

INTERMEDIATE EXAMINATION

June 2014

I-P10(AIT)

Syllabus-2008

Applied Indirect Tax

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Answer Question No. 1 which is compulsory and any five from the rest.

Wherever required, the candidate may make suitable assumptions and state them clearly in the answers.

All questions relate to the assessment year 2013-14 unless stated otherwise in the question.

1. (a) Fill up the blanks : 1×15=15
- (i) Input credit _____ be available on input purchased outside the State.
 - (ii) Mandatory inspection charges _____ part of assessable value under Central Excise.
 - (iii) A refund claim under Section 11B of the Central Excise Act, has to be filed within _____ from relevant date.
 - (iv) Assessee availing SSI concession is required to file _____ return.
 - (v) National Calamity and Contingent Duty is charges @ _____ % on mobile phone.
 - (vi) Anti dumping duty ceases on the expiry of _____ from the date of imposition.
 - (vii) _____ form is required to submit for declaration of exports.
 - (viii) In case of delay in payment of Service tax, interest @ _____ % per annum is payable for delayed period.
 - (ix) The Constitution of India states that no tax shall be levied or collected except by authority of law under Article _____.
 - (x) Under the CST Act, one declaration in Form C can cover all the transactions of purchase in one _____, irrespective of the total value of the transactions during the said period.
 - (xi) A certificate of CST registration issued by the concerned authority shall be in Form _____.
 - (xii) The VAT rate applicable for a product in West Bengal is 1%. When the same is sold from West Bengal to a dealer in Orissa, the CST rate applicable is _____.
 - (xiii) Assessee paying duty of ₹ _____ annum through PLA are required to submit Annual Financial Information Statement for each financial year by 30th November of succeeding year in prescribed form ER-4.
 - (xiv) General rate of duty on import of baggage is _____.
 - (xv) _____ means goods declared under Section 14 to be of special importance in inter-state trade or commerce.
- (b) State with reasons, whether the following are True or False: 2×5=10
- (i) Levy and collection in the contest of Central Excise are synonymous.
 - (ii) Glass mirror cannot be classified as glass or glass wave.
 - (iii) Sales includes mortgage or hypothecation or a charge or pledge on goods.
 - (iv) Refund of Anti-Dumping duty is not permissible.
 - (v) Penalty under Section 76 & 78 of the Finance Act, 1994 can be imposable simultaneously.

Please Turn Over

2. (a) The price of a machine removed from factory at Mumbai on 28/09/2013 to a buyer there was ₹ 4 Lakhs (Exclusive of excise duty and taxes). Suddenly the buyer refused to take delivery of the machine. From 1st October, 2013, the company increased the price of machinery to ₹ 4.20 Lakhs with immediate effect. The machinery manufacturer then sold the machine to another buyer directly on 12th November, 2013 at increased price of ₹ 4.20 Lakhs. What is the excise duty payable? (Rate of Excise Duty is 12%) 4
- (b) Explain the maxime - "Latter the Better". 3
- (c) Material supplied by the service receiver whose fair Market value is 1 lakh and the service receiver, instead of supplying the material free, has charged the service provider ₹ 60,000 plus ₹ 3,000 as VAT, what amount to is to be deducted and included in this case? 4
- (d) There is no difference between "Zero rated Sales" and "Exempted Sales"—Explain. 4
3. (a) Mr. BADRI is a registered dealer in the state of TAMIL NADU purchased inputs (Raw Materials) for ₹ 90,000 on which VAT paid @ 4%. Capital goods purchased for manufacturing of finished goods in the month of January 2013 for ₹ 1,30,000 (VAT @ 13.50%). He manufactured finished goods from these inputs. Finished goods have been sold during the month of January, 2013 are given below :
- (i) 13.5% VAT sales within the state, for ₹ 1,30,000.
- (ii) Goods sent on stock transfer within the State of Tamil Nadu which is subsequently sold for ₹ 20,000 (VAT @ 13.5% on account of sale).
- (iii) Goods sold to registered buyer within the state of Tamil Nadu for ₹ 90,000 which are exempt from VAT. VAT on capital goods allowed up to 50% in the last 1st year of purchased and the balance in the subsequent two years. There was no opening or closing stock of inputs. Calculate net VAT liability? 6
- (b) R Ltd. Manufactured dutiable goods which were liable to duty @ 12.36% during the month of January 2014, for ₹ 3,00,000. These goods are lying in the factory of R Ltd. as finished goods as on 31st January 2014. Goods which are in the Work in Progress (WIP) stage valued at ₹ 80,000. It can be considered as manufactured goods. Due to quality defect, finished as well as WIP are written off in the books of accounts.
- (i) Cost of input goods consumed to produce finished product is ₹ 1,00,000 (Excise Duty ₹ 12,360)
- (ii) Inputs lying in the Work in Progress (WIP) valued at ₹ 30,000 (Excise Duty @ 12.36%)
- You are required to find the amount of CENVAT Credit allowed in the following two situations :
- (a) If excise duty has been remitted on finished goods.
- (b) If excise duty has not been remitted on finished goods. 4
- (c) Briefly explain the concept of Green Channel & Red Channel in the Context of Customs Act. 2
- (d) Write only whether the following Service are taxable or not.
- (i) Brand Ambassador Service 1
- (ii) Parking facility to general public 1
- (iii) Technical testing of Drugs 1

