



CHAPTER - 11

TAX INVOICE

INDEX

S.No.	Description	Pg.No.	No. Illus.
1	General Questions	62	1
2	Sec 31(4):- Time limit to issue invoice for continuous SOG	62	1
3	Sec.31(7)-Goods sent or taken on return or approval basis	62	2
4	Sec 31(2):- Time limit to issue invoice for supply of services	62	2
5	Sec 31(3)(b) & Proviso to Rule 46:- No tax invoice if value < ₹ 200 & Rule 54	63	2
6	Rule 46:- Particulars to be stated in tax invoice	63	1
7	HSN Requirement	63	1
8	Rule 48:- Manner of issuing tax invoice	63	1
9	Rule 55- Delivery Challan/Invoice for Transportation of Goods read with Rule 55A	63	1
10	Sec.34- Credit Note and debit note	63	6
	Total No. of Illustrations		18

Description	Chap	Que. No.	No. Illus.
Study Mat	11	Q. 01.01/ 02.02/ 03.03/ 03.04/ 04.05/ 05.07/ 05.08/ 07.10/	8
Examination	11	Q. 07.09.01	1
RTP & MTP	11	Q. 04.06/ 06.09/ 09.13/ 09.13.01/ 09.14/ 09.15/ 09.16	7
Others	11	Q 08.11/ 09.12	2
Total No. of Illus			18

01. General Questions



MCQ 11.01.01.00 Tax invoice must be issued by _____ [Study Mat]

- (a) Every supplier
- (b) Every taxable person
- (c) Registered persons not paying tax under composition scheme
- (d) All of the above

[Hint: Only registered person can issue tax invoice but a composition dealer will issue bill of supply)]

02. Sec 31(4):- Time limit to issue invoice for continuous supply of goods

MCQ 11.02.02.00 A continuous supply of goods requires one of the following as a must: [Study Mat]

- (a) The goods must be notified by the Commissioner in this behalf
- (b) The contract for supply lasts for a minimum period of 3 months
- (c) The supply is made by means of a wire, cable, pipeline or other conduit
- (d) Supplier invoices the recipient on a regular or periodic basis

[Hint: Refer Sec 31(4)]

03. Sec 31(7):-Time limit to issue invoice when goods sent on sale or return basis

MCQ 11.03.03.00 Where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be

issued: [Study Mat]

- (a) before/at the time of supply
- (b) 6 months from the date of removal
- (c) Earlier of (a) or (b)
- (d) Later of (a) or (b)

[Hint: Refer Sec 31(7)]

MCQ 11.03.04.00 M.H. Husain, a famous painter, Delhi, sends his latest art work to Indian Classic gallery, Delhi, for exhibition. However, no consideration has flown from Indian Classic gallery to M. H. Husain when the art work is sent to the gallery for exhibition. M. H. Husain is in dilemma whether GST is payable on said transfer of art work. What would be your advice on the same? (CA Inter RTP May 19 New)

- (a) GST is payable as the same amounts to taxable supply of goods.
- (b) GST is payable as the same amounts to taxable supply of services.
- (c) GST is not payable as the same is an exempt supply.
- (d) GST is not payable as the same does not amount to supply at all.

[Hint:- Refer Sec 31(7) & Cir. No. 22/22/2017 GST]

04. Sec 31(2):- Time limit to issue invoice for supply of services

MCQ 11.04.05.00 In case of taxable supply of services by a non-banking financial company (NBFC) to, other than a distinct person, invoice shall be issued within a period of ---- from the date of supply of service. [Study Mat]

- (a) 30 days
- (b) 45 days
- (c) 60 days
- (d) 90 days

[Hint: Refer Sec 31(2)]

MCQ 11.04.06.00 M/s. Wanderlust Travels (P) Ltd. purchased a bus chassis from M/s. Krishi Motors Ltd. for a consideration of ₹ 90.00 lakh on 01.10.20XX. M/s. Wanderlust Travels (P) Ltd. sent the bus chassis for body building to M/s. Bhagwant Fabricators and paid in advance the total consideration of ₹ 25.00 lakh on 15.10.20XX. M/s. Bhagwant Fabricators, after completing the bus body, informed M/s. Wanderlust Travels (P) Ltd. for carrying out the inspection of the work done on 05.11.20XX. M/s. Wanderlust Travels (P) Ltd. visited the work shop of M/s. Bhagwant Fabricators on 08.11.20XX and confirmed that the bus body was in accordance with the terms of the contract.

