

Objectives Type Questions -

1. First of all, the VAT system was adopted in India in -
a) 1st April 2004 b) 1st April 2005 c) 1st April 2006 d) 1st April 2007
2. VAT is a -
a) New Tax b) New method of taxation
c) New method of distribution of tax d) New method of exemption from tax
3. VAT is a -
a) Tax of state govt. b) Tax of central govt. c) tax of local authorities d) International tax
4. Amount of VAT in invoice -
a) Compulsory to show b) Not show c) Voluntary to show d) Invoice is not prepared
5. The main advantage of VAT system is -
a) Decrease in tax evasion b) Increase in revenue c) Easy d) All of these
6. VAT is imposed on -
a) Purchase of goods only b) Sales of goods only
c) Purchase and sales of goods d) Export of goods
7. "Tax Paid" goods in MPVAT is than on which -
a) Tax is imposed in first sale only b) Tax is imposed on last sale only
c) Tax is imposed on every sale d) No tax is imposed on any sale.
8. 'Goods' include following -
a) Movable assets b) Immovable assets c) New paper d) Actionable claims
9. For 'Sales' -
a) There must be consideration b) There must fair consideration
c) There must be consideration in cash d) Consideration is not compulsory
10. Following is not includes in 'Dealer' -
a) Commission agent b) Chartered account c) Broker d) Del-creder agent
11. Following is includes in 'Purchase Price' -
a) Cost of packing material b) Commission on purchases c) Central excise duty d) All of these
12. Following discount is deducted from 'Sales Price' -
a) Trade discount b) Bonus discount
c) Cash discount allowed later on d) Any other discount
13. Under the VAT year means a period of -
a) From 1st Jan. to 31st Dec. b) from 1st apr. to 31st Mar.
c) from Deepawali to Deepawali d) As per will of the dealer
14. State Govt. may imposed VAT on the following basis by issue a notification -
a) Weight b) Quantity c) Unit d) Any of the above
15. For small dealer, composition scheme is -
a) Compulsory b) Voluntary
c) Depend up on authorities d) There is no any composition scheme
16. The choose the composition scheme it is compulsory that the annual turnover of the dealer shall not be more than -
a) Rs. 500000 b) Rs. 1000000 c) Rs. 4000000 d) Rs. 6000000
17. Following goods is taxable under VAT -
a) Bidi b) Cigarette c) Tobacco d) All of these
18. Following goods is exempt under VAT -
a) Readymade garment b) Hosiery c) Mosquito Net d) Umbrellas
19. Main object to provide exemption under VAT is -
a) To promote agriculture b) to promote education
c) Relief to handcrafted persons d) All of these

20. Registration is compulsory under MPVAT for dealer whose turnover in the financial year is more than-
- a) Rs. 500000 b) Rs. 1000000 c) Rs. 2000000 d) Rs. 4000000
21. Dealer has to apply for compulsory registration under MP VAT with in next _____ from date of liability arises _____ -
- a) 7 days b) 30 days c) 1 month d) 3 months
22. Prescribed fees for registration under MP VAT -
- a) Rs. 100 b) Rs. 500 c) Rs. 1000 d) 1% of estimated sales
23. The registration certificate is issued under MP VAT within _____ days from the date of application-
- a) 7 b) 15 c) 30 d) Same day
24. Registration certificate is issued under MP VAT in the -
- a) Form No.5 b) Form No.6 c) Form No.7 d) Form No.8
25. Tax authority may cancel registration a dealer under MP VAT, if he is -
- a) Fail to produce security b) Knowingly produce the wrong return
c) Disobey the provisions of the all d) Any one of the above
26. Security payable by a registered dealer under MP VAT can not be exceed than -
- a) Rs. 10000 b) Rs. 20000 c) Rs. 50000 d) Rs. 100000
27. How many digits are in "Taxpayer Identification Number (TIN) -
- a) 4 b) 8 c) 11 d) 14
28. VAT is chargeable @1% on the following goods -
- a) Salt b) Ornaments of gold and silver c) Cloth d) Medicines
29. Main rates of VAT are -
- a) 1%, 4% and 12.5% b) 1%, 5% and 13% c) 5%, 12% and 26% d) 4%, 8% and 12%
30. Rate of VAT on goods mentioned in second part of schedule II is -
- a) 1% b) 5% c) 13% d) 28.75%
31. Following is excluded from gross sales -
- a) News paper b) Sales outside the state c) Interstate sales d) Export from India
32. To find out net turnover following is deducted from gross turnover -
- a) Interstate sales b) Sales outside the state c) Export from India d) All of these
33. To find out taxable turnover following is deducted from net turnover -
- a) Bonus discount b) Sales of sports goods c) Amount of VAT d) Input tax rebate
34. Right of Taxation on sales goods has -
- a) Central Govt. b) State Govt. c) Local Govt. d) All of these
35. Liable for VAT payment -
- a) Industrialist b) Business Owner c) Registered dealer d) Unregistered dealer
36. Value added tax is -
- a) Direct tax b) Indirect tax c) Central tax d) Advalorem tax
37. In 'Subtraction method' of VAT -
- a) Purchase value is deducted from sales value
b) Finding out cost of production
c) VAT paid on purchases is deducted from VAT payable on sales
d) This is not a method of VAT
38. In 'Tax credit' of VAT -
- a) Purchase value is deducted from sales value
b) Finding out cost of production
c) VAT paid on purchases is deducted from VAT payable on sales
d) This is not a method of VAT

