

TAX COLLECTED AT SOURCE

MULTIPLE CHOICE QUESTIONS

- 1. What is e-commerce?**
 - (a) Supply of goods and/or on an on an electronic platform for commerce other than the e-commerce operator himself.
 - (b) Supply of goods and/or services on an electronic platform for commerce including the e-commerce operator
 - (c) Supply of goods and/or services on an electronic platform for commerce
 - (d) Supply of goods or services or both including digital products over digital or electronic network.
- 2. A person who ____ digital or electronic facility or platform for electronic commerce shall be considered as an e-commerce operator.**
 - (a) Owns
 - (b) Operates
 - (c) Manages
 - (d) Any of the above
- 3. At what rate should the tax be collected at source?**
 - (a) 0.5% (CGST) and 0.5% (SGST)
 - (b) 1% (CGST) and 1% (SGST)
 - (c) 2% (CGST) and 2% (SGST)
 - (d) 3% (CGST) and 3% (SGST)
- 4. At what rate should the tax be collected at source on or after 10-07-2024?**
 - (a) 0.5% (CGST) and 0.5% (SGST)
 - (b) 1% (CGST) and 1% (SGST)
 - (c) 2% (CGST) and 2% (SGST)
 - (d) 0.25% (CGST) and 0.25% (SGST)
- 5. Is there any threshold limit for applying the provisions of Section 52 for collecting tax at source?**
 - (a) TCS applies if net value of taxable supplies exceeds ₹ 10,00,000/-
 - (b) TCS applies if net value of taxable supplies exceeds ₹ 15,00,000/-
 - (c) TCS applies if net value of taxable supplies exceeds ₹ 20,00,000/-
 - (d) No such limit prescribed; tax should always be collected at source if the conditions envisaged u/s 52 are met.
- 6. When should the e-commerce operator be liable to collect tax at source?**
 - (a) E-commerce operator shall collect tax at source in respect of all supplies made through it.
 - (b) E-commerce operator should collect tax at source only if the supplier is of the goods and is registered.

- (c) E-commerce operator shall collect tax at source on the net taxable value of supplies made through it by other supplier where the consideration with respect to such supply is to be collected by the E-commerce operator.
- (d) E-commerce operator shall collect tax at source only if the net value of taxable supplies exceeds the prescribed threshold limit.

7. What is net value of taxable supplies?

- (a) Aggregate value of all the supplies of goods and/or services made during any month by all registered taxable persons through the e-commerce operator.
- (b) Aggregate value of all the supplies of goods and/or services made during any month by all registered taxable persons through the e-commerce operator reduced by value of taxable supplies returned to the suppliers during the said month.
- (c) Aggregate value of all the supplies of goods and/or services, excluding the services notified u/s 9(5) made during any month by all registered persons through the e-commerce operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.
- (d) Aggregate value of all the supplies of goods and/or services, excluding the services notified u/s 9(5) made during any month by a registered taxable persons.

8. When can a supplier making supplies through E-commerce operator opt not to register?

- (a) Always

- (b) When the e-commerce operator is not required to collect tax at source u/s 52.
- (c) When the supplier does not cross the threshold, limit specified u/s 22.
- (d) Option (b) and (c), cumulatively fulfilled.

9. When an e-commerce operator is required to register under GST?

- (a) When he is required to collect tax at source u/s 52
- (b) When his aggregate turnover exceeds the threshold limit
- (c) When he is required to discharge tax on the taxable supply or services made by the supplier through him u/s 9(5)
- (d) E-commerce operator is not required to be registered under GST law

10. When should the e-commerce operator collect tax at source?

- (a) When he collects the consideration on behalf of the supplier in respect of such supply.
- (b) On the date when the supplier makes supplies through operator.
- (c) Day on which the E-commerce operator remits the consideration to the supplier.
- (d) Option (a) or (b) whichever is later.

11. When should the e-commerce operator remit the amount of TCS to government and file the necessary returns with the government?

- (a) Within 10 days after the end of the month in which such amount was collected.
- (b) Within 10 days after the end of the quarter in which such amount was collected.



- (c) Within 20 days after the end of the month in which such amount was collected.
- (d) Within 20 days after the end of the quarter in which such amount was collected.
12. XYZ Ltd. a registered supplier of goods is effecting supplies through E-Comm Ltd. (an Electronic Commerce operator). It has made taxable supplies of goods amounting ₹ 55,00,000 (exclusive of taxes) in month of December 2024 through E-Comm Ltd. E-Comm Ltd. has returned goods amounting ₹ 5,00,000 (exclusive of taxes) to XYZ Ltd. during the month of December 2024. Determine the amount of tax to be collected at source by E-Comm Ltd.
- (a) ₹ 27,000
 (b) ₹ 25,000
 (c) ₹ 22,000
 (d) Nil
13. Analyse the transactions mentioned below-
- (i) Mr. Abhinay, provides architect services to Institute for Rural Development, a Government Agency for ₹ 2,80,000/- (inclusive of ₹ 30,000/- GST) under a contract in

October, 2024. Mr. Abhinay, is registered under GST. Being a registered supplier, Institute for Rural Development deducted TDS of supplier.

