

3

Reverse Charge

*Excellence is not
a Skill
It is an
Attitude*



*Think GST
Think Vishal Sir..!*

1. When was the notification in respect to suspension of RCM u/s 9(4) was being issued?

- a. 13th October 2017
- b. 15th November 2017
- c. 15th October 2017
- d. None of the above

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

2. In case of reverse charge who is liable to pay tax?

- a. Supplier
- b. Recipient
- c. Both a and b
- d. None of these

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

3. Who are the persons liable to pay tax under reverse charge mechanism?

- a. Registered Supplier
- b. Registered Recipient
- c. Unregistered Supplier
- d. Unregistered Recipient

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

4. Sec 9(4) of CGST reverse charge is applicable when supply of goods or services by

- a. Unregistered supplier to registered person
- b. Unregistered supplier to unregistered person
- c. Registered supplier to registered person
- d. Registered supplier to Unregistered person

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

5. When is the person eligible to claim the tax in case of RCM?

- a. Same month
- b. Next month
- c. Any of the two months
- d. In any month of the year

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

6. Can Input tax credit standing in the Electronic credit ledger be utilized for payment of tax under Reverse Charge Mechanism?

- a. Yes
- b. No
- c. Not Applicable
- d. May be

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

7. Is ITC available to the supplier, supplying goods / services under Reverse Charge Mechanism

- a. Yes
- b. No
- c. Not applicable
- d. Yes, if permitted by the authority

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

8. What is the amount of Input tax credit available to a composite dealer falling under Reverse charge

mechanism?

- a. 100% of tax paid
- b. 50% of tax paid
- c. Nil
- d. Some portion of tax paid

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

9. Which of the following statements are true?

- a. Self – invoicing must be done
- b. A single consolidated monthly invoice can be issued.
- c. Both statements are correct
- d. Both statements are incorrect

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

10. Is the below statement correct: "A person is not required to obtain registration if he is required to pay tax under reverse charge but he has not exceeded his threshold limit"

- a. Incorrect, the person is required to take registration & pay tax under reverse charge irrespective the fact that threshold is crossed or not.
- b. Incorrect, if the person is required to pay tax under reverse charge he shall obtain registration only if the value of supply under reverse charge exceeds the threshold limit.
- c. Above statement is correct
- d. Correct, a person is required to obtain registration if he is required to pay tax under reverse charge and, he is making taxable supplies irrespective of the threshold limit.

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

11. Micro Apparels in Chennai, Tamil Nadu, avails fashion designing services of ₹ 50,00,000 from Prabhu Designs in Singapore. Who is liable to pay GST?

- a. Micro Apparels
- b. Prabhu Designs
- c. Both
- d. None of the above.

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

12. True or False: In case of legal services by an individual advocate including a senior advocate or firm of advocated, GST is payable by recipient if he is a business entity located in India.

- a. True
- b. False
- c.
- d.

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

13. ABC Pvt. Ltd. appointed Mr. Z as their independent director and paid him the sitting fees. Is this supply covered under RCM?

- a. Yes
- b. No
- c. Not taxable at all

d. Taxable under forward charge

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

14. GST is payable by recipient of services in the following cases:-

- (i) Services provided by way of sponsorship to ABC Ltd.
 - (ii) Services supplied by a director of Galaxy Ltd. to Mr. Krishna.
 - (iii) Services by Department of Posts by way of speed post to MNO Ltd.
 - (iv) Services supplied by a recovering agent to SNSP Bank
- a. (i) & (iii)
 - b. (i) & (iv)
 - c. (ii) & (iii)
 - d. (ii) & (iv)

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

15. In case of Goods Transport Agency (GTA) services, tax is to be paid under forward charge if:

- a. GST is payable @ 12%
- b. GST is payable @ 5% and a factory registered under the Factories Act, 1948 is the recipient of GTA service.
- c. GST is payable @ 5% and an unregistered individual end customer is the recipient of GTA service.
- d. None of the above

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

16. Express Parcel Post Services provided by Department of Post to a business entity. The GST is liable to be paid by:

- a. business entity
- b. Department of Post
- c. Exempted supply
- d. Not at all supply.

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

17. Mr. A businessman who take legal service from individual advocate and pay the tax under RCM by using

- a. Electronic credit ledger
- b. Electronic cash ledger
- c. Both a and b
- d. None of the above

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

18. ABC Ltd. avail service of Rudra goods transport agency for transportation of goods from factory located in Mumbai to its Nasik depot and paid freight ₹1,00,000 and GST is applicable @ 5%. Who will pay GST?

- a. Rudra goods transport agency
- b. XYZ Ltd. company
- c. both a 50% and b 50%
- d. None of the above

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

19. Bharat Jewellers paid ₹50,00,000 for sponsorship of Miss India beauty pageant for sponsorship service. Who is liable to pay GST?

