

**SAINT FATEH SINGH CONVENT SCHOOL, MAUR MANDI**  
**VIVA QUESTIONS**  
**ACCOUNTS**  
**TOPIC- GST**

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Q.1 Where is the power to levy GST obtained from?

Article 246A of the Constitution, which was brought by the Constitution (101st Amendment) Act, 2016 granted the co-existent powers to both parliament and state legislatures to make laws with respect to GST. Nevertheless, -clause 2 of Article 246A read with Article 269A provides with the exclusive power to the Parliament to legislate with respect to inter-state trade or commerce.

Q.2 What do you understand by the taxable event under GST?

Supply of goods and/or services. CGST & SGST will be levied on intra-state supplies while IGST will be levied on inter-state supplies. The charging sections are section 7 (1) of CGST/SGST Act and Section 4(1) of the IGST Act.

Q.3 Is the reverse charge mechanism only applicable to services?

No, reverse charge are applicable to supplies of both services and goods.

Q.4 Bring the implications in light, in case of purchase of goods from unregistered dealers?

The receiver of goods wont be able to get ITC. Furthermore, the recipients who are registered under composition schemes would be liable to pay tax under reverse charge.

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Q.5 Can composition scheme be availed if the taxable person effects inter-State supplies?

No, the composition scheme is applicable subject to the condition that the taxable person does not affect inter-state supplies.

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Q.6 Can the input tax credit be claimed by the taxable person under composition scheme?

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Q.7 The customer who buys from a taxable person who is under the composition scheme can claim composition tax as input tax credit?

No, customer who buys goods from taxable person who is under composition scheme is ineligible for composition input tax credit because a composition scheme supplier cannot issue a tax invoice

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Q.8 Can composition tax be collected from customers?

No, the taxable person under composition scheme isn't permitted to collect tax. It states that a composition scheme supplier cannot issue a tax invoice.

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Q.9 Give the threshold for opting to pay tax under the composition scheme?

The threshold for composition scheme is Rs. 50 Lakhs of aggregate turnover in financial year.

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Q.10 Give the penal consequences if a taxable person violates the condition and is in-eligible for payment of tax under the Composition scheme?

The taxable person who was in-eligible for the composition scheme would be liable to pay tax, interest and in addition he shall also be liable to a penalty equivalent to the amount of tax payable. (Section 8 (3) of the MGL).

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Q.11 When exemption from whole of tax collected on goods and/or services has been conceded unconditionally, can taxable person pay tax?

No, the taxable person presenting such goods or services shall not collect the tax on such goods or services.

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Q.12 What do you understand by the remission of tax/duty?

It means relieving the tax payer from the obligation to pay tax on goods when they are lost or destroyed due to any natural causes. Remission is subject to conditions prescribed under the law and rules made there under.

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Q.13 State whether remission is allowed under GST law?

Yes, brought section 11 of Model GST law permits remission of tax on supply of goods.

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Q.14 Does the model GST Law empower the competent government to exempt supplies from levying GST?

Yes. Under the Model GST Law's section 10, the Central or the State Government, on the recommendation of the GST council can exempt the supplies from the levy of GST either generally or subject to conditions.

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Q.15 What are the differences between the UPA's GST and the NDA's GST?

The primary differences:

Petroleum sector has been kept out of the extent of GST. Liquor for human consumption is exempted, although tobacco and tobacco products will fall under GST. There is a 1% tax on top of the GST for inter-state movement of goods and services.

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Q.16 What are the taxes that GST replaces?

Numerous different indirect taxes, have been replaced by GST:  
Central Excise Duty  
Service Tax  
Countervailing Duty  
Special Countervailing Duty  
Value Added Tax (VAT)  
Central Sales Tax (CST)

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Entertainment Tax  
Entry Tax  
Purchase Tax  
Luxury Tax  
Advertisement taxes  
Taxes applicable to the lotteries.

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Q.17 What is Input GST?

GST on purchase is known as Input GST.

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Q.18 What is GST Payable?

Output GST - Input GST = GST Payable.

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Q.19 What is GST Credit?

If the input GST is more than the Output GST, then it's the GST Credit. While it is calculated differently for different types of GST.

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Q.20 How would you differentiate between CGST, SGST and IGST?

1. CGST stands for Central Goods and Services Tax. CGST is charged on Local Sales within State which is collected by Central Government. CGST will replace taxes like Central Excise and Service tax

2. SGST stands for State Goods and Services Tax which is charged on Local Sales within State. SGST is charged and collected by State Government. SGST will replace taxes like VAT, Luxury tax and Entertainment tax

3. IGST stands for Interstate Goods and Services Tax. IGST will be charged on Central Sales (Sales Outside State) which will be charged and collected by Central Government on Interstate Supply of Goods and Services. IGST will replace taxes like CST (Central Sales Tax).

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Q.21 What do you understand by Output GST?

GST on sales is called Output GST also referred as GST Liability

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Q.22 State the procedure of Adjustment of IGST with CGST SGST Credit?

Output IGST can be adjusted with Input GST as per the given order -  
Input IGST if any  
Input CGST if any  
Input SGST if any

Q.23 Name the different invoices under GST?

1. For all types of Taxable Sales (Local or Central), normally a tax invoice is to be issued

2. Same Series number of invoice will start for local and central sales
3. Same series to be used for sale to registered and sale to unregistered person
4. For All types of taxable sales (Local or Central), generally a tax invoice is to be issued
5. Sale of exempted goods
6. Sale by composition dealer