- (ii) M/s. Manmohak Apparels, is registered under GST in Madhya Pradesh. It sells leather handbags across India through e-commerce operator Pingpong. Pingpong, is also registered with Madhya Pradesh GST Authority as TCS collector and collected TCS @ 0.5% (0.25% CGST + 0.25% SGST) on supplies made through it. M/s. Manmohak Apparels made sales of ₹ 3,45,000/- and received sales returns of ₹ 67,700/- in the month of October, 2024. Sales are inclusive of tax. Leather handbags are taxable @ 18% GST. Pingpong, collected TCS of ₹ 1,175/- from M/s. Manmohak Apparels.

Which of the transactions are in compliance with section 51 and section 52 of CGST Act?

- (a) Only (i)
 (b) Only (ii)
 (c) Both (i) and (ii)
 (d) Neither (i) nor (ii)

ANSWERS TO MCQ'S

Question No.	Answer
1.	(d) As per Section 2(44) of the CGST Act, 2017, "electronic commerce" means the supply of goods or services or both, including digital products over digital or electronic network.
2.	(d) As per Section 2(45) of the CGST Act, 2017, "electronic commerce operator" means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

3.	(a)	The Government vide Notification No. 52/2018-CT dated 20-09-2018 has notified that every electronic commerce operator, not being an agent, shall collect an amount calculated @ 1% (0.5% CGST and 0.5% SGST) of the net value of intra-State taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator.												
4.	(d)	The Government vide Notification No. 15/2024-CT dated 10-07-2024 has notified that every electronic commerce operator, not being an agent, shall collect an amount calculated @ 0.5% (0.25% CGST and 0.25% SGST) of the net value of intra-State taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator.												
5.	(d)	No threshold limit is prescribed; tax should always be collected at source if the conditions envisaged u/s 52 are met.												
6.	(c)	E-commerce operator shall collect tax at source on the net taxable value of supplies made through it by other supplier where the consideration with respect to such supply is to be collected by the E-commerce operator.												
7.	(c)	As per Explanation to Section 52, "Net value of taxable supplies" shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under Section 9(5), made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.												
8.	(d)	When the e-commerce operator is not required to collect tax at source u/s 52. When the supplier does not cross the threshold, limit specified under section 22.												
9.	(a)	According to Section 24(x), every electronic commerce operator who is required to collect tax at source under section 52 is mandatorily required to obtain registration.												
10.	(a)	E-commerce operator collect tax at source when he collects the consideration on behalf of the supplier in respect of such supply.												
11.	(a)	The amount collected u/s 52(1) shall be paid to the Government by the operator within 10 days after the end of the month in which such collection is made, in such manner as may be prescribed.												
12.	(b)	<p>Computation of amount of TCS—</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Value of taxable supplies of goods made by XYZ Ltd.</td> <td>55,00,000</td> </tr> <tr> <td>Less: Value of taxable supplies of goods returned to XYZ Ltd.</td> <td>5,00,000</td> </tr> <tr> <td>Amount on which tax is to be collected at source</td> <td>50,00,000</td> </tr> <tr> <td>Rate of TCS</td> <td>0.5%</td> </tr> <tr> <td>Amount of TCS</td> <td>25,000</td> </tr> </tbody> </table>	Particulars	₹	Value of taxable supplies of goods made by XYZ Ltd.	55,00,000	Less: Value of taxable supplies of goods returned to XYZ Ltd.	5,00,000	Amount on which tax is to be collected at source	50,00,000	Rate of TCS	0.5%	Amount of TCS	25,000
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Rate of TCS	0.5%													
Amount of TCS	25,000													
13.	(b)	(i) In this case the contract value does not exceed ₹ 2,50,000, hence no tax is to be deducted at source.												

- (ii) In this case as per provisions of Section 52 of CGST Act, 2017, every electronic commerce operator, not being an agent, shall collect an amount calculated @ 1% of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.

Thus, the amount of tax to be collected at source by E-Comm Ltd. is as under –

Particulars	₹
Value of taxable supplies of goods made by XYZ Ltd.	3,45,000
Less: Value of taxable supplies of goods returned to XYZ Ltd.	67,700
Net Value of taxable supplies [inclusive of GST]	2,77,300
Less: Tax [₹ 2,77,300 × 18 ÷ 118]	42,300
Net value of taxable supplies on which tax is to be collected at source	2,35,000
Rate of TCS	0.5%
Amount of TCS	1,175

