

Final Course

Multiple choice questions

Questions 17 and 35 have been revised. Students are advised to refer the revised questions.

1. GST compliance rating shall be assigned to:
 - (a) only a person who is liable to deduct TDS/ collect TCS
 - (b) only a composition dealer
 - (c) only an Input Service Distributor
 - (d) every registered person
2. Where the National Anti-Profitteering Authority determines that a registered person has not passed on the benefit of input tax credit to the recipient by way of commensurate reduction in price, the Authority may order:
 - i. reduction in prices
 - ii. imposition of prescribed penalty
 - iii. cancellation of registration

Which of the above options are correct?

 - (a) i. and ii.
 - (b) i., ii. and iii.
 - (c) i. and iii.
 - (d) i.
3. Sukanya, a registered supplier, failed to pay the GST amounting to ₹ 5,000 for the month of January, 20XX. The proper officer imposed a penalty on Sukanya for failure to pay tax. Sukanya believes that it is a minor breach and in accordance with the provisions of section 126 of the CGST Act, 2017, no penalty is imposable for minor breaches of tax regulations. In this regard, which of the following statements is true?
 - (a) Penalty is leviable on Sukanya since the breach is considered as a 'minor breach' only if amount of tax involved is less than Rs. 5,000
 - (b) Penalty is not leviable on Sukanya since the breach is considered as a 'minor breach' if amount of tax involved is upto Rs. 5,000
 - (c) Penalty is leviable on Sukanya since the breach is considered as a 'minor breach' only if amount of tax involved is Nil.
 - (d) None of the above.
4. Minimum and maximum limit for amount for compounding of offences under section 138 of the CGST Act, 2017 are:
 - (a) Minimum: Higher of 50% of tax involved, or Rs. 10,000; Maximum: Higher of 150% of tax involved, or Rs. 30,000
 - (b) Minimum: Lower of 50% of tax involved, or Rs. 10,000; Maximum: Higher of 150% of tax involved, or Rs. 30,000

- (c) Minimum: Higher of 50% of tax involved, or Rs. 10,000; Maximum: Lower of 150% of tax involved, or Rs. 30,000
- (d) Minimum: Lower of 50% of tax involved, or Rs. 10,000; Maximum: Lower of 150% of tax involved, or Rs. 30,000
5. Mr. A, a sole proprietor, has to appear before the Appellate Authority. He decides to appear by an authorized representative. Which of the following persons can be appointed as 'authorized representative' of Mr. A under GST law?
- (a) Sohan, his son, who has been dismissed from a Government service lately.
- (b) Rohan, a Company Secretary, who has been adjudged insolvent.
- (c) Mukul, a practicing High Court advocate.
- (d) All of the above.
6. Rupam wishes to file an appeal to Appellate Tribunal. In which of the following cases, the Appellate Tribunal cannot refuse to admit his appeal?
- i. Amount of tax/ ITC or difference in tax/ difference in ITC involved exceeds Rs. 50,000
- ii. Amount of fine, fee or penalty determined by the order exceeds Rs. 50,000
- iii. Amount of tax/ ITC or difference in tax/ difference in ITC involved is Rs. 50,000
- iv. Amount of fine, fee or penalty determined by the order is Rs. 50,000
- v. Amount of tax/ ITC or difference in tax/ difference in ITC involved is less than Rs. 50,000
- vi. Amount of fine, fee or penalty determined by the order is less than Rs. 50,000
- (a) i. and ii.
- (b) i. and iii.
- (c) ii. and iv.
- (d) v. and vi.
7. Which of the following statements are true in case of retirement of a partner from the firm?
- (a) Retiring partner and not the firm shall intimate the date of his retirement to the Commissioner. Retiring partner shall be liable to pay tax, interest or penalty due up to the date of such intimation.
- (b) The firm and not the retiring partner shall intimate the date of retirement of such partner to the Commissioner. Retiring partner shall be liable to pay tax, interest or penalty due up to the date of such intimation.
- (c) Either retiring partner or the firm, shall intimate the date of retirement of such partner to the Commissioner. Retiring partner shall be liable to pay tax, interest or penalty due up to the date of his retirement, whether determined or not, on that date.
- (d) Either retiring partner or the firm, shall intimate the date of of retirement of such partner to the Commissioner. Retiring partner shall be liable to pay tax, interest or penalty due up to the date of such intimation.
8. Time-limit for issuance of show cause notice in case of non-payment of ITC is on account of reasons other than fraud, wilful misstatement or suppression of facts, etc. is:

- (a) 2 years and 9 months from the due date of filing Annual Return for the Financial Year to which the demand pertains.
 - (b) 3 years from the due date of filing Annual Return for the Financial Year to which the demand pertains.
 - (c) 4 years and 6 months from the due date of filing Annual Return for the Financial Year to which the demand pertains.
 - (d) 5 years from the due date of filing Annual Return for the Financial Year to which the demand pertains.
9. Rochester Private Limited has been issued a show cause notice (SCN) on 31.08.2021 under section 73(1) of the CGST Act, 2017 on account of short payment of tax during the period between 01.07.2017 and 31.12.2017. As per section 73(1), in the given case, SCN can be issued latest by_____.
- (a) 31.12.2021
 - (b) 30.09.2021
 - (c) 30.06.2021
 - (d) 31.12.2020
10. Time-limit for issuance of show cause notice in case of any amount collected as tax but not paid to the Central Government is:
- (a) 2 years and 9 months from the due date of filing Annual Return for the Financial Year to which the demand pertains.
 - (b) 3 years from the due date of filing Annual Return for the Financial Year to which the demand pertains.
 - (c) 4 years and 6 months from the due date of filing Annual Return for the Financial Year to which the demand pertains.
 - (d) None of the above
11. For valuation purposes under the Customs Act, 1962, which of the following transactions would be considered as having been made between related persons?
- (i) A foreign company A Ltd. having a joint venture with Indian company B Ltd. in the name of AB Ltd. The transactions between A Ltd. and AB Ltd.
 - (ii) A foreign company A Ltd. having a joint venture with Indian company B Ltd. in the name of AB Ltd. The transactions between A Ltd. and B Ltd.
 - (iii) A Inc, a company in USA, appoints Mr. X as its sole agent to sell its products in India. The transactions between A Inc. and Mr. X
 - (iv) A Inc., a company in USA, holding 30% of share capital of importer company B Ltd. The transactions between A Inc. and B Ltd.
- (a) All of above;
 - (b) None of above;
 - (c) (i), (ii) and (iii)
 - (d) (ii), (iii) and (iv)

12. Which of the following values is not includible in the transaction value of goods under rule 10(1) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007?
- (a) Buying Commissions;
 - (b) Royalties;
 - (c) License fees
 - (d) Cost of packing
13. For determining the CIF price of the imported goods, certain additions have to be made to the value of imported goods under rule 10(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. If cost of insurance is not ascertainable from the documents submitted before customs authorities, then such sum is:
- (i) 20% of free on board value of goods;
 - (ii) 1.125% of free on board value of goods;
 - (iii) Where free on board value is not ascertainable, but sum of free on board value and cost of transport, loading, unloading and handling charges up to place of importation are available; then 1.125% of such sum.
 - (iv) Where free on board value is not ascertainable, but sum of free on board value and cost of transport, loading, unloading and handling charges up to place of importation are available; then 20% of such sum.
- (a) (i) or (iii)
 - (b) (i) or (iv)
 - (c) (ii) or (iii)
 - (d) (ii) or (iv)
14. Certain goods were imported by air. The free on board value of goods is Rs. 100. The cost of transport, loading, unloading and handling charges up to place of importation is Rs. 25. The cost of insurance is Rs. 10. For the purposes of rule 10(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, which of the following shall be added to the value of imported goods?
- (a) Cost of transport, loading, unloading and handling charges – Rs. 25; and Cost of insurance Rs. 10;
 - (b) Cost of transport, loading, unloading and handling charges – Rs. 25; and Cost of insurance Rs. 1.125
 - (c) Cost of transport, loading, unloading and handling charges – Rs. 20; and Cost of insurance Rs. 1.125
 - (d) Cost of transport, loading, unloading and handling charges – Rs. 20; and Cost of insurance Rs. 10
15. Which of the following statements is not correct in the context of valuation of imported goods?
- (a) Buying commission is not includible in the value of imported goods.
 - (b) Rate of exchange notified by CBIC on date of presentation of bill of entry is to be considered.

