



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

## INDIRECT TAX LAWS AND PRACTICE (PAPER - 19)

### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	Goods within the meaning of supply does not includes:	Movable property	Money and securities	Actionable claim other than specified actionable claims	All of the above
2	Items out of the purview of supply are provided in:	Schedule I	Schedule II	Schedule III	None of the above
3	M/s R Associates of Chennai received certain consultancy services from A Inc. of USA. Both are not related person. The services received is without any consideration. Does the same classify as supply?	Yes. Being import of services in the course of business	No. Since, party to the contract are not related	On the prior approval of the Government	None of the above
4	X Ltd. Transferred certain assets forming part of business assets. The same was transferred free of cost without any consideration as a part of corporate social responsibility (CSR). What shall be the classification of such supply? X Ltd. Not availed Input Tax Credit on such assets.	Supply of goods	Supply of services	Does not qualify as supply	Supply of goods and services or both
5	While repairing the factory shed, few goods were also supplied along with the labour service. Whether it is a:	Composite Supply	Mixed Supply	Works Contract Service	None of the above
6	What would be the tax rate applicable in case of mixed supply?	Tax rate as applicable on supply attracting the lowest rate of tax	Tax rate as applicable on supply attracting the highest rate of tax	Tax @ 28%	None of the above
7	A person purchases a bundle of toothpaste along with Tooth brush. Toothpaste under this case is liable to GST @12% and tooth brush for instance is liable to GST @18% and is sold as a single unit for a single price. What shall be the tax rate applicable in case of such supply?	18%	12%	6%	Nil
8	As per the CGST Act, 2017, the term "works contract" includes:	Construction, fabrication, completion, erection, installation, etc. of movable property	Construction, fabrication, completion, erection, installation, etc. of immovable property	Both (a) and (b)	None of the above
9	Which of the following are naturally bundled?	Hotel provides short-term accommodation and restaurant services	Hotel provides short-term accommodation and coaching or teaching Indirect Taxes	Hotel provides short-term accommodation and repairing services of customer watches	Hotel provides short-term accommodation
10	What is the threshold limit of turnover in the preceding financial year for opting to pay tax under composition scheme for States other than special category States?	₹20 lacs	₹10 lacs	₹50 lacs	₹1.5 crore
11	What is the rate applicable under CGST to a registered person being a manufacturer opting to pay taxes under composition scheme?	2.50%	1%	0.50%	No composition for manufacturer
12	Mr. Ram, a trader in Delhi has opted for composition scheme of taxation under GST. Determine the rate of total GST payable by him under composition scheme:	0.5% CGST & 0.5% SGST	2.5% CGST & 2.5% UTGST	5% IGST	5% of UTGST
13	Can a registered person under composition scheme claim input tax credit?	Yes	No	Input tax credit on inward supply of goods only can be claimed	Input tax credit on inward supply of services only can be claimed



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14	What will happen if the turnover of a registered person opting to pay taxes under composition scheme during the year 2024-25 crosses threshold limit?	He can continue under composition scheme till the end of the financial year	He will be liable to pay tax at normal rates of GST on the entire turnover for the financial year 2024- 25	He will cease to remain under the composition scheme with immediate effect	He will cease to remain under the composition scheme from the quarter following the quarter in which the aggregate turnover exceeds threshold limit
15	Aggregate turnover does not include—	Inward supplies on which tax is payable on reverse charge basis	Exempt supplies	Export of goods or services or both	Inter-State supplies of persons having the same PAN number
16	X Ltd. has provided following information for the month of January 2024: (i) Intra-State outward supply ₹ 8,00,000/- (ii) Inter-State exempt outward supply ₹5,00,000/- (iii) Turnover of exported goods ₹ 10,00,000/- (iv) Payment made to GTA ₹ 80,000/- (ITC not availed by GTA) Calculate the aggregate turnover of X Ltd.	₹8,00,000/-	₹23,80,000/-	₹23,00,000/-	₹18,00,000/-
17	The person was operating in regular scheme. Now in financial year 2022-23, he wants to opt for the composition scheme. Which form he must file to provide details of the input tax credit in respect of the stock of goods held with him on the day preceding the date of opting in composition scheme?	Form GST ITC-01	Form GST ITC-02	Form GST ITC-03	Form GST ITC-04
18	The person was operating under normal scheme, but now he wants to convert in composition scheme so which form he must file?	Form GST CMP-01	Form GST CMP-02	Form GST CMP-03	Form GST CMP-04
19	In which form can the person file for withdrawal of composition scheme?	Form GST CMP-01	Form GST CMP-02	Form GST CMP-03	Form GST CMP-04
20	What document shall a person under composition scheme issue to its customer?	Bill of supply	Tax invoice	Invoice	Debit note
21	Which return must be filed by the composition dealer?	GSTR-3B	GSTR-5	GSTR-4	GSTR-6
22	Calculate the tax to be paid by Mr. C, a composition dealer who supplied laptops being a trader from the following data: (i) Cost of purchases ₹3,00,000 plus GST 12%. (ii) Profit Margin 40% on cost of purchases.	4,704	7,404	4,074	None of the above
23	If the show cause notice in Form GST CMP-05 has been issued on 15th March 2019, then by when can the taxpayer (composition dealer) submit his reply?	Within 90 days	Within 180 days	Within 15 days	Within 60 days



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24	Service provider other than section 10 of CGST Act, 2017 can opt to pay GST under composition scheme only when	whose aggregate turnover in the preceding financial year was Rs.50 lakh or below	whose aggregate turnover in the preceding financial year was Rs.150 lakh or below	whose aggregate turnover in the preceding financial year was Rs.75 lakh or below	whose aggregate turnover in the preceding financial year was below Rs.50 lakh
25	Under _____ section of CGST Act and _____ section of IGST Act, Government can issue a general exemption notification	Section 11(1) of the CGST Act & Section 6(1) of the IGST Act	Section 6(1) of the IGST Act & Section 11(1) of the CGST Act	Section 11(2) of the CGST Act & Section 6(2) of the IGST Act	Section 11(3) of the CGST Act & Section 6(3) of the IGST Act
26	Under _____ section of CGST Act and _____ section of IGST Act, Government exemption by way of special order	Section 11(2) of the CGST Act & Section 6(2) of the IGST Act	Section 6(2) of the IGST Act & Section 11(2) of the CGST Act	Section 11(1) of the CGST Act & Section 6(2) of the IGST Act	Section 11(3) of the CGST Act & Section 6(3) of the IGST Act
27	Services by a hotel, inn, guest house, club or campsite are not exempted for residential/lodging purposes—	If the actual tariff for a unit of accommodation is below Rs.10,000	irrespective of tariff value for a unit of accommodation	If the actual tariff for a unit of accommodation is exactly Rs.1,000	If the actual tariff for a unit of accommodation is above Rs.1,000
28	One of the following is exempted from GST—	Any business exhibition	A business exhibition in India	A business exhibition outside India	None of the above
29	Exemption can be claimed at _____ stage even if not claimed at _____ stage.	Adjudication, Investigation	Investigation, Adjudication	None of the above	Any, prior
30	Levy of GST on Priority Sector Lending Certificate (PSLC) under	Exempted supply of goods	Reverse Charge Mechanism (RCM)	Forward Charge	Partial Reverse Charge Mechanism
31	Mr. A, who has opted for composition levy, supplies goods worth Rs.24,300 to Mr. B and issues an invoice dated 25.09.20XX for Rs.24,300. and Mr. B pays Rs.25,000 on 1.10.20XX against such supply of goods. The excess Rs. 700 (being less than Rs.1,000) is adjusted in the next invoice for supply of goods issued on 5.01.20XX. Identify the time of supply and value of supply:	For Rs.25,000 – 1.10.20XX	For Rs.24,300 – 25.09.20XX and for Rs.700 – 1.10.20XX	For Rs.24,300 – 25.09.20XX and for Rs.700 – 5.10.20XX.	(b) or (c) at the option of supplier, who has opted for composition levy
32	ABC Ltd has purchased for its customer 50 vouchers date 20th Aug 20XX worth ₹ 500 each from Ram Pvt. Ltd. a footwear manufacturing company. The vouchers were issued by Ram Pvt. Ltd on 20th Sep 20XX. The vouchers can be encashed at retail outlets of Ram Pvt. Ltd. The employees of ABC Ltd. encashed the same on 1st Oct 20XX. Determine the time of supply of vouchers.	20th Aug 20XX	20th Sep 20XX	1st Oct 20XX	None of the above
33	Determine the amount of GST in case of supply of service of ₹10,00,000 on 4th Sep 20XX and invoice has also been issued on the same date. The date of payment is 30th Aug 20XX. The CGST rate has been increased from 5% to 12% w.e.f. 1st Sep 20XX	₹ 50,000	₹ 1,00,000	₹ 70,000	₹ 1,20,000



