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# Comprehension Test Questions for IBPS PO Pre, SBI PO Pre, SBI Clerk Mains and IBPS Clerk Mains Exams.

## Passage No. 147

**Direction:** Read the following passage carefully and answer the following questions.

Ever since the Centre and the States passed the landmark legislation in 2016 adopting a single countrywide Goods and Services Tax (GST), the federal council that is tasked with overseeing all the regulatory aspects of the indirect tax has had its hands full. From recommending the rates that could apply to various products and services, to deciding on what could be tax exempted, the GST Council has had the **onerous** task of laying out the policy framework for administering the tax in a manner that benefits all stakeholders – the governments, the consumers and the suppliers along the value chain. Given the complexity of the legacy taxes that GST subsumed and replaced and the teething troubles of operating a new tax system, ensuring optimal outcomes has proved an abiding challenge. A significant concern relates to the loopholes that **unscrupulous** operators have sought to exploit, whereby revenue that ought to have accrued to the Centre and the States has leaked while allowing these elements to derive illicit profits. And the scale of some has been breath-taking. Earlier this month, the Directorate General of GST Intelligence and the Directorate General of Revenue Intelligence conducted a pan-India joint operation, which saw about 1,200 officers simultaneously conducting searches at 336 different locations. In the process they unearthed a network of exporters and their suppliers who had **connived** to claim fraudulent refunds of Integrated GST, with more than ₹470 crore of input tax credit availed being based on non-existent entities or suppliers with fictitious addresses. A further ₹450 crore of IGST refund is also under review.

It is against the backdrop of such cases, and the fact that frauds totalling up to a staggering ₹45,682 crore have been detected since the roll-out of the tax in July 2017, that the GST Council has decided “in principle” to recommend linking Aadhaar with registration of taxpayers. In its 37th meeting in Goa on Friday, the council also agreed to appraise the possibility of making the biometrics-based unique identifier mandatory for claiming refunds. Already the GST Network — the information technology backbone on which the whole tax system runs — has made it mandatory for new dealers registering under the composition scheme for small businesses to either authenticate their Aadhaar or submit to physical verification of their business, starting January 2020. The council too needs to follow the network’s lead and move swiftly to recommend mandatory linking for refunds, especially since that has proved to be the main source of most frauds. In a becalmed economy, neither the Centre nor States can afford to forego even a rupee of revenue that is due to the public coffers.

**1. Which of the following is true as per the passage?**

- I. The GST has opened up a can of worms and needs to be scrapped.
- II. There would be no frauds after the Aadhar is linked with taxpayers.
- III. The new dealers have to physically go for new registrations.

A. Only II                      B. Only III                      C. Only I and II                      D. Only II and III                      E. None of the above

**2. According to the passage, what remedial actions are suggested to avoid fraudulent activities?**

- A. Authentication of Aadhar for new registrations
- B. Biometrics-based unique identifier mandatory for claiming refunds
- C. Physical verification of their business
- D. Linking Aadhaar with registration of taxpayers
- E. All of the above

**3. Which of the following is true about GST?**

- I. GST applies different rates to same products.
- II. The tax has become a subject of national unrest.
- III. Some loopholes have been exploited to dupe government.

A. Only I                      B. Only II                      C. Only I and III                      D. Only III                      E. None of the above

**4. Why has the GST legislation and its successful implementation become a challenge?**

- A. GST council has been very busy in day to day activities.
- B. Not all revenue has been going to the Government.
- C. Public outcry against it has made it difficult to implement.
- D. The regulatory aspects are yet to come in full force.
- E. None of the above

**5. What can be concluded from the passage above?**

- A. GST has some challenges in terms of administration which cannot be rectified.
- B. GST loopholes are easy to identify and it has led to a decrease in tax theft.
- C. The new tax regime has become a tiring and excruciating exercise to operate.
- D. Aadhar-Linked GST registration will help curb the malpractices and smooth operation of GST.
- E. None of the above

**6. According to the passage what can be inferred from the following statement?**

'In a becalmed economy, neither the Centre nor States can afford to forego even a rupee of revenue that is due to the public coffers'.

