



Aggregate Turnover, Turnover in state

1. Aggregate turnover calculated on:

- Registration basis
- All India basis
- State or Union Territory basis
- None of the above

Ans:

2. Aggregate Turnover Limit for opting composition scheme in states other than special category states:

- 75 Lakhs
- 1.25 Crores
- 1 Crore
- 1.50 Crores

Ans:

3. Aggregate Turnover Limit for opting composition scheme in special category states other than Assam, Himachal Pradesh and Jammu & Kashmir:

- 75 Lakhs
- 1.25 Crores
- 1 Crore
- 1.50 Crores

Ans:

4. Aggregate Turnover Limit for opting composition scheme in special category states of Assam, Himachal Pradesh and Jammu & Kashmir is:

- 75 Lakhs
- 1.25 Crores
- 1 Crore
- 1.5 Crores

Ans:

5. Mr. XYZ a manufacturer has supplies following goods in F.Y. 18-19

- Intra State supply of good - ₹ 25,00,000
- Exempt supplies of worth - ₹ 10,00,000
- Export good worth - ₹ 50,00,000
- Non Taxable supplies worth - ₹ 5,00,000

Calculate aggregate turnover.

- 90,00,000
- 85,00,000
- 75,00,000
- 80,00,000

Ans:

6. Whether Central, State or Union, and Integrated Tax as well as cess included in calculation of aggregate turnover?

- Yes, such taxes & cess are included in aggregate turnover
- No, such taxes & cess are not included in aggregate turnover
- Only Central & State Tax included
- Only cess is excluded

Ans:

7. Registered person in special category states such as Assam, Himachal Pradesh & Jammu and Kashmir cannot avail composition scheme if the aggregate turnover in the PFY 2018-19 exceeds ₹ 75 lakhs. State True or False

- True
- False

Ans:

8. In calculation of aggregate turnover for the purpose of determining eligibility for composition scheme by a manufacture following items are included:

- All taxable supplies (excluding inward supplies on which tax is payable under RCM)
- Exempt supplies
- Export and inter-state supplies
- All of the above

Ans:

9. According to Section 2 (6) of the CGST Act, 2017 "aggregate turnover" will include

- value of all taxable supplies
- value of all outward supplies - whether taxable or non-taxable, whether exempt or non-exempt, whether zero-rated or not, whether under forward charge or reverse charge
- value of outward supplies as well as inward supplies on which tax is payable on reverse charge basis
- value of outward supplies under forward charge and value of inward supplies with reverse charge

Ans:

10. Which of the following will be excluded from the computation of turnover?

- Value of taxable supplies
- Value of exempt Supplies
- Non-taxable supplies
- Value of inward supplies on which tax is paid on reverse charge basis

Ans:



11. In computation of aggregate turnover for composition levy, which of the following item should be excluded from the aggregate turnover?

- The value of exported goods/services
- Inter-state supplies between distinct persons having same PAN
- Compensation Cess
- Supply on own account and on behalf of principal.

Ans:

12. Raj Ltd. is having 4 places of business – 2 in Delhi (Registered), 1 in Maharashtra (Registered) and 1 in Madras (Unregistered as selling Alcoholic liquor for human consumption) 'Aggregate Turnover' shall be

- Aggregate Turnover from all 4 places of business (having same PAN);
- Aggregate Turnover of all registered places – 2 places in Delhi and 1 in Maharashtra (registered with same PAN);

Ans:

13. Rama Ltd. has provided following information for the month of September:

- Intra-State outward supply ₹ 8,00,000/-
- Inter-State exempt outward supply ₹ 5,00,000/-
- Turnover of exported goods ₹ 10,00,000/-
- Payment made for availing GTA services ₹ 80,000/-

Calculate the aggregate turnover of Rama Ltd.