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34	There was decrease in tax rate from 28% to 18% w.e.f. 1.09.2024. Which of the following rate is applicable if the supplier has not opted for composition levy and supplies goods to Customer? Further, Goods were removed from its factory on 31.08.2024; delivered at buyer place on 2.02.2024; invoice is issued on 31.08.2024 and payment is received on 4.09.2024.	18% as it is lower of the two	28% as date of invoice and dispatch of goods from factory, has happened before change of rate	18% as both, payment and completion of supply, has happened after change of rate	none of the above
35	Money transferred service provided to foreign entity by Indian supplier of service is intermediary service and subject to	CGST & SGST	CGST & UTGST	IGST	UTGST
36	If RR shipping Co. located in Chennai charges ocean freight charges for transport of goods to USA for a customer located in Hyderabad, the place of supply of service will be	Chennai	USA	Hyderabad	None of the above
37	Agency fees paid to foreign banks for arranging finance is—	Export of service	Import of service	Tax free service	None of the above
38	Mr. Ram a second-hand car dealer purchased a second hand car for ₹2,50,000. He sold he same car to Mr. Lakshman for ₹3,00,000. Determine value of supply?	₹ 3,00,000	₹ 2,50,000	₹ 50,000	None of the above
39	Thomas Cook Forex Pvt. Ltd. being a registered person under GST purchased 2000 USD from M/s R Academy at the rate of INR 30 per USD. Actual exchange rate at that time was ₹70 per Dollar. RBI reference rate not available. What shall be the value of such supply	₹ 1,30,000	₹ 1,40,000	₹ 2,00,000	None of the above
40	What will be the value of supply if X & Co., supply Sony television set for ₹85000 along with the exchange of an old TV and if the price of the Sony television set without exchange is ₹1,00,000, the open market value of the Sony television set is:	₹ 85,000	₹ 1,00,000	₹ 15,000	₹ 1,15,000
41	The time limit to pay the value of supply with taxes to the supplier to avail the input tax credit is _____.	3 months	6 months	180 Days	Till the date of filling of annual return.
42	As per Rule 42(2) of the CGST Rules, 2017 where the aggregate of the amount calculated finally in respect of ineligible credit exceeds the aggregate of the amounts determined under rule 42(1)(i) and (j), such excess shall be added to the output tax liability of the registered person in the month not later than the month of _____	September following the end of the financial year to which such credit relates	March following the end of the financial year to which such credit relates	June following the end of the financial year to which such credit relates	None of the above
43	As per Rule 42(2) of the CGST Rules, 2017 where the aggregate of the amount calculated finally in respect of ineligible credit exceeds the aggregate of the amounts determined under rule 42(1)(i) and (j), such excess shall be added to the output tax liability of the registered person in the month not later than the month of September following the end of the financial year to which such credit relates and the said person shall be liable to pay _____ on the said excess amount at the rate specified in sub-section (1) of Section 50 for the period starting from the 1st day of April of the succeeding financial year till the date of payment	interest 24% p.a.	interest 18% p.a.	interest 28% p.a.	interest 12% p.a.
44	Banking company or Financial Institution have an option of claiming:	Eligible Credit or 50% credit	Only 50% Credit	Only Eligible credit	Eligible credit and 50% credit



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45	An assessee obtains new registration, voluntary registration, change of scheme from composition to regular scheme and from exempted goods/services to taxable goods/services. It can avail credit on inputs lying in stock. What is the time limit for taking said credit?	3 years from the date of invoice	1 years from the date of invoice	5 years from the date of invoice	None of the above
46	Maximum time limit for availing ITC is	The date of filing of annual return	30th November of the following financial year	Earliest of above two	Later of above two.
47	In case of supply of plant & machinery on which ITC is taken, tax to be paid on is	Amount equal to ITC availed less 5% for every quarter or part thereof	Tax on transaction value	Higher of above two	Lower of above two
48	Mr. C, a practicing Cost Accountant purchased 3 laptops each having tax element of ₹1,25,000 in his firm name. Two laptops he utilized in his office whereas one laptop he gifted to his sister. What is the amount of ineligible ITC?	₹ 1,25,000	₹ 2,50,000	₹ 2,75,000	None of the above
49	ABC Pvt Ltd. purchased a machinery on 15th July 2023 for ₹10 lacs on which IGST was paid @ 18%. He availed the ITC & utilized the capital goods. On 16th October 2024 he sold the machinery as second hand goods for ₹7,50,000. Calculate the amount of ITC that needs to be paid.	₹ 1,26,000	₹ 1,35,000	Lower of (a) or (b)	Higher of (a) or (b)
50	Mr. Ajay purchased goods from Mr. Chethan, a composition dealer worth ₹100,000. Since Mr. Chethan was trader so he was supposed to pay only 1% of his turnover as his tax. The item so purchased was otherwise taxable at 12%. What is the amount of credit which Mr. Ajay is eligible to take?	₹ 990	₹ 12,000	₹ 1,000	Not eligible to claim credit
51	What is the rate of TDS?	1%	4%	5%	18%
52	What is the due date for payment of TDS?	Last day of the month to which payment relates	Within 10 days of the subsequent month	Within 20 days of the subsequent month	Within 15 days of the subsequent month
53	What is the due date for issue of TDS Certificate?	The date of payment of TDS	Within 10 days from the date of payment of TDS	Within 20 days from the date of payment of TDS	Within 05 days from the date of payment of TDS
54	Every registered person required to deduct tax at source under section 51 shall furnish return, in _____, for the month in which such deductions have been made within 10 days after the end of such month.	Form GSTR-5	Form GSTR-6	Form GSTR-7	Form GSTR-8
55	When should the e-commerce operator remit the amount of TCS to government and file the necessary returns with the government?	Within 10 days after the end of the month in which such amount was collected	Within 10 days after the end of the month in which such amount was collected, but no time limit for filing the return	Within 10 days after the end of the month in which such amount was collected, but no time limit for paying the money	No time limit for both



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56	When an e-commerce operator is required to register under GST?	When he is required to collect tax at source u/s 52	When his aggregate turnover exceeds the threshold limit	It is mandatory to register irrespective of the threshold limit.	When he is required to collect tax at source u/s 52 and his aggregate turnover exceeds the threshold limit.
57	The validity period of E-Way Bill is said to initiate when:	Part A is completely filled	Part B is completely Filled	Both Parts are filled completely	None of the above
58	E-Way bill generation facility of a person paying tax under regular scheme will be blocked if he has not furnished the returns for a consecutive period of?	2 months	2 tax periods	3 tax periods	6 tax periods
59	What shall be the validity of E-Way bill in case of vehicles other than over dimensional cargo?	One day per 200 kms.	One day per 20 kms.	Both (a) & (b)	None of the above
60	Zero rated supply includes:	Export of goods and services.	Supply of goods and services to a SEZ developer or SEZ Unit	Supply of goods and services by a SEZ developer or SEZ Unit	Both (a) and (b)
61	Refund application is to be filed before the expiry of _____ from the relevant date.	Two years	One year	180 days	260 days
62	Refund shall not be paid to the applicant if the amount of refund is less than—	₹ 1,000	₹ 5,000	₹ 7,000	₹ 10,000
63	Refunds would be allowed on a provisional basis in case of refund claims on account of zero-rated supplies of goods and/or services made by registered persons. At what percentage, would such provisional refunds be granted?	70%	65%	80%	90%
64	Late fee for annual return for a tax payer having an aggregate turnover up to ₹5 crore in the relevant financial year is:	₹50 for everyday subject to a maximum of 0.04% of turnover in the State or Union Territory	₹100 for everyday subject to a maximum of 0.25% of turnover in the State or Union Territory	₹50 for everyday subject to a maximum of 0.50% of turnover in the State or Union Territory	₹100 for everyday subject to a maximum of 0.50% of turnover in the State or Union Territory.
65	Every registered person whose aggregate turnover during a financial year exceeds 2 crore rupees shall get his accounts audited and furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in—	Form GSTR-9	Form GSTR-9C	Form GSTR-11	Form GSTR-11A
66	The Appellant Authority for Advance Ruling shall comprise of :	Chief Commissioner of Central tax as designated by the Board and Commissioner of State tax/ Union Territory tax, having jurisdiction over the applicant.	Principal Chief Commissioner of Central tax and Commissioner of State tax/union Territory tax, having jurisdiction over the applicant.	Two sitting High Court Judges.	None of the above.
67	Appeal before AAAR can be filed within how many days?	30 days	60 days	90 days	120 days



