BLOGS

Sectional Test on GST under Tax Law for CLAT PG

Adtiya Aryan · 04 Apr 2026

1. A State Government imposes an additional cess on the inter-State supply of goods, citing revenue loss under GST. The validity of this cess would most likely be challenged on the ground that:

a. It violates Article 14

b. States lack competence over inter-State supply

c. It violates Article 300A

d. It breaches fiscal federalism principles only

2. Under Article 265, which of the following is essential for validity of a tax?

a. Executive notification

b. Recommendation of GST Council

c. Authority of law enacted by competent legislature

d. Approval by Finance Commission

3. In Mohit Minerals Pvt Ltd v. Union of India, the Supreme Court primarily reinforced:

a. Parliamentary supremacy

b. Binding nature of GST Council

c. Cooperative federalism

d. Judicial supremacy over taxation

4. If Parliament enacts a GST amendment with retrospective effect withdrawing an exemption, the challenge would most directly involve:

a. Article 21

b. Article 14 arbitrariness doctrine

c. Article 368

d. Basic structure doctrine automatically

5. Which doctrine determines whether a State law encroaches upon Parliament’s exclusive power under GST?

a. Doctrine of Eclipse

b. Doctrine of Waiver

c. Pith and Substance

d. Res Judicata

6. A classification under GST differentiates luxury hotels from budget hotels for tax rate purposes. This classification would be valid if:

a. It maximizes revenue

b. It satisfies reasonable classification under Article 14

c. It is recommended by GST Council

d. It is politically justified

7. The exclusive power of Parliament over inter-State GST flows from:

a. Article 248

b. Article 246

c. Article 246A(2)

d. Article 279A

8. Input Tax Credit (ITC) under GST is best described as:

a. Fundamental Right

b. Vested constitutional right

c. Statutory concession

d. Natural right

9. If GST Council recommends a tax rate reduction but a State refuses to implement it, post Mohit Minerals Pvt Ltd v. Union of India, the correct position is:

a. State action is unconstitutional

b. Recommendation is binding

c. State may deviate subject to constitutional scheme

d. President must intervene

10. A State imposes GST on petroleum products before they are brought within GST framework constitutionally. This would violate:

a. Article 14

b. Article 19(1)(g)

c. Article 246A read with constitutional scheme

d. Article 32

11. If a GST provision disproportionately burdens small traders without rational basis, it may be struck down under:

a. Article 300A

b. Article 14 manifest arbitrariness

c. Article 51A

d. Article 368

12. Which constitutional amendment introduced GST?

a. 99th Amendment

b. 101st Amendment

c. 97th Amendment

d. 103rd Amendment

13. Provisional attachment of property under GST must satisfy:

a. Prior judicial approval

b. Strict necessity to protect revenue

c. Approval of GST Council

d. Finance Commission recommendation

14. If Parliament and State law conflict regarding intra-State GST:

a. Article 254 applies automatically

b. State law prevails

c. Parliament prevails

d. Conflict is resolved within the Article 246A framework

15. A tax that is confiscatory in nature may be challenged under:

a. Article 19(1)(g) + proportionality

b. Article 368

c. Article 124

d. Schedule VII

Answers

1. (B) The Parliament has the exclusive authority over interstate supply under Article 246A of the Constitution. Parliament has sole authority over interstate supply. States are not allowed to tax

interstate transactions on their own.

2. (C) According to Article 265 of the Constitution, “No tax shall be levied or collected except by authority of law”.
3. (C) The Court upheld fiscal federalism by ruling that the GST Council’s recommendations are advisory in nature.
4. (B) Under Article 14 of the Constitution, retrospective taxation is allowed, but it could be overturned if it is unreasonable.
5. (C) The doctrine of pith and substance is used to resolve questions on legislative competence.
6. (B) The test of rational nexus and intelligible differentia is essential for tax classification.
7. (C)
8. (C) Courts have ruled that ITC is not an inherent right, but only a statutory benefit.
9. (C) The recommendations of the GST Council are persuasive and not binding.
10. (C) Petroleum goods are exempt from GST until notified.
11. (B)
12. (B)
13. (B) Must satisfy the proportionality requirements under Article 14.
14. (D)
15. (A)