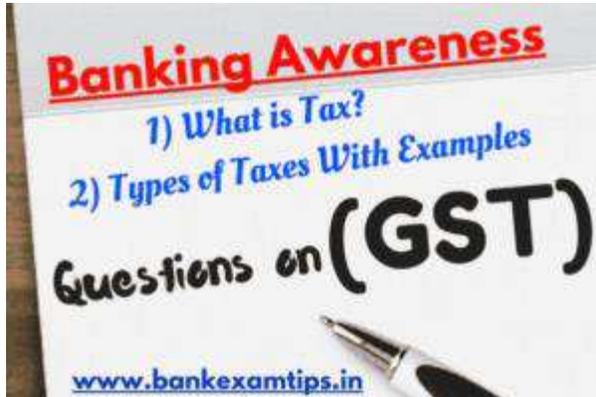


GST Questions & Answers PDF | Latest Banking Awareness



What is Tax?

Tax is the fee charged by the government from the citizens on a product, service or income.

The purpose of Taxation:

The main purpose of collecting taxes is to finance the government for building the wealthy nation and to do various development works and other social works of Government. The tax collections will be utilized on public goods & services supervising by the government. For example, to clean public areas, streets, to maintain street lights etc.,

Types of Taxes:

1) Direct Taxes:

If the taxes are collected from the individual income or company's income by the state or central government. Then, These type of taxes is called direct taxes.

Examples of Direct Taxes:

- Income Tax
- Capital Gains Tax
- Banking Cash Transaction Tax
- Corporate Tax
- Fringe Benefit Tax (Perquisite Tax)
- Securities Transaction Tax
- Personal Income Tax
- Tax Incentives

2) Indirect Taxes:

If the taxes are charged on the price of the goods or services by the government. Then, these type of taxes are called **indirect taxes**.

Indirect taxes involves starting from manufacturing of goods to delivery of services, and also on the import of goods, trading etc., up to the goods meant for consumption for the final consumer.

Examples:

- 1) Sales Tax - Charged on sales of goods imposed by union government.
- 2) Service Tax - charged on services - banking and financial, telephone, advertising, health centers etc.,
- 3) Value Added Tax (Charged on sales just like sales tax but it is imposed by the state government).
- 4) Custom Duty (Goods) - Charged on imported goods from other countries to India.
- 5) Excise Duty - Charged on goods manufacturing within the boundaries of the country.
- 6) Anti dumping duty.
- 7) Entertainment Tax - Imposed on financial transactions related to entertainment (movie tickets, theaters).
- 8) Professional Tax - This type of tax is imposed on Employees (professionals) and submit the collected amount to municipal corporation.
- 9) Property Tax: Charged on the properties of the owners.
- 10) Transfer Tax: Charged on transfer of ownership on one property to the other one.
- 11) Endowment Tax,
- 12) Fuel Tax: imposed on sale of fuel - petrol, gas etc., (Not comes under GST).
- 13) Dividend Tax: This type of tax is charged on dividend income above 10 lakhs.
- 14) Luxury Tax
- 15) Taxes on lottery, betting and gambling.

GST Questions & Answers PDF Free

What is GST (Goods & Services Tax)?

GST is an indirect tax applicable all over the India by merging the all indirect taxes levied by the central and state government into single one

GST introduced in India from 1st July 2017, By the introduction of GST, all the indirect taxes clubbed into the single tax that is Goods & Services Tax. Now, All indirect taxes (involving at each stage of the production cycle - buying raw materials, processing, manufacturing, warehousing, and sale to the final customers) submitted to a single tax i.e. GST and will be paid by the final consumer.

Which is the world's first country that was implemented GST Tax regime?

France (in 1954).

Which type of tax is GST - Direct (Or) Indirect?

Indirect Tax.

Who is the head of the GST Council in India?

Arun Jaitley (Union Finance Minister)

What are the benefits of introducing GST Law in India?