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68	As per section 69(2) of CGST Act, 2017, where a person is arrested under sub-section (1) for an offence specified under sub-section (5) of section 132, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within _____ hours:	four	twenty-four	twenty-five	twenty-six
69	What action should be taken by an assessee to satisfy with anti-profiteering provision?	Reduce rate of tax on any supply of goods or services, if such assessee has got the benefit of such reduced rate	Pass on the benefit of input tax credit, if such assessee has got such input tax credit	Both (a) and (b)	none of the above
70	1,00,000 MT goods are imported for ₹10 lakh but goods actually received are 95,000 MT. In this case, value of goods liable to duty is—	10,00,000	9,50,000	50,000	10,50,000
71	Assessable value of goods is ₹5,00,000 (US \$10,000 at ₹50 per US \$) as per bill of entry for warehousing and BCD is 15%. The goods were cleared from warehouse on date when BCD is 10% and rate is? ₹60 per \$. IGST & GST Cess is NIL and Social Welfare Surcharge is 10%. Total duty =	₹ 55,000	₹ 66,000	₹ 82,500	₹ 99,000
72	Calculate Free on Board value from following: Ex-factory price of exporter- ₹10,000; Expenses upto loading of goods by foreign exporter- ₹12,000. Post importation cost- ₹8000:	₹ 30,000	₹ 22,000	₹ 18,000	₹ 22,250
73	Calculate Cost of transport/handling under Rule 10(2)(a) if FoB and insurance cost [total] is \$5000:	\$2,500	\$6,000	\$1,000	None of the above
74	From following data, find out the assessable value of imported goods: Cost of the machine at the factory of the exporting country- \$ 5,000; Transport charges incurred by the exporter from his factory to the port for shipment- \$ 250; Handling charges paid for loading the machine in the ship- \$25; Buying commission paid by the importer- \$25; Freight charges from exporting country to India (including handling charges \$ 100)- \$500. Exchange rate to be considered: 1 \$ = ₹45.	₹ 2,62,545.47	₹ 2,37,375.00	₹ 2,59,875.00	None of the above
75	Compute value: Machinery imported from USA by air (FOB price)- \$8,000; Accessories compulsorily supplied along with the machinery \$ 2,000; Air freight \$2400; Insurance charges not available; Local agent's commission to be paid in Indian Currency- ₹18,600; Exchange rate US \$ 1 = ₹48:	₹ 4,98,600	₹ 6,03,929.25	₹ 5,98,320	None of the above.
76	Determine price to be taken for computing deductive value in rule 7: Sale quantity- 80 units @ ₹90, 50 units @ ₹95, 25 units @ ₹105, 40 units @ ₹100:	₹ 105	₹ 100	₹ 95	₹ 90



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77	Computed value DOES NOT consist of:	cost of materials and fabrication or other processing employed in producing the imported goods.	reasonable profit of foreign exporter	the cost or value of all other expenses under rule 10(2)	reasonable profit of Indian importer.
78	The proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on certain reasons which may include:	the sale involves an abnormal discount or abnormal reduction from ordinary competitive price.	the sale involves special discounts limited to exclusive agents.	Both (a) & (b)	None of the above.
79	Does the Adjudicating Authority include Value of Personal Computer is ₹1,10,000 and Personal Effects is ₹60,000 and duty-free allowance is ₹1,00,000. What is the value of the baggage liable to duty?	₹ 50,000	₹ 60,000	₹ 70,000	₹ 10,000
80	After visiting UK for 10 days, Mr. K brought to India a laptop computer valued at ₹76,000, personal effects valued at ₹1,20,000 and a personal computer for ₹72,000. What is the customs Duty payable?	₹ 22,000	₹ 8,470	₹ 10,000	₹ 15,000
81	The current limit of ₹1 lakh per annum for duty free import of samples in terms of NT 154/94-Customs, dated 13.7.1994 is enhanced to:	₹30 lakh per annum (w.e.f. 27.2.2010)	₹3 lakh per annum (w.e.f. 27.2.2010)	₹13 lakh per annum (w.e.f. 27.2.2010)	₹3 lakh per month (w.e.f. 27.2.2010).
82	A Gentleman passenger returning to India having resided abroad for more than a year shall be allowed clearance free of duty jewellery in his bona fide baggage to the extent of the following:	₹ 50,000	₹ 1,00,000	₹ 1,50,000	None of the above.
83	A Lady passenger returning to India having resided abroad for more than a year shall be allowed clearance free of duty jewellery in his bona fide baggage to the extent of the following:	₹ 50,000	₹ 1,00,000	₹ 1,50,000	None of the above.
84	A person, who is engaged in a profession abroad, or is transferring his residence to India after stayed abroad more than 2 years can bring, used household items without payment of duty up to:	₹ 50,00,000	₹ 25,00,000	₹ 5,00,000	₹ 50,000
85	Section 58 the Principal Commissioner of Customs or Commissioner of Customs may, subject to such conditions as may be prescribed, license a _____ wherein dutiable goods imported by or on behalf of the licensee may be deposited.	private warehouse	public warehouse	special warehouse	warehouse
86	_____ grants the permission for manufacturing or other operations in the bonded facility.	Assistant Commissioner of Customs	Deputy Commissioner of Customs	Additional Commissioner of Customs	Commissioner of Customs
87	At present manufacture, and other operations in which bonded warehouse is not allowed?	Public Bonded Warehouse	Special Bonded warehouses	Only Private Bonded warehouse	Both (a) and (b)
88	Maximum duty drawback rate @ ____ on FOB value of exports.	45%	15%	25%	33%
89	Once a _____ is cleared for home consumption, the bond submitted by the importer gets debited automatically in the customs automated system and the details shall be made available electronically to the Jurisdictional Custom Officer	Bill of Entry	Shipping Bill	Entry inwards	Entry outwards



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90	Full form of IIN	Import of goods at concessional rate of duty Identification Number	Import of Goods at Concessional Rate Identification Number	Import of Goods Identification Number	Import at Concessional Rate Identification Number
91	The importer who intends to avail the benefit of an exemption notification shall mention the _____ as indicated in sub-rule (2) of rule 4 of Customs (Import of goods at Concessional rate of duty) Rules, and continuity bond number and details while filing the _____.	IIN	NII, Bill of Entry	Bill of Entry	Both (a) & (c)
92	The importer shall submit a monthly statement on the common portal in the Form IGCR-3 (Import of Goods at Concessional Rate of Duty) appended to these rules by the _____ day of the following month.	Tenth	Twentieth	Fiftieth	Eleventh
93	Value of goods to be exported as gift can't exceed _____ in a licensing year	₹ 7,00,000.00	₹ 10,00,000.00	₹ 50,00,000.00	₹ 5,00,000.00
94	Minimum value addition required to be achieved under DFIA is _____.	10%	15%	20%	5%
95	Only projects having a minimum investment of _____ in plant & machinery shall be considered for establishment as EOU's.	₹1 crore	₹10 crores or above	Below ₹5 crores	₹100 crores or above
96	Status holders shall be entitled to export freely exportable items (excluding Gems and Jewelry, Articles of Gold and precious metals) on free of cost basis for export promotion subject to an annual limit of	Rupees One Crore or @2% of average annual export realization during preceding three licensing years, whichever is lower.	8% of average annual export realization during preceding 3 licencing years	2% of average annual export realization during preceding 3 licencing years	8% of average annual export realization during preceding 2 licencing years
97	The companies or industries flexibility to allow a maximum _____ of their employees to work from home and along with prior permission to temporarily remove goods such as laptops, computers, electronic equipment, etc., from the SEZ unit to a domestic tariff area without payment of duty.	50%	100%	25%	15%
98	In case the developer submit the proposal to the State Government for The SEZ approval, then state government forwards this proposal to the Board of Approval (BoA) along with its recommendation within.	five days	forty days	fifty-five days	forty-five days
99	When an SEZ supplies goods/services to a Domestic Tariff Area (DTA), it is exempt from paying taxes, although the receiver in the DTA has to pay:	IGST under reverse charge mechanism (RCM).	CGST and SGST under reverse charge mechanism (RCM).	CGST and UTGST under reverse charge mechanism (RCM).	IGST under forward charge
100	Under GST, which of the following without consideration transactions is treated as a deemed supply under Schedule I of the CGST Act?	Gift of goods by a registered person to a relative, value not exceeding ₹50,000 in a year	Transfer of business assets on cessation where input tax credit was not availed	Stock transfers between two branches in different States, where both branches are separately registered	Sale of goods at less than cost to promote brand (i.e. at discounted price)



