

Big Agro Handlers' furnishes the following details with respect to the activities undertaken by them in the month of December, 2021:

| Sl. No | Particulars  | Amount in (₹) |
|--------|--|---------------|
| (i)    | Supply of farm labour  | 58,000        |
| (ii)   | Warehousing of biscuits  | 1,65,000      |
| (iii)  | Commission on sale of paddy  | 68,000        |
| (iv)   | Training of farmers on use of new pesticides and fertilizers developed through scientific research | 10,000        |
| (v)    | Renting of vacant land to a stud farm  | 1,31,500      |
| (vi)   | Testing undertaken for seeds   | 1,21,500      |
| (vii)  | Leasing of vacant land to a poultry farm   | 83,500        |

Compute the GST Payable by 'Big Agro Handlers' for the month of December, 2021.

Assume that the point of supply in respect of all the activities mentioned above falls in the month of December, 2021 itself and all the amounts mentioned above are exclusive of GST. Rate of CGST @ 9% & SGST @ 9%.

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

Decide which person is liable to pay GST in the following independent cases, where the recipient is located in the taxable territory. Ignore the Aggregate Turnover and Exemption available.

(i) Mr. Raghu provided sponsorship services to WE-WIN Cricket Academy, an LLP.

(ii) 'Safe Trans', a Goods Transport Agency, transported goods of Kapil & Co., a partnership firm which is not registered under GST.