

GENERAL INTRODUCTION, CONSTITUTION & GST COUNCIL

MULTIPLE CHOICE QUESTIONS

1. GST is one of the widely accepted indirect taxation system prevalent in more than _____ countries across the globe.

 - (a) 140
 - (b) 160
 - (c) 170
 - (d) 190
2. Which of the following is deficiency in earlier system of taxation which led to implementation of GST.

 - (a) Non-inclusion of several local levies in State VAT such as luxury tax, entertainment tax, etc.
 - (b) Cascading of taxes on account of (i) levy of Non-VATable CST and (ii) inclusion of CENVAT in the value for imposing VAT
 - (c) No CENVAT after manufacturing stage and Non-integration
 - (d) All of the above
3. _____ was first country to adopt GST as indirect system of taxation.

 - (a) France
 - (b) Germany
 - (c) UK
 - (d) India
4. GST was rolled out with effect from _____.

 - (a) 01-07-2017
 - (b) 15-07-2017
 - (c) 01-04-2017
 - (d) 01-09-2017
5. GST is _____ consumption tax.

 - (a) Origin based
 - (b) Destination based
 - (c) Territory based
 - (d) Sales based
6. India has adopted _____ model of GST based on federal structure.

 - (a) Dual
 - (b) Single
 - (c) Federal
 - (d) None of the above
7. Which of the following are significant benefits of GST —

 - (a) Creation of unified national market

- (b) Mitigation of ill effects of cascading
 (c) Elimination of multiple taxes and double taxation
 (d) All of the above
8. **The items which are taxable both under Central Excise Law and new GST Act even after the implementation of the GST.**
 (a) Motor Spirit
 (b) Alcoholic Liquor for Human Consumption
 (c) Tobacco and Tobacco Products
 (d) Natural Gas
9. **Which of the following taxes have been subsumed in GST?**
 (a) Central Sales Tax
 (b) Central Excise Duty
 (c) VAT
 (d) All of the above.
10. **Which of the following taxes have been subsumed in GST?**
 (a) Additional duties of customs
 (b) Luxury Tax
 (c) Entry Tax
 (d) All of the above.
11. **India has adopted dual model GST system from which country—**
 (a) France
 (b) Canada
 (c) Germany
 (d) Italy
12. **List-I of the Constitution contains matters in respect of which _____ has the exclusive right to make laws.**
 (a) Central Government
 (b) State
 (c) Both Centre and State Governments
 (d) None of the above
13. **Power to make laws with respect to Goods and Services Tax is contained in the _____ of the Constitution.**
 (a) Article 246A
 (b) Article 246
 (c) Article 254
 (d) Article 269A
14. **The recommendation of the GST Council will be _____ .**
 (a) Mandatory
 (b) Only Advisory Power
 (c) Mandatory and sometimes Advisory
 (d) Mandatory on States only
15. **The decision of the GST Council should be taken based on majority votes not less than _____ of the weighted votes of members present and voting:**
 (a) 1/2 of the weighted votes
 (b) 2/3rd of the weighted votes
 (c) 1/3rd of the weighted votes
 (d) 3/4th of the Weighted votes
16. **The weightage of the votes of the Central Government in GST Council Decision will be _____.**
 (a) 1/2 of the votes
 (b) 2/3rd of the votes
 (c) 1/3rd of the votes
 (d) 3/4th of the votes
17. **The quorum required for a meeting of the GST Council will be _____.**
 (a) 1/2 of the members



- (b) 2/3rd of the members
 (c) 1/3rd of the members
 (d) 3/4th of the members
18. **Weightage of States (combined together) at GST council meeting –**
 (a) 2/3rd of total votes cast
 (b) 1/3rd of total votes cast
 (c) 1/4th of total votes cast
 (d) 1/8th of total votes cast
19. **GST is levied on supply of all goods and services except:**
 (a) Alcoholic liquor for human consumption
 (b) Tobacco
 (c) Health care services
 (d) All of the above
20. **On Petroleum Crude, High Speed Diesel, Motor Spirit (commonly known as Petrol), Natural Gas and Aviation Turbine Fuel:**
 (a) GST is not levied at all
 (b) GST will be levied from a date to be notified on the recommendations of the GST Council
 (c) GST is levied, but exempt
 (d) None of the above
21. **The functions of Goods and Services Network (GSTN) include:**
 (a) facilitating registration
 (b) forwarding the returns to Central and State authorities
 (c) computation and settlement of IGST
 (d) All of the above
22. **Which article of the Constitution outlines the composition and functions of the GST Council?**
 (a) 270
 (b) 279A
 (c) 246A
 (d) 269A
23. **Levy and collection of goods and services tax in course of inter-State trade or commerce is provided in Article ____.**
 (a) 269A
 (b) 279A
 (c) 246A
 (d) 246
24. **_____ of the Constitution provides that no tax shall be levied or collected except by authority of law?**
 (a) Article 254
 (b) Article 265
 (c) Article 245
 (d) Article 256
25. **Who is chairperson of GST council –**
 (a) Finance secretary
 (b) State Finance Minister
 (c) Union Finance Minister
 (d) None of the above
26. **Which of the following is not a member of GST Council –**
 (a) Chairman of CBIC
 (b) Union Finance Minister
 (c) Union Minister of State in charge of Revenue or Finance
 (d) Minister in charge of Finance or Taxation or any other Minister nominated by each State Government