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101	In which of these cases is a supply outside the scope of GST (i.e. not even deemed or taxable)?	Services by an employee to his employer in course of employment	Services of funeral, burial, crematorium	Actionable claims, other than lottery, betting, and gambling	All of the above
102	A GST-registered restaurant supplies complimentary desserts (free of charge) to its customers after a qualifying spending. The cost of desserts is small compared to overall bill. Which statement is correct?	This is a supply (because part of business activity) and taxable	This is not a supply because there is no consideration	This is a supply only if the value exceeds ₹5,000	This is a deemed supply only if the restaurant had claimed ITC on ingredients
103	Which of the following is not included in the definition of "supply" under Section 7 of the CGST Act?	Sale, transfer, barter, exchange	Import of services (whether or not in course or furtherance of business)	Permanent transfer of business assets without consideration (if ITC was availed)	Services by any court or Tribunal.
104	X issues an invoice on 10th April for goods supplied on 5th April. He receives payment on 20th April. What is the time of supply?	10th April	15th April	5th April	20th April
105	Which of the following statements about "addition in value by way of interest or late fee for delayed payment" is correct in respect of time of supply?	Time of supply for the additional amount is the date of invoice	Time of supply for additional amount is the date of provision of service	Time of supply for additional amount is the date on which supplier receives such addition	Time of supply for additional amount is 30 days after original invoice
106	Where it is not possible to determine the time of supply under the usual provisions (for services), the fallback rule provides that time of supply shall be:	Date on which supplier issues invoice	Date of entry in the books of account of recipient	Date of provision of service	Date of receipt of payment
107	Suppose rate of tax changes on 1st July. If supply is completed before change in rate, but invoice is issued after change in rate and payment also received after change, what is the time of supply?	Date of payment or invoice (whichever earlier)	Date of issue of invoice	Date of supply (i.e. completion date)	Change rate date
108	Which of the following is correct for supply of vouchers (in case where supply is identifiable at voucher issuance)?	Time of supply is date of redemption of voucher	Time of supply is date of issuance of voucher	Time of supply is date of payment by customer	Time of supply is latest of issuance or redemption
109	An unregistered individual based in Hyderabad contacts a travel agent in Delhi to book an international flight from Mumbai to Dubai. What is the place of supply for GST purposes?	Delhi	Hyderabad	Mumbai	Dubai
110	Place of supply of services in relation to immovable property (e.g. hotel accommodation) is:	Location of property	Location of recipient	Location of supplier	Place of payment
111	ABC Ltd. in Mumbai organises an event in Chennai for a registered client from Hyderabad. What is the place of supply?	Mumbai	Chennai	Hyderabad	Where payment is received
112	A dealer gives a post-supply discount of 10% on condition that buyer meets a sales target. The condition was agreed before supply. Is this discount deductible from transaction value?	No	Yes, always	Yes, if linked to invoice and reversed proportionally	Only if agreed post-supply
113	X Ltd. supplies goods worth ₹2,00,000 to a sister company and does not charge any price. Open market value of goods is ₹2,20,000. And the company is eligible for full ITC. What is the taxable value?	Nil	₹ 2,00,000	₹ 2,20,000	₹ 1,80,000



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

## INDIRECT TAX LAWS AND PRACTICE (PAPER - 19)

### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
114	Which of the following is not a condition to allow a post-supply discount as deduction under Section 15?	It must be established in terms of an agreement before or at the time of supply	It must be linked to a specific invoice	It must be credited to recipient's ledger or paid back	It must be disclosed in GSTR-1 only
115	Where value cannot be determined under any prescribed rule, which method is used?	Cost-based valuation	Declared value	Best judgment under Rule 31	Comparable value
116	Which of the following cross-utilisations of ITC (credit) is allowed (assuming credit balances exist)?	SGST credit can be used to pay CGST liability	CGST credit can be used to pay SGST liability	CGST credit can be used to pay IGST liability	UTGST credit can be used to pay SGST liability
117	A company receives a capital good on 1 July 2025, but the usage for business begins only on 1 October 2025. The invoice is dated September 2025. When can the company claim the ITC for that capital good?	In September 2025 return	In October 2025 return	Spread over 5 years from October 2025	Not before annual return period
118	X Ltd switches its product line, and some goods become exempt supply (i.e. not liable to GST). How should X Ltd deal with ITC on inputs/inventory used partly for exempt and partly for taxable supplies?	It can claim full ITC; no adjustment needed	It must reverse the entire ITC claimed earlier	It must apportion and reverse the portion attributable to exempt supplies	It can carry forward to next year and adjust later
119	In relation to non-payment to supplier within 180 days, which of the following is correct?	The entire ITC taken must be reversed	ITC has to be reversed to the extent of non-payment (value + tax)	No reversal is required if the due amount is less than ₹10,000	ITC reversal is required only for capital goods, not for inputs
120	Which of the following statements is correct regarding input tax credit (ITC) for zero-rated supplies?	ITC is allowed only if the final supply is taxable	For zero-rated supplies, ITC of inputs and input services used is allowed, even if the zero-rated supply is an exempted supply	Zero-rated supplies are exempt supplies, so no ITC is allowed	ITC is disallowed for capital goods used in zero-rated supplies
121	A supplier makes a supply to SEZ unit. The place of supply is determined as SEZ (inside India). The supplier furnishes LUT and ships the goods. The tax treatment is:	The supply is a domestic supply taxed under CGST/SGST	The supply is inter-state IGST leviable	The supply is zero-rated (no tax)	The supply is exempt supply
122	Under GST, a government department is required to deduct TDS when the value of supply under a contract exceeds:	₹2.5 lakh exclusive of tax	₹2.5 lakh inclusive of tax	₹5 lakh exclusive of tax	₹10 lakh inclusive of tax
123	If TDS is deducted under GST, the deductor must deposit the amount with the government within:	7 days from the end of the month	10 days from the date of deduction	15 days from the end of the quarter	10 days from the end of the month
124	TCS under GST is applicable only when:	Goods are sold on consignment basis	Services are provided to foreign customers	Supplies are made through an e-commerce operator	Sales exceed ₹50 lakh per annum
125	Which of the following does not attract TDS under GST?	Intra-state supply by a supplier to a PSU	Inter-state supply to a government department	Exempt supply of goods worth ₹10 lakh	Works contract supply of ₹4 lakh to a municipality



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### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
126	In which of the following cases is Part B of the E-way bill not mandatory to be filled?	When distance is less than 50 km and within same State	In all inter-state movement	When goods are sent for job work	When transported by railways
127	E-way bill generated once can be cancelled within how much time, if goods are not transported?	Within 12 hours	Within 24 hours	Within 48 hours	Within 72 hours
128	What is the validity of an E-way bill for a distance of 750 km (other than over-dimensional cargo)?	1 day	4 days	5 days	7 days
129	If goods are transferred from one vehicle to another in transit, what must the transporter do under E-way bill rules?	Cancel the old E-way bill and generate a new one	Update Part A of the E-way bill	Update Part B of the existing E-way bill	No change is needed
130	Under GST, refund of unutilized ITC under inverted duty structure is allowed when:	Input tax rate is less than output tax rate	Output supplies are zero-rated	Input tax rate is higher than output tax rate	Inputs are exempt but outputs are taxable
131	Refund under inverted duty structure is not available for:	Input services	Input goods	Capital goods	Both A and C
132	As per latest rules, refund of ITC under inverted duty structure shall not be allowed if:	The person has claimed refund on account of exports without payment of tax	Inputs and outputs are both taxable at same rate	Output supply is exempt	All of the above
133	A taxpayer has opted for the QRMP scheme. What is the due date for filing GSTR-3B for the quarter ending June?	20th July	22nd or 24th July depending on the state	30th June	13th July
134	Which of the following returns is auto-generated and helps in reconciliation of ITC for the recipient?	GSTR-3B	GSTR-2A	GSTR-9	GSTR-7
135	The due date for filing GSTR-9 for a financial year is:	31st March of next financial year	31st December of next financial year	30th September of next financial year	31st January of next financial year
136	GSTR-7 is a return to be filed by:	A composition dealer	A non-resident taxable person	A person liable to deduct TDS under GST	An Input Service Distributor
137	If a registered person fails to maintain proper books of accounts, what can the proper officer do?	Suspend registration immediately	Demand audit from an external agency	Determine tax liability based on best judgment	Issue a notice for cancellation of GSTIN
138	As per GST law, every registered person (except composition taxpayers) must maintain books of account at:	Their residence	Head office only	Each place of business mentioned in the registration certificate	Only where manufacturing activity takes place
139	Which of the following records is not mandatorily required to be maintained under GST?	Records of input and output supplies	Details of stock of goods	Audit trail of accounting software	Income Tax returns
140	The minimum period for which accounts and records must be retained under GST is:	5 years from the date of filing annual return	8 years from the due date of filing the annual return.	6 years from the due date of filing the annual return.	8 years from the date of invoice
141	Filing of GSTR-9C (Reconciliation Statement) is mandatory for taxpayers having aggregate turnover:	Exceeding ₹2 crore	Exceeding ₹5 crore	Less than ₹2 crore	Equal to ₹10 crore
142	GSTR-9C must be certified by:	The taxpayer only	An independent cost accountant or chartered accountant	GST officer	Auditor appointed under Companies Act