- (c) For imports by air, the cost of transport, loading, unloading and handling charges up to place of importation cannot exceed 20% of free on board value of goods;
- (d) Social welfare surcharge is leviable on basic customs duty, integrated tax and GST compensation cess.
16. A show cause notice was adjudicated by Commissioner of Customs. The assessee wants to file an appeal against the adjudication order. The appeal would lie to:
- (a) Commissioner (Appeals)
- (b) CESTAT
- (c) High Court
- (d) Review to be filed before Commissioner only
17. Some decisions of Appellate Tribunal are directly appealable to Supreme Court depending upon the nature of dispute involved. Which of the following is not directly appealable to Supreme Court?
- (a) Classification of goods;
- (b) Rate of duty;
- (c) Value of goods;
- (d) None of the above
18. Which of the following is not correct in the context of filing an application before the Settlement Commission under section 127B of the Customs Act, 1962?
- (a) The case should not relate to classification of goods;
- (b) The additional amount of duty accepted by the applicant exceeds Rs. 3,00,000;
- (c) The applicant should have paid the additional duty along with interest before filing the application;
- (d) The application can be withdrawn at any stage of settlement proceedings.
19. In which of the following cases, the refund under section 27 of the Customs Act, 1962 is credited to the consumer welfare fund?
- (a) If the importer proves that there is no unjust enrichment;
- (b) Where goods are imported for non-personal use of an individual;
- (c) If the amount of refund relates to drawback under sections 74 and 75 of the Customs Act, 1962
- (d) If the amount relates to export duty paid on goods which have been returned to exporter as specified under section 26 of the Customs Act, 1962.
20. Which of the following goods are not mandatorily required to be deposited in a special warehouse under section 58A of the Customs Act, 1962?
- (a) Gold and silver articles;
- (b) Supply as stores to vessels/aircrafts;
- (c) Supply to duty free shops in a customs area;
- (d) Supply meant for Government use

21. M/s. Dev Bhoomi Rice (P) Ltd., a registered person under GST, is providing services of processing of milling of paddy into rice, loading, unloading, packing, storage and warehousing of rice in the State of Chhattisgarh. The company has made following supplies during the tax period of April, 2018 to September, 2018:

- (i) Loading and unloading of rice: Rs. 50,00,000/-.
- (ii) Packing and warehousing of rice: Rs. 30,00,000/- .
- (iii) Processing services of milling of paddy into rice: Rs. 1,00,00,000/-.

Determine the amount of GST payable on the above supplies assuming rate of tax as 5%.

- (a) Rs. 32,40,000/-
- (b) Rs. 9,00,000/-
- (c) Rs. 5,00,000/-
- (d) Rs. Nil/-

22. Bombay Municipal Corporation (BMC) has invited online bids for maintenance of bus stops for a period of one year from 1-Jan-2018 to 31-Dec-2018. The work involves composite supply of goods and services and supply of services being the principal supply in which the value of goods constitutes 25% of the total value of composite supply.

Mr. Akshay Kumar, Managing Director of Khiladi Contractors (P) Ltd., located and registered in GST in Gujarat, wants to bid for the same. He seeks your opinion to determine the taxability of the above to quote the best price.

- (a) Not Taxable
- (b) GST payable
- (c) Exempt
- (d) None of the above

23. Mr. Happy Singh is a resident of Chandigarh. The marriage of his daughter, Khushi Kaur, has been finalized with Mr. Lovely Singh, a NRI settled in Canada. The marriage is scheduled on 14-Feb-2019 in Chandigarh. Mr. Happy Singh wants to send 5,000 marriage invitation cards to all his relatives and friends to attend the marriage. He has to send the invitation by speed post. He is not sure about the taxability of speed post services under GST regime. He seeks your help in determining the applicability of GST on speed post.

- (a) GST payable
- (b) Non Taxable
- (c) Exempt
- (d) None of the above

24. Mr. Khiladi Kumar, is the Managing Director of Khiladi Equipments (P) Ltd. The Company is located and registered in GST with office and factories in Mumbai. Mr. Khiladi Kumar, has decided to send food grains and other relief materials worth Rs. 50,00,000/- and Rs. 20,00,000 respectively through railway and airways to the cyclone hit victims in Kerala in the month of November, 2018. The Company has contacted Super Airlines and Indian Railways to transport the materials from Mumbai to Kerala and price for the same has been determined as Rs. 10,00,000/- by air and Rs. 50,000/- by railways excluding taxes.

Mr. Khiladi Kumar, seeks your help to determine what amount of GST is to be paid to Go Air and Indian Railways if applicable GST rate is 18%.

- (a) Super Airlines: Rs. 1,80,000/-; Indian Railways: NIL
- (b) Super Airlines: Rs. 1,80,000/-; Indian Railways: Rs. 9,000
- (c) Super Airlines: Nil; Indian Railways: Rs. 9,000/-
- (d) Super Airlines: Nil; Indian Railways: Nil

25. Mr. Manjot Singh Sidhu is a trader supplying goods from his firm M/s. Singh Traders. The office of the firm is located in Delhi whereas the godowns are located in the State of Uttar Pradesh, Punjab and Jammu & Kashmir (J & K).

