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# **Demand & Recovery**



1. Which section deals with the provisions regarding issue of notice and raising of demand in cases where suppression of facts is not alleged?

- a. Section 73
- b. Section 74
- c. Section 75
- d. Section 76

Ans:- (a) (b) (c) (d)

2. Which section deals with the provisions regarding issue of notice and raising of demand in cases where suppression of facts is alleged?

- a. Section 73
- b. Section 74
- c. Section 75
- d. Section 76

Ans:- (a) (b) (c) (d)

3. Different designations have been prescribed to function as a proper officer on the basis of \_\_\_\_\_ for issue of notice and demand.

- a. Subordinate level of Central Tax Officers
- b. Seniority level of Central Tax Officers
- c. Monetary limit of the tax involved
- d. Type of tax involved

Ans:- (a) (b) (c) (d)

4. SCN stands for \_\_\_\_\_

- a. Special Cause Notification
- b. Show Cause Notice
- c. Serve the Cause Notice
- d. Suppression Cause Notice

Ans:- (a) (b) (c) (d)

5. Notice can be served by which of the following modes?

- a. By registered post
- b. By sending a communication to his email
- c. By making it available on common portal
- d. All of the above

Ans:- (a) (b) (c) (d)

6. What is the time limit for issue of order in case of reasons other than fraud, misstatement or suppression?

- a. 1 year
- b. 2 years
- c. 3 years
- d. 5 years

Ans:- (a) (b) (c) (d)

7. What is the time limit for issue of order in case of fraud, misstatement or suppression?

- a. 30 months
- b. 18 months
- c. 5 years
- d. 3 years

Ans:- (a) (b) (c) (d)

8. Repeat notices can be sent to the assessee on the same grounds on which once a SCN has been issued. Comment.

- a. Yes
- b. No
- c. Partially correct
- d. None of the above

Ans:- (a) (b) (c) (d)

9. What is the prescribed monetary limit of Central Tax for Superintendent of Central Tax for issuance of show cause notices and orders under Section 73 and 74?

- a. Not exceeding Rupees 10 lakhs
- b. Above Rupees 10 lakhs and not exceeding Rupees 1 crore
- c. Above Rupees 1 crore without any limit
- d. Not exceeding Rupees 20 lakhs

Ans:- (a) (b) (c) (d)

10. What is the prescribed monetary limit of Integrated Tax for Superintendent of Central Tax for issuance of show cause notices and orders under Section 73 and 74 read with Section 20 of the IGST Act?

- a. Not exceeding Rupees 10 lakhs
- b. Above Rupees 10 lakhs and not exceeding Rupees 1 crore
- c. Above Rupees 1 crore without any limit
- d. Not exceeding Rupees 20 lakhs

Ans:- (a) (b) (c) (d)

11. What is the prescribed monetary limit of Central Tax for Deputy or Assistant Commissioner of Central Tax for issuance of show cause notices and orders under Section 73 and 74?

- a. Not exceeding Rupees 10 lakhs
- b. Above Rupees 10 lakhs and not exceeding Rupees 1 crore
- c. Above Rupees 1 crore without any limit
- d. Any amount without any limit

Ans:- (a) (b) (c) (d)

12. What is the rate of interest that needs to be paid in case of default as per section 73?

- a. 5%
- b. 12%
- c. 18%
- d. 28%

Ans:- (a) (b) (c) (d)

13. If the voluntary payment of tax made by a person u/s 73(5) falls short, can he be again issued for such short payment?

- a. Yes, he shall be issued GST DRC – 01 for full amount

- b. No, the short paid amount shall be waived off as a result of voluntary payment
- c. Yes, GST DRC – 01 shall be issued for the short paid amount only
- d. No, because the issue gets closed as soon as the person makes voluntary payment

Ans:- (a) (b) (c) (d)

14. Penalty is not leviable u/s 73 of the Act, in case the tax along with interest is paid within \_\_\_\_\_ days from the issue of SCN.

- a. 10 days
- b. 15 days
- c. 20 days
- d. 30 days

Ans:- (a) (b) (c) (d)

15. What is the rate of penalty for default u/s 74 if the payment has been made after issue of notice?

- a. 10 %
- b. 12 %
- c. 15 %
- d. 25 %

Ans:- (a) (b) (c) (d)

16. Time limit for issue of order u/s 73(9) is three years from the \_\_\_\_\_.

- a. Last date of the financial year to which the tax belongs
- b. Last date of the furnishing annual return to which the tax belongs
- c. Date of issue of SCN
- d. Date of voluntary payment made by the assessee

Ans:- (a) (b) (c) (d)

17. What would be the rate of penalty u/s 73 of the CGST Act, if the person has not paid the amount (tax plus interest) within 30 days?