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### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
143	If any short payment or excess ITC claim is discovered in GSTR-9C, what must the taxpayer do?	Ignore if amount < ₹10,000	Disclose but no action needed	Pay tax along with interest via DRC-03	File revised GSTR-9
144	An advance ruling issued by the Authority is binding on:	The applicant only	The applicant and the officer dealing with the applicant	The applicant, officer, and any other person	All registered taxpayers in the State
145	The maximum time within which the Authority for Advance Ruling must pronounce its ruling is:	60 days from the date of application	90 days from the date of application	120 days from the date of application	30 days from the date of application
146	As per GST law, what is the term of the President of the National Appellate Authority for Advance Ruling (NAAAR)?	Three years or until the age of 70, whichever is earlier	Three years or until the age of 65, whichever is earlier	Five years or until the age of 65, whichever is earlier	Five years or until the age of 70, whichever is earlier
147	During search and seizure, the GST officer must issue which document?	Show Cause Notice	Arrest Memo	Panchnama	Invoice
148	As per Section 67 of CGST Act, an officer can inspect a place of business when:	Taxpayer fails to file GSTR-9C	Commissioner has reasons to believe suppression of transactions	Supplier delays invoice issue	Annual return is filed with delay
149	As per Section 67(7) of the CGST Act, if goods are seized and no show cause notice is issued within what period must the seized goods be returned to the person from whom they were seized?	60 days from date of seizure	30 days from date of seizure	6 months from date of seizure	3 months from seizure
150	If a person is arrested under GST for a cognizable offence, he must be produced before a magistrate within:	48 hours	24 hours	72 hours	12 hours
151	Under GST, who is authorized to approve inspection or search?	Any GST officer	Commissioner or an officer authorized by Commissioner, not below the rank of Joint Commissioner	Commissioner or an officer authorized by Commissioner, not below the rank of deputy Commissioner	State GST Commissioner only
152	The primary objective of the Anti-Profiteering provision under GST is to:	Increase GST revenue for the government	Ensure the reduction in prices to the consumer due to input tax credit benefits	Control inflation through price ceilings	Regulate exports and imports under GST
153	The Anti-Profiteering Authority can order:	Reduction in prices	Imposition of GST penalties	Cancellation of GST registration	All of the above
154	The complaint regarding anti-profiteering can be filed by:	Only registered taxpayers	Any consumer or registered person or trade association	Only the government officials	Only manufacturers and suppliers
155	Under Customs Valuation Rules, the transaction value is accepted only when:	Goods are imported through sea route	The buyer and seller are related and price is influenced	The buyer and seller are not related and price is the sole consideration	The invoice is in INR
156	Two persons are deemed to be related under Rule 2(2) if:	They are employer and employee	They are officers in the same department	They are competitors in the same industry	They have transacted in the last 12 months
157	Which of the following is not included in assessable value under Rule 10?	Buying commission	Design charges incurred abroad	Royalty linked to imported goods	Cost of transport to the place of importation



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## INDIRECT TAX LAWS AND PRACTICE (PAPER - 19)

### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
158	Under residual method (Rule 8), the officer shall:	Choose any value arbitrarily	Use data from unrelated transactions only	Use flexible interpretation of Rules 3 to 7	Rely only on manufacturer's price list
159	Which of the following items is not permitted to be imported as baggage under GFA?	Laptop	Alcohol exceeding 2 liters	Personal jewellery	Used clothes
160	Which type of courier consignments are not allowed under express courier clearance system?	Medicines with valid prescription	Animals and plants	Documents up to ₹50,000 value	Personal gifts worth ₹10,000
161	Which of the following is not covered under the Baggage Rules, 2016?	Unaccompanied baggage	Crew member's personal effects	Passenger's hand baggage	Commercial shipments via air cargo
162	For availing manufacture in bond, the importer must obtain permission from:	GST Council	DGFT	Jurisdictional Commissioner of Customs	RBI
163	Under Manufacture in Bond, if goods are not exported or cleared for home consumption within the prescribed time, the importer:	Can retain goods indefinitely	Is required to pay interest and duty	Must abandon the goods	Must pay IGST only
164	Goods imported for manufacturing in a bonded warehouse can be:	Supplied directly to DTA units without duty	Exported without payment of duty	Transferred to another bonded warehouse without permission	Cleared without Bill of Entry
165	The customs duty becomes payable in Manufacture in Bond when:	Goods are received in warehouse	Bond is executed	Goods are cleared for home consumption	Goods are exported
166	Under Section 74, duty drawback is allowed when:	Imported goods are used for more than 3 years	Imported goods are exported as such or after use	Goods are exported under bond	No customs duty was paid at the time of import
167	The maximum drawback allowed under Section 74 if goods are exported without use is:	98% of duty paid	90% of FOB value	50% of CIF value	Full refund of duty
168	All Industry Rate (AIR) of drawback is notified by:	CBIC under Customs Act	Ministry of Finance under FTP	DGFT under Foreign Trade Policy	CBIC under Customs, Central Excise Duties and Service Tax Drawback Rules, 2017
169	Which of the following is not a valid ground for seeking remission under Customs Act?	Destruction of goods in warehouse by fire	Pilferage before clearance from customs	Deterioration due to atmospheric conditions in bonded warehouse	Loss during unloading due to accident
170	Remission of duty under Section 23 must be claimed:	Within 30 days of import	Before the goods are cleared for home consumption	After payment of duty	After physical destruction of goods
171	If remission is rejected, the importer can:	Appeal to the Supreme Court directly	Abandon the goods without further liability	File appeal to the Commissioner (Appeals)	Export the goods without paying duty
172	Which of the following documents is essential for claiming remission of customs duty?	Shipping Bill copy	Chartered Engineer's Certificate confirming destruction	IEC Certificate	Letter from the foreign exporter
173	Time limit for filing refund claim under Section 27 of the Customs Act, 1962 is:	6 months from the date of duty payment	1 year from the relevant date	3 year from the date of import	3 months from date of bill of entry



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### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
174	Under unjust enrichment principle, refund will be:	Automatically credited to importer's account	Paid in cash to the buyer	Credited to Consumer Welfare Fund if incidence passed on	Adjusted against GST ITC
175	Refund of customs duty can be claimed by:	Only the customs broker	Any person who has paid the duty and borne the incidence	Only the importer	DGFT on behalf of exporter
176	The Export Promotion Capital Goods (EPCG) scheme allows import of capital goods at:	Zero customs duty with an export obligation	Full customs duty with no export obligation	Half customs duty with a reduced export obligation	Duty-free without any conditions
177	Merchandise Exports from India Scheme (MEIS) benefits are given in the form of:	Cash subsidy	Duty Credit Scrips	Income Tax exemption	Interest-free loans
178	Which of the following is not a condition for availing benefits under EPCG scheme?	Export obligation must be fulfilled	Imported goods must be capital goods only	Goods imported must be used within 1 year from import	License must be utilized within 18 months from issue
179	Export Promotion Capital Goods license can be transferred to another company:	Only with DGFT approval	With Customs Commissioner's approval	Not allowed under any circumstances	Freely without approval
180	The minimum export obligation under EPCG is generally expressed as:	3 times the duty saved amount	Equal to the duty saved amount	6 times the duty saved amount	2 times the duty saved amount