M/s. Singh Traders made intra-State supplies from different States during the period from 1-Jul-2017 to 31-March-2018 as follows:

- (i) Delhi-Taxable supplies: Rs. 21,00,000/-.
- (ii) Punjab-Exempted supplies: Rs. 6,00,000/-.
- (iii) Uttar Pradesh-Taxable and exempted supplies: Rs. 3,00,000/- each respectively.
- (iv) J & K-Taxable and exempted supplies: Rs. 8,00,000/- and Rs. 3,00,000/- respectively.

Being a GST expert, Mr. Manjot Singh Sidhu seeks your advice to correctly ascertain the States in which he is required to take registration under GST:

- (a) Delhi, Punjab, Uttar Pradesh and J & K
- (b) Delhi, Uttar Pradesh and J & K
- (c) Delhi and Uttar Pradesh
- (d) Delhi

26. Mr. Bulbul Pandey, is an ambulance driver, who lives in the NCT of Delhi. He provides driving services to Preeti Heart and Lung Institute (PHLI-a super specialty hospital registered in GST in Delhi) for a consideration of Rs. 25,000/- per month.

Mr. Bulbul Pandey was instructed to pick up a patient in Gurugram to PHLI. While going from Delhi to Gurugram, he picked up 5 passengers for transportation in the ambulance from Delhi to Gurugram, and charged Rs. 500/- from them.

Being the GST expert, you are required to ascertain the taxability of transport services provided by Mr. Bulbul Pandey in the ambulance from Delhi to Gurugram under GST Act, 2017:

- (a) Taxable supply
- (b) Exempt supply
- (c) Not a supply
- (d) None of the above

27. Kaushal Industries (P) Ltd. is an unregistered person having Head Office in Delhi. It has started supplying goods through e-commerce operator all over India. The turnover achieved by its two business verticals during financial year 2018-19 is as follows:

Turnover from first business vertical located in Delhi: Rs. 10,50,000.

Turnover from second business vertical located in Assam: Rs. 8,00,000.

As a GST consultant of Kaushal Industries (P) Ltd., you are required to guide Mr. Kaushal, Director of Kaushal Industries (P) Ltd. as to which business vertical is liable to be registered under GST?

- (a) Delhi
- (b) Assam
- (c) Both
- (d) Registration not required

28. Mr. Kala is a proprietor of M/s. Kala & Associates registered in GST which deals in sale/purchase of used or second hand cars. During financial year 2017-18, he effected following intra-State transactions:

Particulars	Purchase Price	Sale Price
Car 1	Rs. 5,00,000	Rs. 7,50,000
Car 2	Rs. 3,00,000	Rs. 2,75,000
Car 3	Rs. 6,00,000	Rs. 6,50,000
Car 4	Rs. 8,00,000	Rs. 9,50,000

Mr. Kala purchased Car 4 from another registered person who charged GST of Rs. 1,30,000 and accordingly Mr. Kala has availed the input credit of the same.

Mr. Kala is not familiar with GST provisions hence he has approached you for determining his GST liability. Assume applicable rate of tax is 18%.

- (a) Rs. 95,000/-
- (b) Rs. 1,08,000/-
- (c) Rs. 1,30,500/-
- (d) Exempt Supply, No GST

29. Jhulelal Pakiwala & Co. is a firm of advocates registered in GST in the State of Punjab. It provides legal consultancy services to various clients. It has provided consultancy services of Rs. 50,000 on 5-Sep-20XX to Burger Queen (P) Ltd., a registered business entity located in Sikkim. Burger Queen (P) Ltd. achieved the turnover of Rs. 15,00,000/- in the preceding financial year. The law firm raised proper invoice on the Burger Queen (P) Ltd. on 25-Sep-20XX. Calculate the taxability of above transaction if applicable rate of tax is 18%.

- (a) Exempt supply
- (b) 9,000 payable by Jhulelal Pakiwala & Co.
- (c) 9,000 payable by Burger Queen (P) Ltd.
- (d) Non-taxable supply

30. M/s. Vishu Megamart, operating a store located and registered in Rajasthan, has come out with big discount offers at the time of Diwali on various gift items. In order to attract more customers, it has decided to supply a gift pack containing 5 packets of Haldiram's Namkeen (200 gram each) taxable @ 12%, 1 packet of Roasted Smoked Almonds (100 gram) taxable @ 18%, 1 packet of Bournville Chocolate (50 mg) taxable @ 28% and 1

bottle of Real Fresh Juice (1 litre) taxable @ 18% in a single basket for a single price of Rs. 1,000/-. State the type of supply and the tax rate applicable on the same.

