

The UPSC Civil Services Exam includes a lot of questions about Current Affairs in both Prelims and Mains. Out of these, constitutional amendments are an important part of both History and [Current Affairs](#).

One such amendment was the introduction of the Goods and Services Tax (GST) through the 101 constitutional amendments on 1 July 2017. It was introduced in the parliament as the “The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014” on 19 Dec 2014. In this article, we will discuss what is GST, its relevance for the IAS Prelims exam and share some UPSC MCQs on GST

What Is GST?

GST or Goods and Services Tax is an indirect tax levied on the supply of commodities and services. It has replaced multiple taxes from the earlier tax regime which are listed below:

- Excise Duty
- Service Tax
- Entertainment Tax
- Additional Customs Duty
- Surcharges
- State-Level VAT
- Octroi Tax

The GST rates vary between 0% to 18% for most commodities except petroleum products, alcohol and electricity. Commodities like luxury cars and tobacco products have an additional cess of 22% on top of their applicable GST rate. GST is calculated based on the Harmonized System of Classification Number assigned to the product and the corresponding tax rate.

GST is an important concept for UPSC prelims as it has fundamentally altered the way taxation is done in India. As a result, it has remained in the news and forms a part of the current affairs, the constitution as well as economic and social development. It is the single largest tax reform that has been implemented in the country, which means that questions related to GST are expected every year in the UPSC exam.

Here are a few UPSC MCQs related to GST:

Question 1. GST is slated to replace what kinds of taxes?

- a. Service tax
- b. Central excise tax
- c. Entertainment tax
- d. All the above taxes

Ans. d.

Question 2. What is GST Bill officially called?

- a. The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014
- b. The Constitution (One Hundred and Thirty-Second Amendment) Bill, 2014
- c. The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2016
- d. The Constitution (One Hundred and Thirty -Second Amendment) Bill, 2016

Ans. a.

Question 3. Consider the following statements:

1. Goods and Services Tax Network (GSTN) is a non-profit organisation formed to provide IT infrastructure and services to the Central and State Governments, taxpayers and other stakeholders for the implementation of GST.
2. The government of India holds a 51% stake in GSTN.

Which of the following statement(s) is/are correct?

- a. 1 and 2
- b. 1 only
- c. 2 only
- d. None

Ans. b.

Question 4. What are the proposed benefits of GST?

1. The overall reduction in prices for consumers.
2. Reduction in multiplicity of taxes, cascading and double taxation.
3. The decrease in 'black' transactions.

Choose the correct option.

- a. 1 only
- b. 1 and 2
- c. 2 and 3
- d. 1, 2 and 3

Ans. d.

Question 5. The GST Council has fixed the threshold limit for exemption of tax to be

- a. 20 Lac
- b. 15 Lac

- c. 25 lac
- d. 12 Lac

Ans. a.

Question 7. Which of the below statements about GST is/are correct?

1. The CGST Bill makes provisions for levy and collection of tax on intra-state supply of goods or services or both by the Central Government.
2. IGST Bill makes provisions for levy and collection of tax on inter-state supply of goods or services or both by the Central Government.
3. The UTGST Bill makes provisions for levy on collection of tax on intra-UT supply of goods and services in the Union Territories without legislature.

Choose the correct option.

- a. 1 only
- b. 2 only
- c. 2 and 3
- d. 1, 2 and 3

Ans. d.

Question 8. In light of the GST Act, which of the following statements are true?

1. GST is to be levied on the supply of goods or services.
2. All transactions and processes would be only through electronic mode.
3. Cross utilization of goods and services will be allowed.

Choose the correct option.

- a. 2 only
- b. 1 and 3
- c. 1, 2 and 3
- d. 3 only

Ans. c.

Question 9. Which of the following products are outside the purview of GST?

1. Alcohol for human consumption
2. Electricity
3. Medicines

Choose the correct option.

- a. 1 only
- b. 1 and 3
- c. 2 and 3
- d. 1 and 2

Ans. d.

Question 10. Who is the highest authority for appeals under GST?

- a. Supreme Court
- b. Ministry of Finance
- c. State High Court
- d. Central Board of Excise and Customs

Ans. a.

IAS aspirants can access more information on GST on the official website for Goods and Services Tax Network.

While preparing for IAS exam, it is useful to check out GST GK questions available for examinations conducted by the UPSC and SSC. Practising UPSC MCQs on this topic would save time and also help revise the major concepts and events related to the tax. Candidates should also read about the constitutional amendment process and various amendments for success in the UPSC exam.