- ₹ 8,00,000/-
- ₹ 23,80,000/-
- ₹ 23,00,000/-
- ₹ 18,00,000/-

Ans:-

14. Mr. Bala has made supply (within State) of a taxable goods which is of ₹ 17 lakh, export supplies of ₹ 3 lakh and intra-state supply of exempt services of ₹ 4 lakh. His aggregate turnover as per section 2(6) of the CGST / SGST Act, 2017 is :

- ₹ 17 Lakhs
- ₹ 20 Lakhs
- ₹ 24 Lakhs
- None of the above

Ans:

15. Mr. X, a registered supplier of Uttarakhand wants to opt for composition levy. The turnover limit for composition levy is-

- ₹ 50 lakh
- ₹ 75 lakh
- ₹ 1 crore
- ₹ 1.5 crore

Ans:

16. Turnover in State or Union Territory excludes:

- Central Tax
- State or Union Territory Tax
- Integrated Tax & Cess
- All of the above

Ans:

17. Exempt Supply includes:

- Nil rate supply
- Wholly exempt & non-taxable supply
- only b above
- Both a & b above

Ans:

Sec 10(1): Eligibility criteria for Composition Scheme

18. Under composition scheme CGST rate applicable to manufacturer is:

- 1% of the Turnover in State or Union Territory
- 0.5% of the Turnover in State or Union Territory
- 0.5% of the Turnover of taxable supply of goods or service in State or Union Territory
- 2.50% of the Turnover in State or Union Territory

Ans:

19. Under composition scheme total tax rate applicable to Restaurant & Catering Service provider is:

- 1% of the Turnover in State or Union Territory
- 0.5% of the Turnover in State or Union Territory
- 2.50% of the Turnover in State or Union Territory
- 5% (i.e. 2.50% CGST + 2.50% SGST) of the Turnover in State or Union Territory

Ans:

20. Eligibility criteria for composition scheme depends on the aggregate turnover of :

- Preceding Financial Year
- Current Financial Year
- None of the above
- Both a & b above

Ans:

21. Total Tax rate under composition scheme for suppliers other than manufacturers or suppliers making supplies under clause (b) of para 6 of schedule II will be :

- 0.5% Turnover in State
- 1% Turnover of Taxable supplies of goods or services in State
- 1% Turnover in State

d. 2.50% Turnover of Taxable supplies of goods or services in State

Ans:

22. Mr. A a registered person under GST opts for composition scheme in current financial year as his aggregate turnover in preceding financial year was ₹ 95 lakhs. In CFY his turnover crosses ₹ 1.5 cr. in the month of October. Will Mr. A continue to be in composition scheme in CFY also?

- a. Yes, composition scheme will be available in CFY
- b. No, composition scheme will not be available in CFY
- c. Yes, till the time the turnover is below ₹ 1.5 cr. & after that the composition scheme will be withdrawn
- d. No, the composition scheme will be withdrawn by the end of the 1st quarter

Ans:

23. To be eligible for registration under Composition scheme it is required that the aggregate turnover of a registered tax-payer should not exceed _____ in the preceding financial year. The limit is _____ for Special Category States (other than State of J&K & Himachal Pradesh, Assam)

- a. ₹ 1,50,00,000; ₹ 75,00,000
- b. ₹ 50,00,000; ₹ 75,00,000
- c. ₹ 50,00,000; ₹ 25,00,000
- d. None of the above

Ans:

24. ABC Pvt. Ltd. is having place of business in 3 states namely Haryana, Punjab & Rajasthan each having turnover of ₹ 20 lacs, 60 lacs, 80 lacs respectively. Which State is eligible to opt for composition scheme?

- a. Haryana
- b. Punjab
- c. Rajasthan
- d. None of the above

Ans:-

25. Which of the following person cannot opt for composition scheme?

[Hint: Person may supply service of value not exceeding 10% of Turnover in state or ₹ 5Lac whichever is higher]

- a. Mr. B, a garment trader having turnover of ₹ 40 lacs. He further rents out his shop and charges ₹ 70,000 per month.
- b. Mr. C, manufacturer of hand bags having turnover upto ₹ 60 lacs
- c. Mr. D, selling hand bags through e - commerce portal which is not liable to collect tax at source U/s 52
- d. None of the above

Ans:

26. Which of the following statement is incorrect in relation to condition for opting composition scheme u/s 10(1)

[Hint: can provide service upto 10% of Turnover in State or ₹ 5 lakhs whichever is higher]

- a. he is not engaged in the supply of services
- b. he is not engaged in non taxable supply
- c. he is not a manufacturer of such goods as may be notified by the government on the recommendations of the council
- d. he is not engaged in making supply of goods through ECO who is required to collect TCS u/s 52

Ans:

27. Mr. P a taxable person under GST is carrying on business from different states such as Punjab, Uttarakhand, Haryana & Assam. All the business premises are separately registered. The turnover in different states in P.F.Y. was as follows: Punjab - 5 lakhs, Uttarakhand - 8 lakhs, Haryana - 10 lakhs, Assam - 76 lakhs. Which of the following statement is incorrect?

[Hint: limit for Assam from FY 19-20 is 1.5 cr]

- a. Mr. P can opt for Composition Scheme as the aggregate turnover on all India basis is below ₹ 1.5 Cr.
- b. Mr. P cannot opt for composition scheme as turnover in Assam being special category state exceeds ₹ 75 lakhs
- c. Both a & b above
- d. None of the above

Ans:

28. Which of the following persons can opt for the composition scheme?

- 1) Registered person whose aggregate turnover in the preceding financial year did not exceed ₹75 lakh.
- 2) Registered person whose aggregate turnover in the preceding financial year did not exceed ₹ 1.5 crore.
- 3) A person engaged in Manufacturing of Pan Masala, Tobacco and manufactured tobacco substitutes
- 4) A person engaged in the Manufacturing of Ice Cream, other edible ice, whether or not containing Cocoa.
- 5) A person engaged exclusively in the providing

restaurant service.

6) A person engaged exclusively in supply of medicines.

Which of the above are correct:

- a. 1,2,3,5
- b. 1,2,5,6
- c. 2,3,4,5
- d. 3,4,5,6

Ans:-

29. Mr. Bajaj, a trader of electronic goods in Maharashtra supplies goods to ultimate consumer at the intra-state level only. The turnover in state was ₹ 125 lakhs in preceding financial year whereas turnover of taxable supply of goods was ₹ 105 lakhs. State the limit upto which Mr. Bajaj can provide services under composition scheme of 10(1).

[Hint: Limit is upto 10% of turnover in state or ₹ 5 lakhs whichever is higher]

- a. ₹ 5 lakhs
- b. ₹ 10.5 lakhs
- c. ₹ 12.5 lakhs
- d. ₹ 10 lakhs

Ans:

Conditions for Composition Scheme (Sec 10(2) & Rule 5)

30. Mr. X a trader in Maharashtra registered under GST. Identify which of the following transaction makes him ineligible for opting composition scheme:
[Hint : Restriction is only on manufacturer]

- a. he make supplies of exempt goods
- b. he deals in goods such as pan masala & tobacco
- c. both a & b above
- d. none of the above

Ans:

31. Mr. Ajay, a trader registered under GST, engaged in supply of pan masala. Calculate the taxable value of supply for payment of tax under composition scheme from the following information:

- i) Intra State taxable supply of pan masala - ₹ 25,00,000
- ii) Exempt supplies - ₹ 10,00,000
- iii) Intra-state taxable supply of services (within the limit of 10% or 5 lakhs) - ₹ 4,00,000
- iv) Non Taxable supplies worth - ₹ 5,00,000

[Hint:- taxable supply for traders]

- a. ₹ 29,00,000
- b. ₹ 39,00,000
- c. ₹ 44,00,000
- d. ₹ 25,00,000

Ans:

32. Mr. James Bond wants to avail the composition scheme of section 10(1). He is registered as NRTP/CTP under Maharashtra CGST Act, 2017 and the aggregate turnover of PFY 2018-19 was ₹ 1.05 crores. State whether Mr. James Bond is eligible for opting composition scheme u/s 10(1).

- a. Eligible for composition scheme
- b. Not eligible for composition scheme

Ans:

33. Mr. A, a composition dealer who trades in garments has received an order from China of Rs 5 lacs. Can he accept this order?