- Reduces the multiple number of indirect taxes into single. So, the tax system gets simpler.
- Revenue will be increased.
- Consumption based tax (Consumer has to pay tax). Eliminates excessive taxation under different levels.
(No need to pay at different stages of product life cycle - Collecting raw materials, processing, manufacturing, warehousing, wholesale market, retail market).
- Reduces the corruption under tax administration.
- Reduction in transaction costs of doing business.
- Better control on leakages.
- GDP Rate will be rised.
- Easy to maintain for Central and State Government.

What are the indirect taxes that were submessed into GST?

- 1) Sales Tax
- 2) Service Tax
- 3) Value Added Tax
- 4) Customs Duty
- 5) Excise Duty
- 6) Anti dumping duty.
- 7) Entertainment Tax
- 8) Professional Tax
- 9) Property Tax
- 10) Transfer Tax
- 11) Luxery Tax
- 12) Taxes on lottery, betting and gambling.

What are the GST slab rates that will be imposed in India on different goods & services?

0% , 5% , 12% , 18% , and 28%

| Tax rate | Indicative items |
|---------------|--|
| 0% | 50% of the consumer price basket, including foodgrains |
| 5% | Mass consumption items like spices and mustard oil |
| 12% | Processed foods |
| 18% | Soaps, oil, toothpaste, refrigerator, smartphones |
| 28% | White goods, cars |
| 28% plus cess | Luxury cars, pan masala, tobacco, aerated drinks |

How GST will be administered and collected in India?

GST will be administered by categorizing under two parts - Central GST (CGST) and State GST (SGST).

India has chosen which country's GST phenomenon?

Canadian.

What are four bills related to GST got approval in parliament?

1. Central GST Bill
2. Integrated GST Bill
3. Union Territory GST Bill
4. Compensation Bill

GST Rate will be categorized and calculated based on _____

HSN code or Harmonized System Nomenclature code for Goods
SAC Code System (Service Accounting Codes) for Services.

When did GST bill introduced in the Lok sabha?

19th December 2014 (By the Union Finance Minister 'Arun Jaitley')

What is Revenue Neutral Rate (RNR)?

The rate of tax at which the revenue received by the government will remain same despite of changes in tax laws.

What is GSTN and its role in the implementation of GST law in India?

- **GSTN** means Goods and Services Tax Network, a non profit organization managed by the center, states and non -government financial organizations.
- **GSTN** has established on 28th March 2013 and one stop solution to make payments of all your indirect tax liabilities.

Which country has the highest GST rate slab among 160 countries throughout the world?

India (28%).

2nd highest (27%) - Argentina.

What IGST and its role in GST Regime?

IGST - Integrated GST, taxes will be collected by the central government on inter state supply of goods and services.

This comes under Article 269A of the constitution.

For Example, IGST will be levied on import of goods and services from other countries.

What would be the tax rate on export of goods or services?

No tax will be levied on export o goods and services.

What is reverse charge and who can pay this charge?

The tax payable on supply of goods and services by the recipient.

Under which article, the formation of GST Council mentioned?

Article 279A.

Which IT company has won the GST contract?

Infosys.

What is GST Council and its role?

The major taxation reform 'Goods & Services Tax' in place of multiple indirect taxes in India is governed by the GST Council. It is joint committee of the Centre and the States to make suggestions on important issues regarding GST.

The GST Council includes:

- The Union **Finance Minister** (as Chairman),
- The Union **Minister** of State in charge of **Revenue or Finance**, and

- The Minister in charge of **Finance or Taxation or any other Minister, nominated by each state** government to make recommendations to the Union and the States on the **below specified issues** related to GST regime in India.
 1. The taxes, cesses, surcharges and model laws under GST;
 2. The goods and services on which taxes imposed to or exempted from the GST;
 3. The discussion of threshold limit of turnover up to how much amount the goods and services may be exempted from GST
 4. special tax rates during any natural calamity or disaster, for a specified period to raise additional resources
 5. special provision of taxes for North East States, Jammu & Kashmir, Himachal Pradesh and Uttarakhand; and
 6. Other matters related to the Goods & Services Tax decisions according to GST laws, principles of levy .