

Topic: Value of Supply Unit -3

Class: B.Com (Hons) Semester VI

Subject: Goods and Services Tax (GST)

MULTIPLE CHOICE QUESTIONS

- 1) _____ of supply is the amount upon which tax is levied and collected.
a) value b) cost c) turnover d) Gross value
- 2) Transaction value of supply excludes
a) Taxes, Duties and cases
b) Incidental charges
c) Subsidies linked to price
d) None of the above
- 3) Consideration in relation to supply of Goods or Services or both excludes
a) Subsidy given by central Government
b) Subsidy given by state Government
c) Deposit unless appropriated by supplier
d) All of the above
- 4) Where the value of supply of Goods or services or both is not determinable by any preceding rules, Rule 30 states , the value shall be _____ cost of production/manufacture/acquisition of such Goods or provision of such services
a) 100% of
b) 110% of
c) Equal to
d) 90% of
- 5) In cases, where RBI Reference rate for a currency is not available , the value shall be _____
a) 0.1% of the Gross value of Transactions
b) 1% of the Gross amount of Indian Rupees.
c) 0.1% of the Gross amount of Indian Rupees
d) 2% of the gross amount of Indian Rupees.
- 6) The value of Supply of Services in relation to booking tickets for travel by air provided by an air travel agent shall be deemed to be an amount calculated
a) @5% of the basic fare in case of domestic bookings
b) @10 of the basic fare in case of domestic bookings
c) @5% of the basic fare in case of international bookings
d) @10% of the basic fare

- 7) Ratan booked a ticket for Mumbai from Anil ,an air travel agent at a basic fare of ₹10000/-. Ratan also booked a ticket for Abu Dhabi at a basic fare of ₹20000/-from varun, another travel agent. The deemed value of supply for Anil and varun will be
- ₹5000/-, NIL
 - NIL ₹500/-
 - ₹500/- ₹2000
 - ₹500/- ₹1000
- 8) In case of single premium annuity policies, the value of supply of services in relation to life Insurance business, shall be
- 25% of the single Premium charged
 - 15% of the single premium charged
 - 10% of the single premium charged
 - 12.5% of the single premium charged
- 9) The value of supply of Goods and Services shall be the
- Transaction value
 - MRP
 - Market value
 - None of the above
- 10) Persons shall be deemed to be” related persons” if any person directly or indirectly owns , controls or holds _____ or more of the outstanding voting stock or shares or both of them;
- 25%
 - 26%
 - 51%
 - 0%
- 11) The value of supply should include
- Any non-GST taxes, duties, cesses, fees charged by supplier separately
 - Interest, late fee or penalty for delayed payment of any consideration for any supply of Goods and Services
 - Subsidies directly linked to the price except subsidies provided by the central and state Government
 - All of the above
- 12) Which of the following shall not be included in value of supply?
- GST
 - Interest
 - Late fee
 - Commission
- 13) Subsidies provided by the central/state Govt.
- Shall be excluded from the value of taxable supply
 - Shall be included from the value of taxable supply
 - Shall require no adjustment

d) Can be included or excluded from the value of Taxable supply

14) From the following information determine the value of taxable supply as per provisions of Section 15 of the CGST Act, 2017?

Price (including GST @ 18%) ₹ 11, 00,000

Other information:-

- i) Commission paid to Agent by recipient on
Instruction of supplier not included in price ₹ 5000
 - ii) Freight and insurance charges paid by recipient
On behalf of supplier not included in price ₹75000
- a) ₹11,00,000
 - b) ₹11,80,000
 - c) ₹10,00,000
 - d) ₹11,75,000

15) When deductions are allowed from the Transaction value?

- a) Discount offered to customers subject to conditions
- b) Freight charges
- c) Incidental expenses
- d) Amount paid by customer on behalf of the supplier

16) What shall be the value of supply of goods / services where the consideration is not wholly in money?

- a) The open market value of such supply
- b) Sum total of consideration in money and such further amount in money as is equivalent to the consideration, not in money, if such amount is known at the time of supply
- c) Value of supply of Goods or services or both of like kind and quality
- d) Any of the above

17) The value of the supply of Goods or services or both between distinct persons as specified in sec 25(4) of the CGST Act, 2017 or where the supplier and recipient are related, other than where the supply is made through an agent, shall be determined under CGST rules by

- a) Rule 27
- b) Rule 28
- c) Rule 29
- d) Rule 30

18) XYZ Ltd, a holding company gave its car for business purpose to ABC Ltd. One of its subsidiaries having open market value of ₹5 Lakhs for free. What shall be the valuation of such supply for the purposes of calculation of taxes?

- a) ₹5 Lakhs
- b) Shall not be considered as is executed between related parties
- c) At the option of appropriate Authority
- d) None of the above

19) Mr. A makes a supply of 30 shoes to Mr.B . Here both are related persons . Mr B as such intends to further supply such shoes to his customers for Rs 3000. In such case, what shall be the value of supply per shoes?

- a) ₹60000 or ₹54000
- b) ₹3000
- c) ₹2700
- d) (b) or (c) depending on the option of the supplier

20) What shall be the value of supply, where the supply is made between related parties for consideration of ₹1,00,000 which is half of the market value of such supply? (Assume that the person who has procured such goods is able to claim full ITC of the taxes paid.)

- a) Open market value of such supply i.e. ₹2,00,000
- b) Value of supply of Goods or services or like kind and quality
- c) Value as determined by the application of Rule 30 or 31
- d) ₹1,00,000

1)A 2)D 3)D 4)B 5)B 6)A 7)C 8)C 9)A 10)A 11)D 12)A 13)A 14)C
15)A 16)D 17)B 18)A 19)D 20)D

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