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### ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
1	Goods within the meaning of supply does not includes:	Money and securities
2	Items out of the purview of supply are provided in:	Schedule III
3	M/s R Associates of Chennai received certain consultancy services from A Inc. of USA. Both are not related person. The services received is without any consideration. Does the same classify as supply?	No. Since, party to the contract are not related
4	X Ltd. Transferred certain assets forming part of business assets. The same was transferred free of cost without any consideration as a part of corporate social responsibility (CSR). What shall be the classification of such supply? X Ltd. Not availed Input Tax Credit on such	Does not qualify as supply
5	While repairing the factory shed, few goods were also supplied along with the labour service. Whether it is a:	Works Contract Service
6	What would be the tax rate applicable in case of mixed supply?	Tax rate as applicable on supply attracting the highest rate of tax
7	A person purchases a bundle of toothpaste along with Tooth brush. Toothpaste under this case is liable to GST @ 12% and tooth brush for instance is liable to GST @ 18% and is sold as a single unit for a single price. What shall be the tax rate applicable in case of such	18%
8	As per the CGST Act, 2017, the term "works contract" includes:	Construction, fabrication, completion, erection, installation, etc. of immovable property
9	Which of the following are naturally bundled?	Hotel provides short-term accommodation and restaurant services
10	What is the threshold limit of turnover in the preceding financial year for opting to pay tax under composition scheme for States other than special category States?	₹1.5 crore
11	What is the rate applicable under CGST to a registered person being a manufacturer opting to pay taxes under composition scheme?	0.50%
12	Mr. Ram, a trader in Delhi has opted for composition scheme of taxation under GST. Determine the rate of total GST payable by him under composition scheme:	0.5% CGST & 0.5% SGST
13	Can a registered person under composition scheme claim input tax credit?	No
14	What will happen if the turnover of a registered person opting to pay taxes under composition scheme during the year 2024-25 crosses threshold limit?	He will cease to remain under the composition scheme with immediate effect
15	Aggregate turnover does not include—	Inward supplies on which tax is payable on reverse charge basis
16	X Ltd. has provided following information for the month of January 2024: (i) Intra-State outward supply ` 8,00,000/- (ii) Inter-State exempt outward supply ₹5,00,000/- (iii) Turnover of exported goods ₹ 10,00,000/- (iv) Payment made to GTA ₹ 80,000/- (ITC not availed by GTA) Calculate the aggregate turnover of X Ltd.	₹23,00,000/-
17	The person was operating in regular scheme. Now in financial year 2022-23, he wants to opt for the composition scheme. Which form he must file to provide details of the input tax credit in respect of the stock of goods held with him on the day preceding the date of opting	Form GST ITC-03
18	The person was operating under normal scheme, but now he wants to convert in composition scheme so which form he must file?	Form GST CMP-02
19	In which form can the person file for withdrawal of composition scheme?	Form GST CMP-04
20	What document shall a person under composition scheme issue to its customer?	Bill of supply
21	Which return must be filed by the composition dealer?	GSTR-4
22	Calculate the tax to be paid by Mr. C, a composition dealer who supplied laptops being a trader from the following data: (i) Cost of purchases ₹3,00,000 plus GST 12%. (ii) Profit Margin 40% on cost of purchases.	4,704
23	If the show cause notice in Form GST CMP-05 has been issued on 15th March 2019, then by when can the taxpayer (composition dealer) submit his reply?	Within 15 days
24	Service provider other than section 10 of CGST Act, 2017 can opt to pay GST under composition scheme only when	whose aggregate turnover in the preceding financial year was Rs.50 lakh or below
25	Under _____ section of CGST Act and _____ section of IGST Act, Government can issue a general exemption notification	Section 11(1) of the CGST Act & Section 6(1) of the IGST Act
26	Under _____ section of CGST Act and _____ section of IGST Act, Government exemption by way of special order	Section 11(2) of the CGST Act & Section 6(2) of the IGST Act
27	Services by a hotel, inn, guest house, club or campsite are not exempted for residential/lodging purposes—	irrespective of tariff value for a unit of accommodation
28	One of the following is exempted from GST—	A business exhibition outside India
29	Exemption can be claimed at _____ stage even if not claimed at _____ stage.	Adjudication, Investigation
30	Levy of GST on Priority Sector Lending Certificate (PSLC) under	Reverse Charge Mechanism (RCM)
31	Mr. A, who has opted for composition levy, supplies goods worth Rs.24,300 to Mr. B and issues an invoice dated 25.09.20XX for Rs.24,300. and Mr. B pays Rs.25,000 on 1.10.20XX against such supply of goods. The excess Rs. 700 (being less than Rs.1,000) is adjusted in the next invoice for supply of goods issued on 5.01.20XX. Identify the time of supply and	(b) or (c) at the option of supplier, who has opted for composition levy
32	ABC Ltd has purchased for its customer 50 vouchers date 20th Aug 20XX worth ₹ 500 each from Ram Pvt. Ltd. a footwear manufacturing company. The vouchers were issued by Ram Pvt. Ltd on 20th Sep 20XX. The vouchers can be encashed at retail outlets of Ram Pvt. Ltd. The employees of ABC Ltd, encashed the same on 1st Oct 20XX. Determine the time of	20th Sep 20XX
33	Determine the amount of GST in case of supply of service of ₹10,00,000 on 4th Sep 20XX and invoice has also been issued on the same date. The date of payment is 30th Aug 20XX. The CGST rate has been increased from 5% to 12% w.e.f. 1st Sep 20XX	₹ 1,20,000
34	There was decrease in tax rate from 28% to 18% w.e.f. 1.09.2024. Which of the following rate is applicable if the supplier has not opted for composition levy and supplies goods to Customer? Further, Goods were removed from its factory on 31.08.2024; delivered at buyer place on 2.02.2024; invoice is issued on 31.08.2024 and payment is received on 4.09.2024.	28% as date of invoice and dispatch of goods from factory, has happened before change of rate
35	Money transferred service provided to foreign entity by Indian supplier of service is intermediary service and subject to	IGST
36	If RR shipping Co. located in Chennai charges ocean freight charges for transport of goods to USA for a customer located in Hyderabad, the place of supply of service will be	Hyderabad
37	Agency fees paid to foreign banks for arranging finance is—	Import of service
38	Mr. Ram a second-hand car dealer purchased a second hand car for ₹2,50,000. He sold the same car to Mr. Lakshman for ₹3,00,000. Determine value of supply?	₹ 50,000