- a. Yes, he can accept that order
- b. No, he cannot accept that order

Ans:-

34. Which of the following manufacturer cannot opt for composition levy?

- a. Manufacturer of pan masala
- b. Manufacturer of ice cream
- c. Manufacturer of tobacco substitutes
- d. All of the above

Ans:

35. In which of the following condition the person cannot pay tax under composition scheme?

- a. he was not engaged in the manufacture of goods as notified under clause (e) of sub-section (2) of section 10, during the preceding financial year.
- b. he shall mention the words "composition taxable person, not eligible to collect tax on supplies" at the top of the bill of supply issued by him.
- c. He is a casual taxable person
- d. the goods held in stock by him on the appointed day have not been purchased in the course of inter-State trade

Ans:

36. Whether a restaurant serving alcohol along with other foods to its customers can opt for composition scheme under section 10(1)?

- a. Yes, it can opt for Composition Scheme u/s 10(1)
- b. No, it cannot opt for Composition Scheme u/s 10(1)

Ans:

37. Can a person paying tax under composition scheme make supplies of goods to SEZ located in same State?

- a. Yes, he can supply goods to SEZ
- b. No, he cannot supply goods to SEZ
- c. Yes, subject to prior approval of the Central Government

d. Yes, subject to prior approval of the concerned State Government

Ans:-

38. ABC Pvt. Ltd., a Mumbai based manufacturer of the pan masala, has started manufacturing biscuits within same PAN. His threshold of ` 20 lacs is crossed but is expected to be below ` 80 lacs in the current financial year. Can he opt for Composition Scheme?

- a. Yes, he can opt for Composition Scheme
- b. No, he cannot opt for Composition Scheme

Ans:-

39. ABC Pvt. Ltd., a registered entity in Delhi in composition scheme has received order from 4 states as specified below of ` 5 lacs, 6 lacs, 7 lacs & 2 lacs respectively. Being a composition dealer, which order can he accept?

- a. Delhi
- b. Haryana
- c. Rajasthan
- d. Maharashtra

Ans:-

40. Mr. A is a manufacturer of ice cream wants to opt for Composition Scheme u/s 10(1). If all other conditions satisfies, the total effective composition tax rate applicable to Mr. A will be:

- a. 1% Turnover in state
- b. 5% Turnover in state
- c. 2.5% Turnover in state
- d. Not eligible for composition scheme.

Ans:-

Sec 10(4): Cannot collect the tax as well as no ITC available

41. ABC Pvt. Ltd., has started his business in Delhi and has got himself registered in Composition Scheme. He has purchased capital goods worth ₹ 1,28,000 (tax amount ₹ 28,000) and inputs worth ₹ 50,000 (tax amount ₹ 7,000). What is the eligible amount of ITC that it can claim?

- a. ₹ 28,000
- b. ₹ 7,000
- c. ₹ 35,000
- d. Zero

Ans:-

42. Can a registered person opting for composition scheme collect GST on his outward supplies?

- a. Yes, in all cases
- b. Yes, only on such goods as may be notified by the Central Government
- c. Yes, only on such services as may be notified by the Central Government
- d. No, he cannot collect GST

Ans:-

MCQ on Composition Scheme of N/N 2/2019 :-

43. From the following identity which of the conditions are to be satisfied by a registered person in order to avail the composition scheme under N/N 2/2019

- i. He is not engaged in inter-state outward supply
- ii. He is not engaged in making supply through e-commerce operator
- iii. His aggregate turnover in PFY does not exceeds ₹ 50 lakhs

- iv. He is not engaged in supply of such goods on which gst is not leviable
- v. He is not eligible to pay tax under section 10(1)

- a. i, ii & iii
- b. ii, iii, iv & v
- c. ii, iv & v
- d. All i, ii, iii, iv & v

Ans:-

44. Any registered person who is engaged in inter-state inward supply of goods or service is not eligible to opt composition scheme under N/N 2/2019 CT (R).

