

Assignment 1

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Download all latex-tikz codes from

<https://github.com/jpln135/EE4013/blob/main/Assignment1/Assignment1.tex>

1 PROBLEM

(Goods and Services Tax (GST) is an indirect tax introduced in India in 2017 that is imposed on the supply of goods and services, and it subsumes all indirect taxes except few. It is a destination-based tax imposed on goods and services used, and it is not imposed at the point of origin from where goods come. GST also has a few components specific to state governments, central government and Union Territories (UTs).

Which one of the following statements can be inferred from the given passage?

- 1) GST is imposed on the production of goods and services.
- 2) GST includes all indirect taxes.
- 3) GST does not have a component specific to UT.
- 4) GST is imposed at the point of usage of goods and services.

2 SOLUTION

Consider **Option 1**: FALSE, because GST is imposed on "supply" of goods and services and not "production".

Consider **Option 2**: FALSE, because GST subsumes all indirect taxes "except few".

Consider **Option 3**: FALSE, because GST has "few components" specific to Union Territories.

Consider **Option 4**: TRUE, because GST is imposed at point of usage of goods and services at destination.

Hence Option 4 is the correct answer.