The last date for issuing the invoice by M/s. Bhagwant Fabricators is:- (CA final RTP May 19)

- (a) 15.10.20XX
- (b) 08.11.20XX
- (c) 08.12.20XX
- (d) 05.12.20XX

[Hint: Refer sec 31(2) read with rule 47 - as bus body building is a supply of service. Here, supply of

service is completed when M/s wonderlust travels
(p) Ltd confirmed the work on 8.11.20XX. So, Last date of issuing tax invoice= 08.12.20XX i.e. within 30 days from date of supply of service (08.11.20XX)]

05. Sec 31(3)(b) & Proviso to Rule 46:- No tax invoice if value < ₹200

MCQ 11.05.07.00 Subhas & Co., a registered person, supplies taxable goods to unregistered persons. It need not issue tax invoice, if the value of supply of goods to such persons is.....and the recipient does not require such invoice. [Study Mat] (CA Inter MTP Oct 23)

(a) ₹1,200 (b) ₹600
(c) ₹150 (d) ₹200

[Hint: Refer Sec 31(3)(b)]

MCQ 11.05.08.00 PVR (Multiplex) is running Movie shows in Mumbai. PVR is not issuing the E-tickets for movies, value of ticket is ₹190 per person. Whether PVR is required to issue separate Tax Invoice ?

[Study Mat]

(a) Yes, as ticket value is more than ₹100
(b) No, as ticket value is not more than ₹200
(c) Yes, as PVR is not issuing E-Ticket
(d) No, as ticket value is not more than ₹500

[Hint: section 31(3)(b) is N.A. to tickets of cinematographic films as per proviso to rule 46. so, separate ticket need to be issued irrespective of value as E-ticket is also not issued which is treated as deemed to be tax invoice as per rule 54]]

06. Rule 46:- Particulars to be stated in tax invoice

MCQ 11.06.09.00 Which of the following statements is correct while issuing a tax invoice under GST Laws? (CA Final MTP Apr 19)

(a) Place of supply in case of inter-State supply is not required to be mentioned.
(b) The power of attorney holder can sign the tax invoice in case the taxpayer or his authorised representative has been travelling abroad.
(c) Quantity is not required to be mentioned in case of goods when goods are sold on "as is where is basis".
(d) HSN code for goods or services is required to be mentioned.

[Hint: Refer Rule 46]

07. HSN Requirement

MCQ 11.07.09.01 Alpha Way Industries, a registered person dealing in supply of taxable goods all over India, having an aggregate turnover of ` 6.75 Crore in the preceding Financial Year, is required to issue Tax Invoice with HSN Code of: [CA Inter Jan 25 Exam]

(a) 4 digits for goods supplied to registered persons only (B2B)
(b) 4 digits for goods supplied to registered as well as unregistered persons (B2B and B2C)
(c) 6 digits for goods supplied to registered persons only (B2B)
(d) 6 digits for goods supplied to registered as well as unregistered persons (B2B and B2C)

08. Rule 48:- Manner of issuing tax invoice

MCQ 11.08.10.00 Invoice shall be prepared in (i) _____ in case of taxable supply of goods and in (ii) _____ in case of taxable supply of services. [Study Mat]

(a) Triplicate, Duplicate
(b) Duplicate, Triplicate
(c) Duplicate, Duplicate
(d) Triplicate, Triplicate

[Hint: Refer Rule 48(1) & (2)]

09. Rule 55- Delivery Challan/Invoice for Transportation of Goods read with Rule 55A

MCQ 11.09.11.00 Goods may be transported without issue of invoice under rule 55 challan in case of

(a) Supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,
(b) Transportation of goods for job work
(c) Transportation of goods for reasons other than by way of supply
(d) All of the above

[Hint: Refer Rule 55]

10. Sec.34- Credit Note and debit note

MCQ 11.10.12.00 The last date for declaring the details of a Credit Note issued on 25-Jun-20XY for a supply made on 19-Sep-20XX is ----- Here, annual return is filed on 20-Jul-20XY for F.Y. 20XX-XY :