- a. Bharat Jewellers
- b. Miss India Beauty
- c. both a 50% and b 50%
- d. None of the above

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

20. GST is payable by the recipient under reverse charge on

- a. Sponsorship service
- b. Transport of goods by rail
- c. transport of passenger by air
- d. all of the above

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

21. Kokilabehn is appointed as an arbitral tribunal to reliance Industry Ltd. GST is payable by

- a. kokilabehn
- b. Reliance Industry Ltd.
- c. Service of arbitral tribunal is Exempt
- d. service of arbitral tribunal is not a supply

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

22. Mr. Vishal is appointed as a director of ABC Ltd. company (not in capacity of employee) an earn sitting fees ₹ 5,00,000. Who is liable to pay GST ?

- a. Mr. CA Vishal
- b. ABC Ltd. Company
- c. Exempt supply
- d. Not cover in a supply

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

23. Mr Veer is an agent of Life Insurance company. The insurance company pays commission ₹ 8,00,000 excluding taxes. Who is liable to pay GST ?

- a. Mr. Veer
- b. Life insurance company
- c. Exempt supply
- d. no GST because taxable supply not exceed ₹ 20 lakh

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

24. In which case Govt. is not liable to pay tax

- a. Renting of immovable property to registered person
- b. Renting of immovable property to other than registered person
- c. Renting of immovable property for residential dwelling
- d. All of the above

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

25. Goods transportation agency (GTA) is registered and does not avail the ITC. He provides GTA services to another registered person. Will this transaction fall under RCM? What shall be the GST Rate?

- a. RCM applicable, Rate – 5%

- b. RCM applicable, Rate – 12%
- c. RCM not applicable, Rate – 18% under forward charge
- d. Not taxable

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

26. ABC Pvt. Ltd. has taken consultancy services from an engineer in USA. Who shall be liable to pay tax and under what head?

- a. ABC Pvt. Ltd. will pay the tax, IGST
- b. ABC Pvt. Ltd. will pay the tax, CGST and SGST
- c. Engineer will pay the tax, IGST
- d. Engineer will pay the tax, CGST & SGST

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

27. Mr. A was having Rs.50,000 in his credit ledger in the month of January, 2018 and in the same month he made purchases on which tax of Rs. 30,000 under RCM was to be paid. Which of the following method can be used for the same?

- a. Pay Rs. 30,000 by utilizing ITC of Rs. 50,000
- b. Pay Rs. 30,000 from cash ledger
- c. Pay Rs. 15,000 by cash and utilize ITC for the balance amount
- d. Anyone of the above can be followed

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

28. GTA is under expansion mode and is acquiring lot of trucks for the transportation. It wants to take the ITC on such capital goods. What rate shall he charge in order to avail the ITC?

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

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

29. ABC National Bank appointed Mr. A, a recovery agent in order to recover the amount paid to a defaulter Mr. B. who shall pay the tax in this supply?

- a. ABC National Bank
- b. Mr. A
- c. Mr. B
- d. None of them

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

30. Mr. B, a GTA in Delhi supplied services of Rs. 60,000 to Mr. Q, a registered person in Delhi and the entire amount was being paid to the GTA. What shall be the tax amount to be paid under RCM?

- a. Rs. 1,500 each in CGST and Delhi GST
- b. Rs. 3,000 in IGST
- c. Rs. 2,857 each in CGST and Delhi GST
- d. Rs. 2,857 in IGST

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

31. Which category of supply specify in sec 9(5)?

- a. Supply of goods only
- b. Supply of service only
- c. Both a and b

- d. None of the above

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

32. Which supply of service is specified under sec 9(5)

- a. Supply through ECO transportation of passengers by cab
- b. Supply through ECO renting of accommodation by unregistered hotels
- c. Supply through ECO service by unregistered plumber, housekeeper, etc.
- d. all of the above

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

33. Ola being an E – commerce operator provides cab services to the passengers through various local service providers. The liability to pay tax on such services shall be applicable to:

- a. Ola
- b. Passengers
- c. Local Service Providers
- d. None

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

34. Mr. Alok had to transport his personal goods from Mumbai to Goa. He contacts Sigma travel services. Sigma travels is passenger bus traveler and also does transportation of goods i.e., Goods Transport Agency. He transports goods of all persons including non-passengers.

Mr. Alok hands over the goods to Sigma travel services. Sigma travels issues consignment note for his goods. Alok is an unregistered person. What will be GST scenario in this case?

- a. Goods transport agency service rendered to unregistered person is exempt from tax
- b. Goods transport agency is required to pay GST under reverse charge for service rendered to un-registered person
- c. Unregistered person is required to pay GST to transport agency which in turn will be deposited by Goods transport agency to government.
- d. None of the above

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

35. Which of the following legal services does not fall under RCM provisions as contained under section 9(3) of the CGST Act-

- a. Representation services provided by an individual advocate
- b. Representation services provided by a senior advocate
- c. Representation services provided by a firm of advocates
- d. Legal services provided by an advocate to an unregistered individual

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

Answer:-

1	a	21	b
2	b	22	b
3	b	23	b
4	a	24	a
5	a	25	a
6	b	26	a
7	b	27	b
8	c	28	b
9	a	29	a
10	a	30	a
11	a	31	b
12	a	32	d
13	a	33	a
14	b	34	a
15	a	35	d
16	b		
17	b		
18	b		
19	a		
20	a		