- a. 5 %
- b. 10 % of tax or INR 10,000 whichever is higher
- c. 8 % of tax plus interest
- d. 10 % of tax plus interest

Ans:- (a) (b) (c) (d)

18. Section 74 covers the provisions when the tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilized by \_\_\_\_\_.

- a. Reason of fraud
- b. Any wilful statement
- c. Suppression of facts
- d. All of the above

Ans:- (a) (b) (c) (d)

19. The notice should be issued at least \_\_\_\_\_ before time limit of issue of order u/s 74.

- a. 1 month
- b. 2 months
- c. 3 months
- d. 6 months

Ans:- (a) (b) (c) (d)

20. The notice should be issued at least \_\_\_\_\_ before time limit of issue of order u/s 23.

- a. 1 month
- b. 2 months
- c. 6 months
- d. 3 months

Ans:- (a) (b) (c) (d)

21. Within how much time, the payment should be made after the demand is confirmed?

- a. One month
- b. Two months
- c. Three months
- d. Four months

Ans:- (a) (b) (c) (d)

22. If it is expedient in the interest of the revenue, can the proper officer after recording reasons in writing, require a taxable person to make payment of tax demand within shorter period as may be specified by him?

- a. Yes
- b. No
- c. With prior permission of not below the rank of Joint Commissioner
- d. None of the above

Ans:- (a) (b) (c) (d)

23. Where the service of Notice or issuance of order is stayed by a Court order, can the period of such stay be excluded in computing the period specified in sub-sections (2) and (10) of section 73 or in sub sections(2) and(10) of section 74?

- a. Yes
- b. No
- c. At proper officer's discretion
- d. None of the above

Ans:- (a) (b) (c) (d)

24. What is the maximum number of times a hearing can be adjourned?

- a. 1
- b. 3
- c. 5
- d. None of the above

Ans:- (a) (b) (c) (d)

25. Whether the amount of tax, interest and penalty demanded in the order can exceed the amount specified in the Notice?

- a. Yes
- b. No
- c. At proper officer's discretion
- d. None of the above

Ans:- (a) (b) (c) (d)

26. What is the time limit for issue of order in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a Court, from the date of communication of the said direction?

- a. 30 months
- b. 18 months
- c. 2 years
- d. 5 years

Ans:- (a) (b) (c) (d)

27. What is the prescribed monetary limit of Integrated Tax for Deputy or Assistant Commissioner of Central tax for issuance of show cause notices and orders u/s 73 and 74 read with section 20 of the IGST Act?

- a. Not exceeding Rs.20 Lakhs
- b. Any amount without any limit
- c. Above Rs.20 Lakhs & not exceeding Rs.2 crore
- d. Above Rs.2 crore without any limit

Ans:- (a) (b) (c) (d)

28. Is there any time limit for issue of notice under section 76 in cases where tax collected but not paid?

- a. No time limit
- b. 1year
- c. 3years
- d. 5year

Ans:- (a) (b) (c) (d)

29. Whether the person who has borne the incidence of amount apply for refund of surplus left after adjustment towards tax collected but not paid under section76?

- a. Yes
- b. No
- c. At proper officer's discretion
- d. None of the above

Ans:- (a) (b) (c) (d)

30. In case the person does not deposit tax collected in contravention of Section 76, is the same recoverable with interest?

- a. Yes
- b. No
- c. At proper officer's discretion
- d. None of the above

Ans:- (a) (b) (c) (d)

31. Bond/Security shall be in the form of ----- equivalent to the amount of applicable tax,

interest and penalty

- a) Bank guarantee
- b) Letter head
- c) power of attorney
- d) demand draft

Ans:- (a) (b) (c) (d)

32. Any amount of demand debited in the electronic liability register shall stand ----- given by the appellate authority or Appellate Tribunal or Court & the electronic liability register shall be credited accordingly.

- a) Reduced to the extent of relief
- b) Increased to the extent of relief
- c) Similar to the extent of relief
- d) Either (a) or (b)

Ans: (a) (b) (c) (d)

33. Mr. A defaulted in payment of IGST amounting to Rs. 1.5 crore. The Proper Officer treated this default on the part of the taxpayer being made with the intention of fraud. Which of the following Proper Officer can issue a show cause notice to the taxpayer under section 74 of CGST Act, 2017 in this case?

