

Ans 1 • Goods - Goods are items that satisfy human wants and provide utility, for example, to a consumer making a purchase of a satisfying product. A common distinction is made between goods which are transferable, and services which are not transferable. A good may be a consumable item that is useful to people but scarce in relation to its demand, so that human effort is required to obtain it. ①

• Services - Services means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged.

• Input Services - Input Service means any service used by provider of output service for providing an output service;

a) Services used in relation to modernization, renovation or repairs of a premises of provider of output service or an office relating to such premises.



• There are 4 main advantages of Direct Taxes :- (2)

1) Promotes equality - Since direct taxes are based on the ability of a person to pay, it promotes equality among payers and citizens. Every person is charged a different amount, depending on how much they make.

2) Promotes Certainty - The good thing about direct taxes is that they are determined and made final before they are even paid. In the case of income tax, the annual tax is the same every year as long as the salary does not change.

3) Promotes Elasticity - Taxes are the earnings of the government, and when they fluctuate, the earnings also change. They can go higher or lower.

4) Saves time and money - The government does not need to spend on the collection of taxes because they are already taken right at the source of the income. Some companies use automatic payroll deduction systems, which help save time and money.