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Offences & Penalties



1. Any registered person supplying goods on which tax not paid or short paid or input tax credit wrongly availed for any reason, other than the reason of fraud or any willful misstatement or suppression of facts to evade tax, shall be liable to pay a penalty of
- a. Rs. 10000
 - b. 10% of the tax due from such person
 - c. (a) or (b), whichever is lower
 - d. (a) or (b), whichever is higher

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

2. Any registered person supplying goods on which tax is not paid or short paid or input tax credit wrongly availed for any reason of fraud or any willful misstatement or suppression of facts to evade tax, shall be liable to pay a penalty of
- a. Rs. 10000
 - b. Tax due from such person
 - c. (a) or (b), whichever is lower
 - d. (a) or (b), whichever is higher

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

3. Any person who aids or abets any of the offences specified u/s 122(1) shall be liable to a penalty
- a. Up to 5000
 - b. Up to 10000
 - c. Up to 15000
 - d. Up to 25000

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

4. A breach shall be considered a 'minor breach' if the amount of tax involved is
- a. < Rs. 1000
 - b. < Rs. 3000
 - c. < Rs. 5000
 - d. < Rs. 10000

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

5. Any person, who contravenes any of the provisions of this Act or any rules made there under for which no penalty is separately provided for in this Act, shall be liable to penalty which may extend to
- a. Rs. 5000
 - b. Rs. 10000
 - c. Rs. 20000

d. Rs. 25000

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

6. After detention or seizure, if the owner comes forward for payment, the goods and conveyance shall be released on payment of an amount equal to _____ in case of exempted goods.
- a. 2% of the value of goods
 - b. Rs. 25000
 - c. (a) or (b), whichever is lower
 - d. (a) or (b), whichever is higher

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

7. After detention or seizure, if the owner does not come forward for payment, the goods and conveyance shall be released on payment of an amount equal to _____ in case of exempted goods.
- a. 5% of the value of goods
 - b. Rs. 25000
 - c. (a) or (b), whichever is lower
 - d. (a) or (b), whichever is higher

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

8. Redemption fine in lieu of confiscation shall not exceed
- a. Rs. 10000
 - b. The taxable value of goods
 - c. The market price of the goods confiscated, less the tax chargeable thereon
 - d. The amount of tax payable on goods

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

9. Mr. A fails to appear before the officer of central tax even after the issue of summon for appearance to give evidence or produce a document in an enquiry. He shall be liable to a penalty _____ u/s 122(3) of CGST Act.
- a. < Rs. 10000
 - b. < Rs. 5000
 - c. < Rs. 20000
 - d. < Rs. 25000

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

10. ABC Ltd. supplies taxable services worth Rs. 120000 and charged IGST @ 18% i.e. to Mr. Y

without issuing any invoice. It shall be liable to a penalty of _____ u/s 122(1) of CGST Act.

- a. Rs. 10000
- b. Rs. 21600
- c. Rs. 120000
- d. None of the above

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

11. ABC & Co., a partnership firm committed an offence. Who shall be liable for the same?

- a. All the partners
- b. All the partners unless they prove offence committed without their knowledge
- c. All the employees
- d. None of the above

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

12. What happens after the offence has been compounded?

- a. Proceeding shall be continued
- b. Proceedings, if initiated shall be dropped
- c. Person has to pay all the pending dues
- d. All of the above

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

13. _____ includes intention, motive, knowledge of a fact, and belief in, or reason to believe, a fact.

- a. The state of mind
- b. The wrong action
- c. The culpable mental state
- d. Any of the above

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

14. Mr. A has opened up a new branch office. In this office is he required to display his GSTIN? What shall be the penalty in case he doesn't display the same?

- a. Yes, penalty of maximum Rs. 25000
- b. Yes, no penalty
- c. No, no penalty
- d. Yes, no penalty as only the head office needs to display the GSTIN

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

15. Is there any time limit in which the release of the detained or seized goods can be sought?

- a. Yes, after the payment of tax & penalty within 07 days of the date of detention of goods
- b. Yes, after the payment of tax & penalty within 15 days of the date of detention of goods
- c. No, there is no such limit
- d. No, they will only be released on the Court order

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

16. Shagun started supply of goods in Vasai, Maharashtra from 01.01.20XX. Her turnover exceeded ₹ 20 lakh on 25.01.20XX. However, she didn't apply for registration. Determine the amount of penalty, if any, that may be imposed on Shagun under section 122(1) of the CGST Act, 2017 on 31.03.20XX, if the tax evaded by her, as on said date, on account of failure to obtain registration is ₹ 1,26,000:

- a. ₹ 10,000
- b. ₹ 1,26,000
- c. ₹ 12,600
- d. None of the above

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

17. In the proposed return system, if the tax liability increases more than ---through amended return, higher late fees are payable.

- a. 5%
- b. 10%
- c. 25%
- d. 30%

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

18. All exporters registered under GST can export goods or services without payment of IGST, on execution of LUT, except those who have been prosecuted for offence under any law where tax evade exceeds-----?.

- a. ₹. 100 lakhs
- b. ₹. 150 lakhs
- c. ₹. 200 lakhs
- d. ₹. 250 lakhs

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

19. In which of the following cases, compounding of offence is not allowed under section 138 of CGST Act, 2017?

(i) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f) of section 132(1).

(ii) a person who has been allowed to compound once in respect of any offence, other than those in clause (i) in respect of supplies of value upto one crore rupees.

(iii) a person who has been accused of committing an offence under this Act which is also an offence under any other law for the time being in force.

(iv) a person who has been convicted for an offence under this Act by a Court.

a. (i), (iii), (iv)

b. (ii), (iii)

c. (ii), (iii), (iv)

d. All of the above

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

Answers:

1	d	15	a
2	d	16	b
3	d	17	b
4	c	18	d
5	d	19	a
6	c	20	d
7	c		
8	c		
9	d		
10	b		
11	b		
12	b		
13	c		
14	a		