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### ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
39	Thomas Cook Forex Pvt. Ltd. being a registered person under GST purchased 2000 USD from M/s R Academy at the rate of INR 30 per USD. Actual exchange rate at that time was ₹70 per Dollar. RBI reference rate not available. What shall be the value of such supply	₹ 1,40,000
40	What will be the value of supply if X & Co., supply Sony television set for ₹85000 along with the exchange of an old TV and if the price of the Sony television set without exchange is ₹1,00,000, the open market value of the Sony television set is:	₹ 1,00,000
41	The time limit to pay the value of supply with taxes to the supplier to avail the input tax credit is _____.	180 Days
42	As per Rule 42(2) of the CGST Rules, 2017 where the aggregate of the amount calculated finally in respect of ineligible credit exceeds the aggregate of the amounts determined under rule 42(1)(i) and (j), such excess shall be added to the output tax liability of the registered person in the month not later than the month of _____.	September following the end of the financial year to which such credit relates
43	As per Rule 42(2) of the CGST Rules, 2017 where the aggregate of the amount calculated finally in respect of ineligible credit exceeds the aggregate of the amounts determined under rule 42(1)(i) and (j), such excess shall be added to the output tax liability of the registered person in the month not later than the month of September following the end of the financial year to which such credit relates and the said person shall be liable to pay _____ on the said excess amount at the rate specified in sub-section (1) of Section 50 for the period starting from the 1st day of April of the succeeding financial year till the date of payment	interest 18% p.a.
44	Banking company or Financial Institution have an option of claiming:	Eligible Credit or 50% credit
45	An assessee obtains new registration, voluntary registration, change of scheme from composition to regular scheme and from exempted goods/services to taxable goods/services. It can avail credit on inputs lying in stock. What is the time limit for taking said credit?	1 years from the date of invoice
46	Maximum time limit for availing ITC is	Earliest of above two
47	In case of supply of plant & machinery on which ITC is taken, tax to be paid on is	Higher of above two
48	Mr. C, a practicing Cost Accountant purchased 3 laptops each having tax element of ₹1,25,000 in his firm name. Two laptops he utilized in his office whereas one laptop he gifted to his sister. What is the amount of ineligible ITC?	₹ 1,25,000
49	ABC Pvt Ltd. purchased a machinery on 15th July 2023 for ₹10 lacs on which IGST was paid @ 18%. He availed the ITC & utilized the capital goods. On 16th October 2024 he sold the machinery as second hand goods for ₹7,50,000. Calculate the amount of ITC that needs	₹ 1,26,000
50	Mr. Ajay purchased goods from Mr. Chethan, a composition dealer worth ₹100,000. Since Mr. Chethan was trader so he was supposed to pay only 1% of his turnover as his tax. The item so purchased was otherwise taxable at 12%. What is the amount of credit which Mr. Ajay is eligible to take?	Not eligible to claim credit
51	What is the rate of TDS?	1%
52	What is the due date for payment of TDS?	Within 10 days of the subsequent month
53	What is the due date for issue of TDS Certificate?	Within 05 days from the date of payment of TDS
54	Every registered person required to deduct tax at source under section 51 shall furnish return, in _____, for the month in which such deductions have been made within 10 days after the end of such month.	Form GSTR-7
55	When should the e-commerce operator remit the amount of TCS to government and file the necessary returns with the government?	Within 10 days after the end of the month in which such amount was collected
56	When an e-commerce operator is required to register under GST?	When he is required to collect tax at source u/s 52 and his aggregate turnover exceeds the threshold
57	The validity period of E-Way Bill is said to initiate when:	Both Parts are filled completely
58	E-Way bill generation facility of a person paying tax under regular scheme will be blocked if he has not furnished the returns for a consecutive period of?	2 tax periods
59	What shall be the validity of E-Way bill in case of vehicles other than over dimensional	One day per 200 kms.
60	Zero rated supply includes:	Both (a) and (b)
61	Refund application is to be filed before the expiry of _____ from the relevant date.	Two years
62	Refund shall not be paid to the applicant if the amount of refund is less than—	₹ 1,000
63	Refunds would be allowed on a provisional basis in case of refund claims on account of zero-rated supplies of goods and/or services made by registered persons. At what percentage, would such provisional refunds be granted?	90%
64	Late fee for annual return for a tax payer having an aggregate turnover up to ₹5 crore in the relevant financial year is:	₹50 for everyday subject to a maximum of 0.04% of turnover in the State or Union Territory
65	Every registered person whose aggregate turnover during a financial year exceeds 2 crore rupees shall get his accounts audited and furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in—	Form GSTR-9C
66	The Appellant Authority for Advance Ruling shall comprise of :	Chief Commissioner of Central tax as designated by the Board and Commissioner of State tax/ Union Territory tax, having jurisdiction over the applicant.
67	Appeal before AAAR can be filed within how many days?	30 days
68	As per section 69(2) of CGST Act, 2017, where a person is arrested under sub-section (1) for an offence specified under sub-section (5) of section 132, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within _____ hours:	twenty-four
69	What action should be taken by an assessee to satisfy with anti-profiteering provision?	Both (a) and (b)
70	1,00,000 MT goods are imported for ₹10 lakh but goods actually received are 95,000 MT. In this case, value of goods liable to duty is—	₹9,50,000
71	Assessable value of goods is ₹5,00,000 (US \$10,000 at ₹50 per US \$) as per bill of entry for warehousing and BCD is 15%. The goods were cleared from warehouse on date when BCD is 10% and rate is? ₹60 per \$. IGST & GST Cess is NIL and Social Welfare Surcharge is 10%. Total duty =	₹ 55,000
72	Calculate Free on Board value from following: Ex-factory price of exporter- ₹10,000; Expenses upto loading of goods by foreign exporter- ₹12,000. Post importation cost- ₹8000;	₹ 22,000
73	Calculate Cost of transport/handling under Rule 10(2)(a) if FoB and insurance cost [total] is	\$1,000
74	From following data, find out the assessable value of imported goods: Cost of the machine at the factory of the exporting country- \$ 5,000; Transport charges incurred by the exporter from his factory to the port for shipment- \$ 250; Handling charges paid for loading the machine in the ship- \$25; Buying commission paid by the importer- \$25; Freight charges from exporting country to India (including handling charges \$ 100)- \$500. Exchange rate to	₹ 2,62,545.47



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## INDIRECT TAX LAWS AND PRACTICE (PAPER - 19)

### ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER
75	Compute value: Machinery imported from USA by air (FOB price)- \$8,000; Accessories compulsorily supplied along with the machinery \$ 2,000; Air freight \$2400; Insurance charges not available; Local agent's commission to be paid in Indian Currency- `18,600; Exchange rate US \$ 1 = ₹48:	₹ 6,03,929.25
76	Determine price to be taken for computing deductive value in rule 7: Sale quantity- 80 units @ ₹90, 50 units @ ₹95, 25 units @ ₹105, 40 units @ ₹100:	₹ 90
77	Computed value DOES NOT consist of:	reasonable profit of Indian importer.
78	The proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on certain reasons which may include:	Both (a) & (b)
79	Does the Adjudicating Authority include Value of Personal Computer is ₹1,10,000 and Personal Effects is ₹60,000 and duty-free allowance is ₹1,00,000. What is the value of the baggage liable to duty?	₹ 10,000
80	After visiting UK for 10 days, Mr. K brought to India a laptop computer valued at ₹76,000, personal effects valued at ₹1,20,000 and a personal computer for ₹72,000. What is the customs Duty payable?	₹ 8,470
81	The current limit of ₹1 lakh per annum for duty free import of samples in terms of NT 154/94-Customs, dated 13.7.1994 is enhanced to:	₹3 lakh per annum (w.e.f. 27.2.2010)
82	A Gentleman passenger returning to India having resided abroad for more than a year shall be allowed clearance free of duty jewellery in his bona fide baggage to the extent of the	₹ 50,000
83	A Lady passenger returning to India having resided abroad for more than a year shall be allowed clearance free of duty jewellery in his bona fide baggage to the extent of the	₹ 1,00,000
84	A person, who is engaged in a profession abroad, or is transferring his residence to India after stayed abroad more than 2 years can bring, used household items without payment of	₹ 5,00,000
85	Section 58 the Principal Commissioner of Customs or Commissioner of Customs may, subject to such conditions as may be prescribed, license a _____ wherein dutiable goods imported by or on behalf of the licensee may be deposited.	private warehouse
86	_____ grants the permission for manufacturing or other operations in the bonded	Commissioner of Customs
87	At present manufacture, and other operations in which bonded warehouse is not allowed?	Both (a) and (b)
88	Maximum duty drawback rate @ _____ on FOB value of exports.	33%
89	Once a _____ is cleared for home consumption, the bond submitted by the importer gets debited automatically in the customs automated system and the details shall be made available electronically to the Jurisdictional Custom Officer	Bill of Entry
90	Full form of IIN	Import of Goods at Concessional Rate
91	The importer who intends to avail the benefit of an exemption notification shall mention the _____ as indicated in sub-rule (2) of rule 4 of Customs (Import of goods at Concessional rate of duty) Rules, and continuity bond number and details while filing the	Both (a) & (c)
92	The importer shall submit a monthly statement on the common portal in the Form IGCR-3 (Import of Goods at Concessional Rate of Duty) appended to these rules by the _____ day of the following month.	Tenth
93	Value of goods to be exported as gift can't exceed _____ in a licensing year	₹ 5,00,000.00
94	Minimum value addition required to be achieved under DFIA is _____.	20%
95	Only projects having a minimum investment of _____ in plant & machinery shall be considered for establishment as EOUs.	₹1 crore
96	Status holders shall be entitled to export freely exportable items (excluding Gems and Jewelry, Articles of Gold and precious metals) on free of cost basis for export promotion subject to an annual limit of	Rupees One Crore or @2% of average annual export realization during preceding three licensing years, whichever is lower.
97	The companies or industries flexibility to allow a maximum _____ of their employees to work from home and along with prior permission to temporarily remove goods such as laptops, computers, electronic equipment, etc., from the SEZ unit to a domestic tariff area	50%
98	In case the developer submit the proposal to the State Government for The SEZ approval, then state government forwards this proposal to the Board of Approval (BoA) along with its recommendation within.	forty-five days
99	When an SEZ supplies goods/services to a Domestic Tariff Area (DTA), it is exempt from paying taxes, although the receiver in the DTA has to pay:	IGST under reverse charge mechanism (RCM).
100	Under GST, which of the following without consideration transactions is treated as a deemed supply under Schedule 1 of the CGST Act?	Stock transfers between two branches in different States, where both branches are separately
101	In which of these cases is a supply outside the scope of GST (i.e. not even deemed or	All of the above
102	A GST-registered restaurant supplies complimentary desserts (free of charge) to its customers after a qualifying spending. The cost of desserts is small compared to overall bill. Which statement is correct?	This is a supply (because part of business activity) and taxable
103	Which of the following is not included in the definition of "supply" under Section 7 of the CGST Act?	Services by any court or Tribunal.
104	X issues an invoice on 10th April for goods supplied on 5th April. He receives payment on 20th April. What is the time of supply?	5th April
105	Which of the following statements about "addition in value by way of interest or late fee for delayed payment" is correct in respect of time of supply?	Time of supply for additional amount is the date on which supplier receives such addition
106	Where it is not possible to determine the time of supply under the usual provisions (for services), the fallback rule provides that time of supply shall be:	Date of entry in the books of account of recipient
107	Suppose rate of tax changes on 1st July. If supply is completed before change in rate, but invoice is issued after change in rate and payment also received after change, what is the	Date of payment or invoice (whichever earlier)
108	Which of the following is correct for supply of vouchers (in case where supply is identifiable at voucher issuance)?	Time of supply is date of issuance of voucher
109	An unregistered individual based in Hyderabad contacts a travel agent in Delhi to book an international flight from Mumbai to Dubai. What is the place of supply for GST purposes?	Mumbai
110	Place of supply of services in relation to immovable property (e.g. hotel accommodation) is:	Location of property
111	ABC Ltd. in Mumbai organises an event in Chennai for a registered client from Hyderabad. What is the place of supply?	Hyderabad
112	A dealer gives a post-supply discount of 10% on condition that buyer meets a sales target. The condition was agreed before supply. Is this discount deductible from transaction value?	Yes, if linked to invoice and reversed proportionally
113	X Ltd. supplies goods worth ₹2,00,000 to a sister company and does not charge any price. Open market value of goods is ₹2,20,000. And the company is eligible for full ITC. What is the taxable value?	Nil
114	Which of the following is not a condition to allow a post-supply discount as deduction under Section 15?	It must be disclosed in GSTR-1 only
115	Where value cannot be determined under any prescribed rule, which method is used?	Best judgment under Rule 31