27. **The Goods and Services Tax Council shall establish a mechanism to adjudicate any dispute in respect of which of the following** —
- Dispute between the Government of India and one or more States arising out of the recommendations of the Council or implementation thereof.
 - Dispute between the Government of India and any State or States on one side and one or more other States on the other side arising out of the recommendations of the Council or implementation thereof.
 - Dispute between two or more States arising out of the recommendations of the Council or implementation thereof.
 - All of the above
28. **The GST Council shall make recommendations to the Union and the States in respect of which of the following matters —**
- the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax
 - the goods and services that may be subjected to, or exempted from the goods and services tax
 - model GST Laws, principles of levy, apportionment of GST levied on supplies in the course of inter-State trade or commerce under Article 269A and the principles that govern the place of supply;
 - All of the above
29. **The GST Council shall make recommendations to the Union and the States in respect of which of the following matters —**
- the threshold limit of turnover below which goods and services may be exempted from goods and services tax;
 - the rates including floor rates with bands of goods and services tax
 - any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;
 - All of the above
30. **The provisions relating to GST council came into force with effect from —**
- 01-07-2017
 - 12-09-2016
 - 15-09-2016
 - 08-07-2017
31. **The levy and collection of GST compensation cess has been extended till** _____.
- 31-03-2024
 - 31-03-2026
 - 31-03-2025
 - 30-09-2025



ANSWERS TO MCQ'S

Question No.	Answer
1.	(b) GST is one of the widely accepted indirect taxation system prevalent in more than 160 countries across the globe.
2.	(d) The deficiency in earlier system of taxation which led to implementation of GST are as under : (i) Non-inclusion of several local levies in State VAT such as luxury tax, entertainment tax, etc.;; (ii) Cascading of taxes on account of (i) levy of Non-VATable CST and (ii) inclusion of CENVAT in the value for imposing VAT; (iii) No CENVAT after manufacturing stage and Non-integration of VAT & service tax.
3.	(a) France was first country to adopt GST as indirect system of taxation.
4.	(a) GST was rolled out with effect from 01-07-2017.
5.	(b) GST is destination based consumption tax.
6.	(a) India has adopted dual model of GST based on federal structure.
7.	(d) The significant benefits of GST are — (1) Elimination of cascading effect and creation of common National Market; (2) Elimination of multiple taxes and Double Taxation; (3) Reduction in overall tax burden of consumers; (4) More Competitive Products; (5) Increase in Government's Revenue; (6) Easier Administration.
8.	(c) Tobacco and Tobacco products are taxable both under Central Excise Law and new GST Act even after the implementation of the GST.
9.	(d) The taxes subsumed in GST are – Central levies being : (i) Central Excise duty; (ii) Duties of Excise (Medicinal and Toilet Preparations); (iii) Additional Duties of Excise (Goods of Special Importance); (iv) Additional Duties of Excise (Textiles and Textile Products); (v) Additional Duties of Customs (commonly known as CVD); (vi) Special Additional Duty of Customs (SAD);