(a) 31-Dec-20XY - Last date for filing annual

return

(b) 20-Jul-20XY - Actual date for filing annual return

(c) 20-Jun-20XY - Due Date of Filing of June Return

(d) 20-Oct-20XY - Due Date of Filing of September Return

[Hint:- Refer Sec 34(2)- Last date for giving details of Cr. note= 30th nov of next FY following the year in which supply is made, or actual Date of furnishing relevant annual return, Whichever is earlier]

MCQ 11.10.13.00 Kidzee Ltd., a wholesaler of toys registered in Chandigarh, is renowned in the local market for the varieties of toys and their reasonable prices. Kidzee Ltd. makes supply of 100 pieces of baby's learning laptops and chat learning phones to Nancy General Store on 25th September, 20XX by issuing a tax invoice amounting to ₹ 1,00,000.

However, the said toys were returned by Nancy General Store on 30th September, 20XX.

Which document Kidzee Ltd. is required to issue in such a case? (CA RTP May 19 New) [CA Inter MTP Oct 23]

(a) Debit Note (b) Refund voucher
(c) Credit note (d) Payment voucher

[Hint:-Refer Sec 34(1)]

MCQ 11.10.13.01 Suvidha Enterprises issued invoices pertaining to two independent outward supplies, where in one invoice value of supply was understated by ₹ 75,000 and in another invoice, value was

overstated by ₹ 45,000. Which of the following is correct in respect of document to be issued by the firm for understatement and overstatement of invoice value? [CA Inter MTP I Sep 24]

(i) Debit note is to be issued for ₹ 75,000.
(ii) Credit note is to be issued for ₹ 75,000.
(iii) Debit note is to be issued for ₹ 45,000.
(iv) Credit note is to be issued for ₹ 45,000
(a) (i) & (iii) (b) (ii) & (iii)
(c) (i) & (iv) (d) (ii) & (iv)

[Hint: Refer Sec 34, (2,55,000-40,000)*18%]

MCQ 11.10.14.00 During the month of May, Z Ltd. sold goods to Y Ltd. for ₹ 2,55,000 and charged GST @ 18%. However, owing to some defect in the goods, Y Ltd. Returned some of the goods by issuing debit note of ₹ 40,000 in the same month. Z Ltd. records the return of goods by issuing a credit note of ₹ 40,000 plus GST in the same month. In this situation, GST liability of Z Ltd. for the month of May will be- (CA Inter RTP Nov 2020) (Study Mat)

(a) ₹ 45,900 (b) ₹ 38,700
(c) ₹ 53,100 (d) ₹ 40,000

[Hint: Refer Sec 34, (2,55,000-40,000)*18%]

MCQ 11.10.15.00 Which of the following statements is/are incorrect under GST law:-

(i) If the supplier has erroneously declared a value which is more than the actual value of goods or services provided, then he can issue credit note for the same.
(ii) If the supplier declared some special discount

which is offered after the supply is over, then he cannot issue credit note under GST law for the discount offer.

(iii) If quantity received by the recipient is more than what has been declared in the tax invoice, then supplier can issue debit note for the same.

(iv) There is no time limit to declare the details of debit note in the return. [CA Inter RTP Nov 21]

[Study Mat]

(a) (i),(ii) and (iv) (b) (i) and (iv)
(c) (iv) (d) (i) and (iii)

[Hint: Refer Sec 34]

MCQ 11.10.16.00 Mr. Naresh, a supplier of readymade garments issued an invoice to a customer and erroneously charged a higher value by ₹ 42,000. Such an invoice was issued on 28th March, 20XX. Which document is required to be issued by the company in respect of the invoice issued on 28th March 20XX?

[CA Inter MTP I Jan 25] [CA Inter MTP-I Sep 25]

[CA Inter MTP I Jan 26]

(a) Debit note (b) Credit note
(c) Bill of supply (d) Revised Tax invoice

Answer:-

II.01.01	c
II.02.02	d
II.03.03	c
II.03.04	d
II.04.05	b
II.04.06	c
II.05.07	c
II.05.08	c
II.06.09	d
II.07.09.01	d
II.08.10	a
II.09.11	d
II.10.12	b
II.10.13	c
II.10.13.01	c
II.10.14	b
II.10.15	c
II.10.16	b

