

MCQ IN GST

Q. The concept of Goods and Services Tax (GST) is originated in.....

- (a) Canada
- (b) USA
- (c) Britain
- (d) Germany

Ans. a

Explanation: The Goods and Services Tax (GST) is a Canadian value-added tax levied on most goods and services sold for domestic consumption. In India this tax is levied to abolish the multiple indirect taxes in the country.

Q. Which of the following is statement is not correct about GST?

- (a) GST is like a last-point retail tax. GST is going to be collected at point of Sale.
- (b) GST will abolish all the direct tax levied in India
- (c) It will be implemented from 1 July, 2017 throughout the country.
- (d) It will unified the tax structure in India

Ans.b

Explanation: GST will abolish all the Indirect Tax levied in India.

Q. Which of the following tax will be abolished by the GST?

- (a) Service Tax
- (b) Corporation tax
- (c) Income Tax
- (d) Wealth Tax

Ans. a

Explanation: GST will subsume all the indirect taxes applicable in India. Service tax is an indirect tax so it will be abolished throughout India.

Q. Which of the following tax rate is not applicable under the GST?

- (a) 5
- (b) 12
- (c) 18
- (d) 25

Ans. d

Explanation: GST will comprise five basic rates: 0 percent, 5 percent, 12 percent, 18 percent and 28 percent.

. What kind of Tax is GST?

- (a) Direct Tax
- (b) Indirect Tax
- (c) Depends on the type of goods and services
- (d) None of the above

Ans. b

Explanation: Goods and Services Tax is an indirect tax which will be levied on the goods and services both.

Q. Which of the following good will not be covered under the GST bill?

(a) Cooking gas

(b) Liquor

(c) Petrol

(d) All of the above

Ans. d

Explanation: Cooking gas, Liquor, Petrol, air fuel, natural gas and diesel are not covered under the GST. State government can impose tax on these goods as per their wish.

Q. Which of the following is the main motive of the government behind the introduction of the Goods and Services Tax

(a) To bring tax uniformity in the country

(b) To increase government revenue

(c) To replace all the indirect tax

(d) All of the above

Ans. b

Explanation: Government wants to bring tax uniformity in the country and remove the tradition of tax upon tax system.