		<p>(vii) Service Tax;</p> <p>(viii) Central Sales Tax;</p> <p>(ix) Central Surcharges and Cesses so far as they relate to supply of goods and services.</p> <p>State Levies which are subsumed in GST are :</p> <p>(i) State VAT;</p> <p>(ii) Luxury Tax;</p> <p>(iii) Entry Tax (all forms);</p> <p>(iv) Entertainment and Amusement Tax (except when levied by the local bodies);</p> <p>(v) Taxes on advertisements;</p> <p>(vi) Purchase Tax;</p> <p>(vii) Taxes on lotteries, betting and gambling;</p> <p>(viii) State Surcharges and Cesses so far as they relate to supply of goods and services.</p>
10.	(d)	<p>The taxes subsumed in GST are –</p> <p>Central levies being :</p> <p>(i) Central Excise duty;</p> <p>(ii) Duties of Excise (Medicinal and Toilet Preparations);</p> <p>(iii) Additional Duties of Excise (Goods of Special Importance);</p> <p>(iv) Additional Duties of Excise (Textiles and Textile Products);</p> <p>(v) Additional Duties of Customs (commonly known as CVD);</p> <p>(vi) Special Additional Duty of Customs (SAD);</p> <p>(vii) Service Tax;</p> <p>(viii) Central Sales Tax;</p> <p>(ix) Central Surcharges and Cesses so far as they relate to supply of goods and services.</p> <p>State Levies which are subsumed in GST are :</p> <p>(i) State VAT;</p> <p>(ii) Luxury Tax;</p> <p>(iii) Entry Tax (all forms);</p> <p>(iv) Entertainment and Amusement Tax (except when levied by the local bodies);</p> <p>(v) Taxes on advertisements;</p> <p>(vi) Purchase Tax;</p> <p>(vii) Taxes on lotteries, betting and gambling;</p> <p>(viii) State Surcharges and Cesses so far as they relate to supply of goods and services.</p>
11.	(b)	India has adopted dual model GST system from Canada.
12.	(a)	List-I of the Constitution contains matters in respect of which Central Government has the exclusive right to make laws.

13.	(a)	Power to make laws with respect to Goods and Services Tax is contained in the Article 246A of the Constitution.
14.	(b)	The recommendation of the GST Council will be advisory in nature.
15.	(d)	As per Article 279A, every decision of the Goods and Services Tax Council shall be taken at a meeting, by a majority of not less than 3/4th of the weighted votes of the members present and voting.
16.	(c)	As per Article 279A, the vote of the Central Government shall have a weightage of 1/3 rd of the total votes cast.
17.	(a)	As per Article 279A, one-half of the total number of Members of the Goods and Services Tax Council shall constitute the quorum at its meetings.
18.	(a)	As per Article 279A, the votes of all the State Governments taken together shall have a weightage of 2/3 rd of the total votes cast, GST council meeting.
19.	(a)	As per Article 366(12A) of the Constitution, "Goods and services tax" means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption.
20.	(b)	In respect to the following goods, the provisions relating to GST shall apply from the date recommended by the GST Council : (a) Petroleum Crude (b) High Speed Diesel (c) Motor Spirit (commonly known as Petrol) (d) Natural Gas (e) Aviation Turbine Fuel.
21.	(d)	The functions of the GSTN include— (i) facilitating registration; (ii) forwarding the returns to Central and State authorities; (iii) computation and settlement of IGST; (iv) matching of tax payment details with banking network; (v) providing various MIS reports to the Central and the State Governments based on the tax-payer return information; (vi) providing analysis of taxpayers' profile; and (vii) running the matching engine for matching, reversal and reclaim of input tax credit.
22.	(b)	Article 279A of the Constitution outlines the composition and functions of the GST Council.
23.	(a)	Levy and collection of goods and services tax in course of inter-State trade or commerce is provided in Article 269A of the Constitution.

24.	(b)	Article 265 of the Constitution provides that no tax shall be levied or collected except by authority of law.
25.	(c)	Union Finance Minister shall be the Chairperson of GST Council.
26.	(a)	Chairman of CBIC is not a member of GST council.
27.	(d)	The Goods and Services Tax Council shall establish a mechanism to adjudicate any dispute — (i) between the Government of India and one or more States; or (ii) between the Government of India and any State or States on one side and one or more other States on the other side; or (iii) between two or more States, arising out of the recommendations of the Council or implementation thereof.
28.	(d)	The GST Council shall make recommendations to the Union and the States on— (a) the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax; (b) the goods and services that may be subjected to, or exempted from the goods and services tax; (c) model GST Laws, principles of levy, apportionment of GST levied on supplies in the course of inter-State trade or commerce under Article 269A and the principles that govern the place of supply;
29.	(d)	The GST Council shall make recommendations to the Union and the States in respect of which of the following matters – (a) the threshold limit of turnover below which goods and services may be exempted from goods and services tax; (b) the rates including floor rates with bands of goods and services tax; (c) any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster.
30.	(b)	The provisions relating to GST Council came into force on 12 th September, 2016.
31.	(b)	The levy and collection of GST compensation cess has been extended till 31 st March, 2026.

