



**Question 4 :- [Case Based MCQ on Registration, Composition Scheme & Input Tax Credit]**

M/s Yogi & Sons Unlimited Pvt. Ltd. has commenced its business from 01.04.2020. It is engaged in manufacture of two products viz. 'A' and 'B'. 'A' is taxable while 'B' is exempt under GST. His factory is located in the state of Rajasthan. He is also engaged in trading of alcohol Liquor for human consumption from a store named as "Bevdo ka Thikana" located in the state of Nagaland. His expected turnover in the month of April and May 2020 is as under:

	A	B	Alcohol Liquor
April 2020	4,00,000	3,00,000	6,00,000
May 2020	6,00,000	4,00,000	12,00,000

It has purchased the following inward supplies during the months of April & May 2020-

GST paid on	Location	Amount of GST Paid
i. Machinery '1' purchased on 1.04.2020	For Rajasthan Factory	2,00,000
ii. Machinery '2' purchased after he became liable to register	For Rajasthan Factory	3,00,000
iii. Machinery '3' purchased after he became liable to register	For Nagaland Store	4,00,000

**MCQ 1.** In which month, liability to Register under GST will arise, (assume he is not making any inter-state supply).

- a) April 2020, because its aggregate T/o limit of Rs. 10 lakhs crossed in april 2020 itself & is liable to register only in the state of Rajasthan.
- b) April 2020, because its aggregate T/o limit of Rs. 10 lakhs crossed in April 2020 itself & is liable to register in the states of Rajasthan & Nagaland.
- c) May 2020, because its aggregate T/o limit of Rs. 20 lakhs crossed in May 2020 & he is liable to register in the states of Rajasthan & Nagaland.
- d) May 2020, because its aggregate T/o limit of Rs. 20 lakhs crossed in May 2020 & he is liable to register only in the state of Rajasthan.

**Ans: (d)**

**MCQ 2.** Can it opt for composition scheme when it get itself registered under GST.

- a) Yes, it can opt for composition scheme till it's aggregate t/o does not cross Rs. 1.50 Cr.
- b) Yes, it can opt for composition scheme till it's aggregate t/o does not cross Rs. 75 Lakhs
- c) Yes, it can opt for composition scheme for it's Rajasthan Branch till it's aggregate t/o does not cross Rs. 1.50 Cr., but, it cannot opt for composition scheme for Nagaland Branch.
- d) It cannot opt for composition scheme, because it is engaged in alcohol liquor for human consumption.

**Ans: (d)**

**MCQ 3.** It applied for registration within 5 days when it became liable to register. How much amount of ITC, it can avail in the month of May 2020?

- (a) 7,00,000
- (b) 5,00,000
- (c) 4,90,000
- (d) 3,00,000

**Ans: (d)**

**MCQ 4.** How much amount of ITC is required to be added to it's output tax liability in the month of May 2020.

- (a) 3,333
- (b) 2,000
- (c) 3,267
- (d) 3,636

**Ans: (b)**

**MCQ 5.** What would had been your answer in MCQ No. 3 & 4, if M/s Yogi & Sons Unlimited Pvt. Ltd, had got itself registered under GST on 01.04.2020 itself.

- (a) 5,00,000 ; 3,333
- (b) 3,00,000 ; 2,000
- (c) 3,00,000 ; 3,333
- (d) 7,00,000 ; 6,000

**Ans: (c)**