- (a) Composite supply; Tax rate of the principal item, i.e. Namkeen @18%
- (b) Composite supply; Highest tax rate out of all items, i.e. 28% applicable to chocolates
- (c) Mixed supply; Tax rate of principal item, i.e. Namkeen @18%
- (d) Mixed supply; Highest tax rate out of all items, i.e. 28% applicable to chocolates

31. State which of the following statement is correct:

- (i) Services by any artist by way of performance in folk or classical art forms of music, dance, or theatre as a brand ambassador if the consideration charged for such performance is not more than Rs. 150,000/- is exempt.
- (ii) Services of life insurance business under Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having minimum amount of cover of Rs. 2,00,000/- is exempt
- (iii) Service by an acquiring bank, to any person in relation to settlement of an amount upto Rs. 2,500/- in a single transaction transacted through credit card, debit card, charge card or other payment card service is exempt.
- (iv) Services provided by a goods transport agency by way of transport in a goods carriage of, goods, where gross amount charged for the transportation of goods on a consignment transported in a single carriage does not exceed Rs. 750/- is exempt.

Your options are-

- (a) (i)
- (b) (ii), (iii)
- (c) (ii), (iii), (iv)
- (d) None of the above

32. ASC, a registered person supplied goods amounting to Rs. 1,18,000/- (inclusive of GST, taxable @ 18%) to BSC, a registered person on 30-9-2018. BSC further sold such goods to CSC, a consumer who came to his shop on 30-10-2018 in cash for Rs. 2,36,000/- (inclusive of GST, taxable @ 18%). ASC, issued a credit note of Rs.11,800/- (10000+1800/-GST) for rate difference on 2-11-2018 to BSC. BSC, then entered a credit note in its books for the same amount in the name of CSC, without intimating CSC on 2-11-2018 and reduced its output tax liability accordingly.

As per the provisions of GST law, which of the above mentioned suppliers are allowed to reduce their output tax liability?

- (a) ASC
- (b) BSC
- (c) Both ASC and BSC
- (d) None of the above, since incidence of tax has been passed on to other person.

33. Mr. Allauddin, a stationery retailer, located and registered under GST in Allahabad, has received order for supply of goods worth Rs. 2,00,000/- on 12th November, 2018 from another local registered dealer, Mr. Jallauddin.

Goods were properly supplied with invoice of Rs. 2,00,000/- on 14th November, 2018. Mr. Allauddin, incurred the following expenses before the goods were delivered to Mr. Jallauddin:

Packing charges Rs. 3,000/-

Freight & Cartage Rs. 2,500/-

Handling Charges Rs. 1,500/-

Mr. Jallauddin, made full payment on delivery of the goods for which he was allowed cash discount of Rs. 2,000/-

The rate of tax on the goods supplied is IGST @ 18%, CGST @ 9% and SGST @ 9%.

Mr. Allauddin, paid CGST Rs. 18,000/- and SGST 18,000/-. As a tax consultant, what will be your advice relating to further tax liability of Mr. Allauddin-

- (a) CGST Rs. 630/- and SGST 630/-
- (b) CGST Rs. 450/- and SGST 450/-
- (c) CGST Rs. 18,630/- and SGST 18,630/-
- (d) CGST Rs. 18,450/- and SGST 18,450/-

34. Mr. Rupesh Patel, is voluntarily registered under GST having turnover of Rs. 15,00,000/-.

He is a practicing Company Secretary providing professional services from his partnership firm located in Chandigarh to its various clients.

He has taken some interior decoration services from abroad for a residential home owned in the name of the firm which is under construction in Chandigarh. He has paid Rs. 2,00,000/- for the same.

In view of the above information, state the correct option-

- (a) GST is payable on the interior decoration services received from abroad.
- (b) Interior decoration services received from abroad are not taxable, since the same are not in the course or furtherance of business.
- (c) Interior decoration services received from abroad are exempt in terms of section 6 of IGST Act, 2017
- (d) Interior decoration services received from abroad are not taxable, since below threshold limit

35. M/s. Shahrukh Beedi Company (P) Ltd., is a manufacturer of cigarettes. It has been registered under GST in the State of West Bengal.