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116	Which of the following cross-utilisations of ITC (credit) is allowed (assuming credit	CGST credit can be used to pay IGST liability
117	A company receives a capital good on 1 July 2025, but the usage for business begins only on 1 October 2025. The invoice is dated September 2025. When can the company claim the ITC for that capital good?	In September 2023 return
118	X Ltd switches its product line, and some goods become exempt supply (i.e. not liable to GST). How should X Ltd deal with ITC on inputs/inventory used partly for exempt and partly for taxable supplies?	It must apportion and reverse the portion attributable to exempt supplies
119	In relation to non-payment to supplier within 180 days, which of the following is correct?	ITC has to be reversed to the extent of non-payment (value + tax)
120	Which of the following statements is correct regarding input tax credit (ITC) for zero-rated supplies?	For zero-rated supplies, ITC of inputs and input services used is allowed, even if the zero-rated
121	A supplier makes a supply to SEZ unit. The place of supply is determined as SEZ (inside India). The supplier furnishes LUT and ships the goods. The tax treatment is:	The supply is zero-rated (no tax)
122	Under GST, a government department is required to deduct TDS when the value of supply under a contract exceeds:	₹2.5 lakh exclusive of tax
123	If TDS is deducted under GST, the deductor must deposit the amount with the government	10 days from the end of the month
124	TCS under GST is applicable only when:	Supplies are made through an e-commerce operator
125	Which of the following does not attract TDS under GST?	Exempt supply of goods worth ₹10 lakh
126	In which of the following cases is Part B of the E-way bill not mandatory to be filled?	When distance is less than 50 km and within same State
127	E-way bill generated once can be cancelled within how much time, if goods are not	Within 24 hours
128	What is the validity of an E-way bill for a distance of 750 km (other than over-dimensional	4 days
129	If goods are transferred from one vehicle to another in transit, what must the transporter do under E-way bill rules?	Update Part B of the existing E-way bill
130	Under GST, refund of unutilized ITC under inverted duty structure is allowed when:	Input tax rate is higher than output tax rate
131	Refund under inverted duty structure is not available for:	Both A and C
132	As per latest rules, refund of ITC under inverted duty structure shall not be allowed if:	All of the above
133	A taxpayer has opted for the QRMP scheme. What is the due date for filing GSTR-3B for the quarter ending June?	22nd or 24th July depending on the state
134	Which of the following returns is auto-generated and helps in reconciliation of ITC for the	GSTR-2A
135	The due date for filing GSTR-9 for a financial year is:	31st December of next financial year
136	GSTR-7 is a return to be filed by:	A person liable to deduct TDS under GST
137	If a registered person fails to maintain proper books of accounts, what can the proper officer	Determine tax liability based on best judgment
138	As per GST law, every registered person (except composition taxpayers) must maintain books of account at:	Each place of business mentioned in the registration certificate
139	Which of the following records is not mandatorily required to be maintained under GST?	Income Tax returns
140	The minimum period for which accounts and records must be retained under GST is:	6 years from the due date of filing the annual return.
141	Filing of GSTR-9C (Reconciliation Statement) is mandatory for taxpayers having aggregate turnover:	Exceeding ₹5 crore
142	GSTR-9C must be certified by:	The taxpayer only
143	If any short payment or excess ITC claim is discovered in GSTR-9C, what must the taxpayer	Pay tax along with interest via DRC-03
144	An advance ruling issued by the Authority is binding on:	The applicant and the officer dealing with the applicant
145	The maximum time within which the Authority for Advance Ruling must pronounce its	90 days from the date of application
146	As per GST law, what is the term of the President of the National Appellate Authority for Advance Ruling (NAAAR)?	Three years or until the age of 70, whichever is earlier
147	During search and seizure, the GST officer must issue which document?	Panchnama
148	As per Section 67 of CGST Act, an officer can inspect a place of business when:	Commissioner has reasons to believe suppression
149	As per Section 67(7) of the CGST Act, if goods are seized and no show cause notice is issued within what period must the seized goods be returned to the person from whom they	6 months from date of seizure
150	If a person is arrested under GST for a cognizable offence, he must be produced before a magistrate within:	24 hours
151	Under GST, who is authorized to approve inspection or search?	Commissioner or an officer authorized by Commissioner, not below the rank of Joint Commissioner
152	The primary objective of the Anti-Profitteering provision under GST is to:	Ensure the reduction in prices to the consumer due to input tax credit benefits
153	The Anti-Profitteering Authority can order:	All of the above
154	The complaint regarding anti-profitteering can be filed by:	Any consumer or registered person or trade association
155	Under Customs Valuation Rules, the transaction value is accepted only when:	The buyer and seller are not related and price is the sole consideration
156	Two persons are deemed to be related under Rule 2(2) if:	They are employer and employee
157	Which of the following is not included in assessable value under Rule 10?	Buying commission
158	Under residual method (Rule 8), the officer shall:	Use flexible interpretation of Rules 3 to 7
159	Which of the following items is not permitted to be imported as baggage under GFA?	Alcohol exceeding 2 liters
160	Which type of courier consignments are not allowed under express courier clearance	Animals and plants
161	Which of the following is not covered under the Baggage Rules, 2016?	Commercial shipments via air cargo
162	For availing manufacture in bond, the importer must obtain permission from:	Jurisdictional Commissioner of Customs
163	Under Manufacture in Bond, if goods are not exported or cleared for home consumption within the prescribed time, the importer:	Is required to pay interest and duty
164	Goods imported for manufacturing in a bonded warehouse can be:	Exported without payment of duty
165	The customs duty becomes payable in Manufacture in Bond when:	Goods are cleared for home consumption
166	Under Section 74, duty drawback is allowed when:	Imported goods are exported as such or after use
167	The maximum drawback allowed under Section 74 if goods are exported without use is:	98% of duty paid
168	All Industry Rate (AIR) of drawback is notified by:	CBIC under Customs, Central Excise Duties and Service Tax Drawback Rules, 2017
169	Which of the following is not a valid ground for seeking remission under Customs Act?	Pilferage before clearance from customs
170	Remission of duty under Section 23 must be claimed:	Before the goods are cleared for home consumption



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171	If remission is rejected, the importer can:	File appeal to the Commissioner (Appeals)
172	Which of the following documents is essential for claiming remission of customs duty?	Chartered Engineer's Certificate confirming destruction
173	Time limit for filing refund claim under Section 27 of the Customs Act, 1962 is:	1 year from the relevant date
174	Under unjust enrichment principle, refund will be:	Credited to Consumer Welfare Fund if incidence passed on
175	Refund of customs duty can be claimed by:	Any person who has paid the duty and borne the incidence
176	The Export Promotion Capital Goods (EPCG) scheme allows import of capital goods at:	Zero customs duty with an export obligation
177	Merchandise Exports from India Scheme (MEIS) benefits are given in the form of:	Duty Credit Scrips
178	Which of the following is not a condition for availing benefits under EPCG scheme?	Goods imported must be used within 1 year from import
179	Export Promotion Capital Goods license can be transferred to another company:	Only with DGFT approval
180	The minimum export obligation under EPCG is generally expressed as:	6 times the duty saved amount