State true or false

- a. True
- b. False

Ans:-

45. Mr. Ram a service provider registered in Maharashtra wants to opt for composition scheme under N/N 2/2019. The aggregate turnover of Mr. Ram in preceding financial year 2017-18 was ₹ 45 lakhs. In the current financial year Mr. Ram took the legal service from Mr. Vakil located in Indore and discharges the tax liability under reverse charge on such service. Identify whether Mr. Ram is eligible for composition scheme or not?

- a. Eligible
- b. Not eligible

Ans:-

Payment of Tax under Composition Scheme

46. ABC Ltd., a trader has got itself registered in Delhi on 1.2.2018 in composition scheme. In the month of Aug'18, it make supply of taxable goods worth ₹ 3 lacs and exempted goods worth ₹ 1 lac. On what value it shall pay the GST to the Government?

- a. ₹ 1 lac
- b. ₹ 3 lacs
- c. ₹ 4 lacs
- d. ₹ 2 lacs

Ans:-

47. Which of the following statements is not correct for a tax payer who has opted for composition scheme?

- a. A registered person supplying goods under the composition scheme shall issue a bill of supply.
- b. Last date for payment of liability towards tax, interest, penalty, fee or any other sum is 20th day of each month.
- c. A composition dealer shall mention the words "Composition taxable person, not eligible to collect tax on supplies" at the top of the bill of supply issued by him.
- d. Last date for payment of liability towards tax, interest, penalty, fee or any other sum is 18th day of the month following each quarter.

Ans:-

48. Will composition supplier make the payment of CGST & SGST in separate heads or shall make one combined payment?

- a. Yes, pay under separate heads
- b. No, pay a consolidate amount
- c. Either a or b above
- d. Make payment under IGST

Ans:-

Procedure under Composition Scheme

49. ABC Ltd., a person registered in composition scheme, operating in 4 different states has filed the withdrawal intimation in one State. Will this intimation be applicable to all places of business?

- a. Yes, it will be applicable
- b. No, it will not be applicable
- c. Yes, but with prior permission of Central Government
- d. No, but with prior permission of respective State Government

Ans:-

50. Can a registered person opt for composition scheme only for one out of his 3 business verticals having same Permanent Account Number?

- a. Yes, he can
- b. No, he can not
- c. Yes, subject to prior approval of the Central Government
- d. Yes, subject to prior approval of the concerned State Government

Ans:-

51. Can the person operating in regular scheme shift to composition scheme in middle of the financial year?

- a. Yes, he can shift
- b. No, he cannot shift

Ans:-

52. A Is composition dealer required to maintain books of account as per GST Laws?

- a. Yes, he is required to maintain books of account
- b. No, he is not required to maintain books of account
- c. Yes, he is required to maintain books of account but to a limited extent
- d. None of the above

Ans:-

53. In which form can the person file for withdrawal of composition scheme?

- a. Form GST CMP-01
- b. Form GST CMP-02
- c. Form GST CMP-03
- d. Form GST CMP-04

Ans:-

54. A person who has opted for composition scheme is liable to file return in form :

- a. GSTR 1
- b. GSTR 3
- c. GSTR 3B
- d. GSTR 4

Ans:-

55. Due date of filing GSTR 4 is:

- a. 18th day of April following the end of such FY
- b. 20th day of the succeeding quarter
- c. 25th day of the succeeding quarter
- d. 30th day of April following the end of such FY

Ans:-

56. What is the periodicity of filing return under composition scheme?

- a. Monthly
- b. Half yearly
- c. Quarterly
- d. Annually

Ans:-

Answer:-

1	b	21	b	41	d
2	d	22	c	42	d
3	a	23	a	43	d
4	d	24	d	44	b
5	a	25	a	45	a
6	b	26	a	46	b
7	b	27	b	47	b
8	d	28	b	48	a
9	b	29	c	49	a
10	d	30	d	50	b
11	c	31	a	51	b
12	a	32	b	52	c
13	c	33	b	53	d
14	c	34	d	54	d
15	b	35	c	55	d
16	d	36	b	56	d
17	d	37	b		
18	b	38	b		
19	d	39	a		
20	d	40	d		