- (a) Assistant Commissioner of Central Tax
- (b) Additional Commissioner of Central Tax
- (c) Joint Commissioner of Central Tax
- (d) Superintendent of Central Tax

Ans:- (a) (b) (c) (d)

34. Which of the following is a correct method of serving notice?

- (i) By giving it to any adult member of the family residing with the taxable person
  - (ii) By making it available on the common portal
  - (iii) By sending a courier to a person regularly employed by him in connection with the business
  - (iv) By registered post with acknowledgement due to his authorised representative
  - (v) Affixing a copy on the notice board of the office of the concerned officer who issued such notice
- (a) (ii), (iv)
  - (b) (i), (iii), (v)
  - (c) (i), (ii), (iii), (iv)
  - (d) (i), (ii), (iii), (iv) and (v)

Ans:- (a) (b) (c) (d)

## Recovery proceedings

35. In which manner the detained goods can be sold?

- a. By auction / E-auction
- b. Market sale at market price
- c. Scrap sale
- d. Retail sale

Ans:- (a) (b) (c) (d)

36. Notice of auction should be issued at least before \_\_\_\_\_ except in case of \_\_\_\_\_.

- a. 10 days, non-perishable goods
- b. 15 days, perishable goods
- c. 20 days, perishable goods
- d. 25 days, non-perishable goods

Ans:- (a) (b) (c) (d)

37. The proper officer may prepare a certificate signed by him specifying the amount due from such person & send it to the \_\_\_\_\_ of the district to collect it as \_\_\_\_\_ in district in which such person owns any property or resides or carries on his business.

- a. Collector, Land revenue
- b. Director, Rent revenue
- c. Collector, Interest revenue
- d. Director, Land revenue

Ans:- (a) (b) (c) (d)

38. The provisional attachment shall cease after \_\_\_\_\_ from the date of order.

- a. Six months
- b. One year
- c. One month
- d. Three months

Ans:- (a) (b) (c) (d)

39. What is the maximum penalty leviable u/s 74?

- a. 100% of the taxes
- b. 100% of the value of goods
- c. 50% of the taxes
- d. 50% of the value of goods

Ans:- (a) (b) (c) (d)

40. Recovery at amount payable by a defaulter can be made from:

- a. Customer
- b. Bank
- c. Post office
- d. All of the above

Ans:- (a) (b) (c) (d)

41. After how many days, the proper officer may cause the sale of distressed property?

- a. 30 days
- b. 60 days

- c. 90 days
- d. 120 days

Ans:- (a) (b) (c) (d)

42. Maximum number of monthly installments permissible under section 80 is:

- a. 36
- b. 12
- c. 48
- d. 24

Ans:- (a) (b) (c) (d)

43. Which officer/s has the power to grant permission for payment of tax through installment?

- a. Commissioner
- b. Principal Commissioner
- c. Assistant Commissioner
- d. Both (a) and (b)

Ans:- (a) (b) (c) (d)

44. When transfer of property would be considered void?

- a. Transaction is done to defraud the Government revenue
- b. Transaction is done without the intention to defraud the Government revenue
- c. Any of the above

Ans:- (a) (b) (c) (d)

45. What liabilities can be recovered on account of first charge on the property of such taxable person or such person as per section 82 of the CGST Act, 2017?

- a. Tax
- b. Interest
- c. Penalty
- d. All of the above

Ans:- (a) (b) (c) (d)

46. The Commissioner shall issue a fresh notice to recover the Government dues, if:

- a. Demand amount is enhanced
- b. Demand amount is reduced
- c. Both (a) and (b)
- d. Neither (a) nor (b)

Ans:-

47. When Commissioner is not required to serve fresh notice to recover the Government dues?

- a. Demand amount is reduced
- b. Already proceedings of recovery of Government dues is served before disposal of appeal, revision of application or other proceedings
- c. Demand amount is enhanced
- d. Both (a) and (b)

Ans:- (a) (b) (c) (d)

48. Who can issue fresh notice for enhanced demand by appeal, revision of application or other proceedings:

- a. Commissioner
- b. Assistant Commissioner
- c. Joint Commissioner
- d. Any of above

Ans:- (a) (b) (c) (d)

49. Checkernot has self-assessed tax liability under IGST Act, 2017, as ₹ 80,000. He fails to pay the tax within 30 days from the due date of payment of such tax.

Determine the interest and penalty payable by him with the following particulars available from his records:

Date of collection of tax 18th December, 2017

Date of payment of tax 26th February, 2018

No Show Cause Notice (SCN) has been issued to him so far, while he intends to discharge his liability, even before it is issued to him, on the assumption that no penalty is leviable on him as payment is made before issue of SCN.

- a. Interest 1460, Penalty 8000
- b. Interest 1460, Penalty 10,000
- c. Interest 1946, Penalty 8000
- d. Interest 1946, Penalty 10,000

Ans:- (a) (b) (c) (d)

## Answers:-

1	a	11	b	21	c	31	a	41	a
2	b	12	c	22	a	32	a	42	d
3	c	13	c	23	a	33	a	43	d
4	b	14	d	24	b	34	d	44	a
5	d	15	d	25	b	35	a	45	d
6	c	16	b	26	c	36	b	46	a
7	c	17	b	27	c	37	a	47	d
8	a	18	d	28	a	38	b	48	a
9	a	19	d	29	a	39	a	49	b
10	d	20	d	30	a	40	d		