The turnover of the company from the period April, 2018 to March, 2019 is Rs. 90,00,000/-. The Excise duty paid on the cigarettes removed is Rs. 10,00,000/-. CGST and SGST paid on the cigarettes is Rs. 18,00,000/-.

The company also recovered actual freight of Rs. 5,00,000/- on the supply of cigarettes so made during the financial year 2018-19, and also charged CGST/ SGST thereon. The company paid RCM @ 5% while availing the services of GTA of Rs. 5,00,000/-.

Compute the aggregate turnover of M/s. Shahrukh Beedi Company (P) Ltd.,

- (a) Rs. 90,00,000/-

(b) Rs. 1,00,00,000/-

(c) Rs. 1,18,00,000/-

(d) Rs. 1,05,00,000/-

36. Mr. Salman Khan, a resident of Mumbai, has booked a Videocon D2H connection at his other home in Delhi. His friend Shah Rukh Khan, is resident of Kerala, paid the charges for Salman's D2H connection in Delhi at the time of actual installation. Mr. Shah Rukh Khan went to Kolkatta after making the payment. Both Salman Khan and Shah Rukh Khan are not registered in GST.

Determine the place of supply of D2H service provided by Videocon to Mr. Salman Khan:

(a) Mumbai

(b) Kerala

(c) Delhi

(d) Kolkatta

37. Mr. Sunil Shetty, a resident of Mumbai, went to Vaishno Devi by train. Mr. Sunil Shetty, after visiting Vaishno Devi temple, purchased a JIO prepaid SIM from Tantan Communications in Jammu by paying cash. Mr. Sunil Shetty took the JIO SIM and the same day boarded the train to Delhi. He went to Agra thereafter, to visit Taj Mahal.

Determine the place of supply of JIO SIM by Tantan Communications to Mr. Sunil Shetty:

(a) Mumbai

(b) Jammu

(c) Delhi

(d) Agra

38. Mr. Chamcham, registered under GST in Delhi, is a domestic trader as also an exporter of whole sale goods. His annual turnover and input tax details are as follows:

	Turnover	Tax paid on
	inputs	
Taxable goods	90,00,000/-	9,00,000/-
Exempt goods	10,00,000/-	1,00,000/-
Exported goods	15,00,000/-	2,00,000/-

No GST is payable on exempt and exported goods. Mr. Chamcham seeks your expert help in calculating the amount of ITC, which he is eligible to claim:

(a) 12,00,000/-

(b) 11,00,000/-

(c) 10,00,000/-

(d) 9,00,000/-

39. Mr. Prabhu Deva, registered under GST in Mumbai, is in the business of trading of marble handicraft items domestically as also exporting the same. His annual turnover and input tax details are as follows:

	Turnover input tax	Tax paid on
Taxable goods	1,25,00,000/-	12,50,000/-
Exported goods	75,00,000/-	5,50,000/-
Exempt goods	50,00,000/-	5,00,000/-

Mr. Prabhu Deva exported the goods under LUT without payment of IGST.

Now, Mr. Prabhu Deva seeks your help in calculating the amount of refund of ITC, which he is eligible to claim.

- (a) 18,00,000/-
- (b) 6,75,000/-
- (c) 5,40,000/-
- (d) 6,90,000/-

40. State whether the following statements are true or false:

1. Zero rated supply means supply of any goods or services or both which attracts nil rate of tax.
2. Exempt supply means export of goods or services or both, or supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.
3. Non-taxable supply means supply of goods or services or both which is not leviable to tax under CGST Act, 2017 but leviable to tax under the Integrated Goods and Services Tax Act, 2017.

4. ITC may be availed for making zero rated supply of exempt goods.

- (a) False, False, False, True
- (b) True, False, False, False
- (c) True, True, False, False
- (d) False, False, False, False

(e) Solutions

S.no.	Correct Option
1	(d)
2	(b)
3	(a)
4	(a)
5	(c)
6	(a)
7	(c)
8	(a)
9	(b)
10	(d)
11	(c)

12	(a)
13	(c)
14	(d)
15	(d)
16	(b)
17	(a)
18	(d)
19	(b)
20	(d)
21	(c)
22	(c)
23	(a)
24	(a)
25	(b)
26	(a)
27	(c)
28	(a)
29	(c)
30	(d)
31	(d)
32	(a)
33	(a)
34	(a)
35	(d)
36	(c)
37	(b)
38	(b)
39	(b)
40	(a)