

FINAL EXAMINATION

December 2013

P-16(TMP)
Syllabus 2012

Tax Management and Practice

Time Allowed: 3 Hours

Full Marks: 100

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

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

Working notes should form part of the relevant answer.

All sub-divisions of a question should be answered continuously.

Section A

Answer *all* questions.

1. Answer *any three* sub-divisions: 5×3=15
- (a) Techno Pvt. Ltd. manufactures microwave ovens of 15 litres capacity. The following dispatches were made from its factory in Nagpur on 29-12-2012:
- 10 units were sold to a customer in Delhi at an ex-factory agreed sale price of Rs. 15,000 each.
 - 100 units were sent to its depot in Chennai. As per the price list of the company in respect of the Chennai depot valid for the month of December, 2012, the per unit price was Rs. 15,750. 5 units had been sold from Chennai depot on 28-12-2012 at the aforesaid ex-depot price of Rs. 15,750 each.
 - 50 units were sent to its other factory in Indore for fitment of further attachments and subsequent sale to various customers. The cost of production of the microwave ovens (worked out as per CAS-4) was Rs. 12,000 each.
- With effect from 01-01-2013, the ex-factory price was revised to Rs. 15,500 each and the ex-depot price of Chennai depot was revised to Rs. 16,500 each. From the same date the rate of Central Excise duty on microwave ovens was increased to 12% from 10%. All the above dispatches reached their destinations after 01-01-2013. Accordingly the ovens sent to Chennai depot were sold to customers at the revised price of Rs. 16,500 each.
- Calculate the excise duty payable by the Nagpur factory of Techno Pvt. Ltd. on the above transactions along with suitable explanations on the basis of calculation. Ignore application cess and Cenvat credit.
- (b) A is a manufacturer of weighing machines. Its value of clearances is above the exemption limit. During February, 2013, A obtained a large order for Rs. 50 lacs from a customer X. Since it did not have facilities in its factory for executing the order, A outsourced the entire job to a job worker B. For this purpose, it was arranged that A would instruct the suppliers of all raw materials in respect of X's order to send them directly to B's factory. B would manufacture the completed weighing machines in its factory and dispatch them directly to X on payment of appropriate excise duty as applicable. The order was duly executed within February, 2013.

Please Turn Over