- A. Neither Centre nor States can afford to lose public money in a stagnant economy.
- B. Neither Centre nor States can use public coffers for revenue generation.
- C. Neither Centre nor States can give away revenue to the masses.
- D. Neither Centre nor States are in a position to incur losses in a rapidly changing economy.
- E. None of the above

**7. Which of the following can be inferred from below statement?**

'Given the complexity of the legacy taxes that GST subsumed and replaced and the teething troubles of operating a new tax system, ensuring optimal outcomes has proved an abiding challenge'?

- A. There will be life-long problems in operating GST as it is a new tax system.
- B. GST council is doing its best to provide handsome gains while fighting unscrupulous operators.
- C. It's a long road ahead for GST to provide best possible results due to some hurdles and the vast number of laws it subsumed.
- D. GST is bound to fail as it has loopholes to exploit so it is under review.
- E. None of the above

**8. Which of the following is closest in meaning to the word 'connived'?**

- A. Confiscate
- B. Conspire
- C. Collateral
- D. Celestial
- E. None of the above

**9. Which of the following is antonym to the word 'unscrupulous'?**

- A. Dastardly
- B. Conjugate
- C. Coward
- D. Ethical
- E. None of the above

**10. Which of the following is closest in meaning to the word 'onerous'?**

- A. Arduous
- B. Exempt
- C. Effortless
- D. Futile
- E. None of the above

**Correct Answers :**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
E	E	D	B	D	A	C	B	D	A

## Explanations:

1. None of the statements are correct as per the passage.

Hence, option E is correct.

2. Refer to the passage below:

'...to appraise the possibility of making the **biometrics-based unique identifier** mandatory for claiming refunds. Already the GST Network ...has made it mandatory for **new dealers registering under the composition scheme** for small businesses **to either authenticate their Aadhaar** or submit to **physical verification of their business, ...'**

On reading the passage carefully, we see all the above remedial measures listed as recommendations to reduce fraudulent activities.

Hence option E is the right answer.

3. Statements I and III are incorrect as have not been stated in the passage. Statement II is correct as a case of fraud has been highlighted in the passage and is the main reason to link Aadhar with Taxpayers.

Hence option D is the correct answer.

4. Refer to:

'A significant concern relates to the loopholes that **unscrupulous** operators have sought to exploit, whereby **revenue that ought to have accrued to the Centre and the States has leaked** while allowing these elements to derive illicit profits.'

Of all the options, option B fits in the best with the others being incorrect.

Hence, option B is correct

5. Option A is incorrect as no such issue that cannot be solved has been mentioned.

Option B is opposite of what has been mentioned in the passage.

Option C is factually incorrect.

Option D is correct as the author feels this step would reduce fraud.

Hence option D is the right answer.

6. The word 'becalmed' means stranded or unable to move. When you replace becalm with the actual meaning of the word, it becomes clear that option A best explains the statement in question.

Hence A is the right answer.

7. As per the passage, any new law when implemented, is bound to have issues at first with the enforcing authority facing obstacles in implementation and have to make sure that the law provides the intended outcome or results, which takes time.

The statement talks about how GST is an umbrella comprised of several laws and it has to overcome obstacles to ensure the best results which is an 'abiding challenge' i.e. a challenge which will prevail for a long period of time.

Option C best fits the description as above.

Hence C is the right answer.

8. Connive means to secretly allow (something immoral, illegal, or harmful) to occur. The sentence thus means that some exporters and suppliers together were engaged in illegal activities where they claimed fraudulent refunds in order to gain more money.

*Conspire* is the best fit here.

Hence, option B is correct.

9. *Unscrupulous* is an adjective used to describe a person having or showing no moral principles; not honest or unfair. The word *ethical* means *morally good or honest*. Thus, 'ethical' is the right choice.

Hence, option D is correct.

10. *Onerous* is an adjective used to describe a task or responsibility involving a great deal of effort, trouble, or difficulty. *Arduous* is used to describe a task involving or requiring strenuous effort; difficult and tiring. As the two words perfectly match each other, arduous is the right fit.

Hence, option A is correct.





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