

315- Indirect Taxation

1. What is the primary purpose of GST (Goods and Services Tax)?

- A) To reduce the tax burden on consumers
- B) To simplify the tax structure
- C) To increase government revenue
- D) To promote international trade

Answer: B) To simplify the tax structure

2. Which model of GST involves both the Central Government and State Governments levying taxes simultaneously?

- A) Single GST Model
- B) Triple GST Model
- C) Dual GST Model
- D) Unified GST Model

Answer: C) Dual GST Model

3. What does CGST stand for in the context of GST?

- A) Central Goods and Services Tax
- B) Central Government Sales Tax
- C) Centralized Goods and Services Tax
- D) Composite Goods and Services Tax

Answer: A) Central Goods and Services Tax

4. What is the role of the GST Council?

- A) To administer GST at the national level
- B) To set GST rates and rules
- C) To enforce GST compliance
- D) All of the above

Answer: B) To set GST rates and rules

5. Which constitutional provision empowers the government to enforce indirect taxes like GST?

- A) Article 280
- B) Article 246A
- C) Article 360
- D) Article 370

Answer: B) Article 246A

6. Who is required to register under GST?

- A) Only businesses with an annual turnover exceeding Rs. 20 lakhs
- B) All businesses, regardless of turnover
- C) Only businesses engaged in interstate trade
- D) Only businesses supplying services

Answer: B) All businesses, regardless of turnover

7. What is the Unique Identification Number (UIN) used for in GST registration?

- A) To identify taxpayers under GST
- B) To claim input tax credit
- C) To track interstate transactions
- D) To facilitate international trade

Answer: D) To facilitate international trade

8. How often are GST returns filed by regular taxpayers?

- A) Monthly
- B) Quarterly
- C) Annually
- D) Biannually

Answer: A) Monthly

9. Which type of taxpayer is eligible for composition levy under GST?

- A) Large corporations
- B) Small taxpayers with turnover below a specified threshold
- C) Exporters
- D) Service providers

Answer: B) Small taxpayers with turnover below a specified threshold

10. What is the penalty for late filing of GST returns?

- A) 5% of tax due
- B) 10% of tax due
- C) Rs. 100 per day of delay
- D) No penalty

Answer: C) Rs. 100 per day of delay

11. How is the place of supply determined under GST?

- A) Based on the location of the supplier
- B) Based on the location of the recipient
- C) Based on the location of the goods
- D) Based on the value of the supply

Answer: B) Based on the location of the recipient

12. What is the type of supply when goods or services are provided from one state to another?

- A) Intrastate supply
- B) Interstate supply
- C) International supply
- D) Intra-UT supply

Answer: B) Interstate supply

13. Who is liable to pay tax under GST in the case of reverse charge mechanism?

- A) Supplier
- B) Recipient
- C) Both supplier and recipient
- D) Government

Answer: B) Recipient

14. What is the purpose of Tax Deduction at Source (TDS) under GST?

- A) To prevent tax evasion
- B) To facilitate smooth business transactions
- C) To provide input tax credit
- D) To reduce the tax burden on consumers

Answer: A) To prevent tax evasion

15. How is the value of supply determined for GST purposes?

- A) Based on market value
- B) Based on cost of production
- C) Based on invoice value
- D) Based on customs value

Answer: C) Based on invoice value

16. What is the process of utilizing Input Tax Credit (ITC) under GST?

- A) Claiming credit for taxes paid on inputs against output tax liability
- B) Refunding excess taxes paid
- C) Adjusting taxes against future liabilities
- D) None of the above

Answer: A) Claiming credit for taxes paid on inputs against output tax liability

17. Which type of customs duty is levied on imported goods based on the value of the goods?

- A) Basic customs duty
- B) IGST
- C) Safeguard duty
- D) Anti-dumping duty

Answer: A) Basic customs duty

18. What is the purpose of Protective duties?

- A) To protect domestic industries from foreign competition
- B) To encourage imports
- C) To promote free trade agreements
- D) To reduce government revenue

Answer: A) To protect domestic industries from foreign competition

19. What is the penalty for customs violations?

- A) Seizure of goods

- B) Fine
- C) Imprisonment
- D) All of the above

Answer: D) All of the above

20. What is the process of refund under customs for exported goods called?

- A) Export procedure
- B) Import procedure
- C) Duty drawback
- D) Customs clearance

Answer: C) Duty drawback