

**INTERMEDIATE EXAMINATION**

December 2016

*P-11(ITX)*  
*Syllabus 2012*

**Indirect Taxation**

Time Allowed: 3 Hours

Full Marks: 100

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

*Question no. 1, is compulsory. Answer any five out of remaining seven questions.*

*Total six questions are to be answered.*

**1. Answer the following questions with suitable reasons:**

1×25=25

- (a) What is the purpose of payment of duty or tax under protest?
- (b) A manufacturer procured certain inputs. The assessable value for excise valuation was ₹ 10,000. Excise duty paid @ 12.5% was ₹ 1,250. Later he sold 50% of those inputs @ ₹ 6,000, as these were in excess of his requirements. Advise the manufacturer about steps he should take.
- (c) Which of the following service received by a manufacturer or service provider is not eligible for Cenvat Credit?
  - (i) Legal Services
  - (ii) Coaching and training
  - (iii) Maintenance service provided to a motor car not eligible for Cenvat credit as capital goods
  - (iv) Procurement of inputs
- (d) What are the products covered under third schedule of Central Excise Act.
- (e) A small scale manufacturer having turnover below certain limit of turnover is not required to obtain excise registration. However, he is required to submit declaration to excise department once he crosses a specified turnover. What is that specified turnover, when declaration is required to be filed?
- (f) A manufacturer filed return but did not pay excise duty as declared in return. What is the penalty if a manufacturer fails to pay excise duty within one month from due date?
- (g) In ports where imported goods are cleared on manual submission of documents, imported goods are cleared from customs port on payment of customs duty on submission of
  - (i) White Bill of Entry
  - (ii) Green Bill of Entry
  - (iii) Yellow Bill of Entry
  - (iv) Pink Bill of Entry

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- (h) What are 'Coastal goods'?
- (i) State provision in customs law in respect of pilfered goods.
- (j) What is period upto which imported goods can be kept in customs warehouse without payment of interest?
- (k) State the ceiling on quantum of duty drawback in relation to market price of export goods.
- (l) State the administrative authority for Foreign Trade Policy.
- (m) What the normal period of validity of Authorisation issued under Foreign Trade Policy?
- (n) A service provider imported consumables which were used for providing taxable service in India. Following duties were paid at the time of imports – Basic customs duty of 10%, CVD equal to excise duty payable in India, special additional duty @ 4%, Education Cess 1% and Secondary and Higher Education Cess – 1%. Advise if he can avail Cenvat credit of any of these duties? If so – which duty or duties?
- (o) State the time limit for issue of show cause notice to service provider when there is no charge of suppression of facts or wilful misstatement.
- (p) A service provider collected service tax from his customer but did not pay it to Government. What is rate at which interest is payable by service provider?
- (q) State true or false – The air travel agent is not required to pay service tax on air fare recovered by him from his customer.
- (r) What is the time limit for filing revised return under service tax?
- (s) Name the Act under which service tax is imposed in India.
- (t) A merchant exporter in West Bengal procures material for export from a manufacturer in Orissa. Which form the merchant exporter should issue to manufacturer in Orissa so that the supplier need not charge Central Sales Tax (CST) in his invoice?
- (u) State Vat rate of a commodity is 1%. These were sold inter-state to unregistered buyer outside the State. What would be rate of Central Sales Tax?
- (v) Tax Identification Number for State Vat consists of
  - (i) 10 digit alpha-numeric code
  - (ii) 11 digit numeric code
  - (iii) 12 digit alpha-numeric code
  - (iv) 13 digit numeric code
  - (v) None of the above

- (w) A dealer is importing goods and selling them in one State only. Can he opt for composition scheme for payment of State Vat?
- (x) State the maximum period for which Advance Pricing Agreement can be executed?
- (y) Arm's length price (ALP) can be computed by various methods. If two methods give two different ALP, which price should be adopted?

2. (a) Following information is provided in respect of manufacture of an engine for purpose of captive consumption in the same factory. **Calculate value** for purpose of Central Excise duty. 7

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Cost of direct material (including central excise duty ₹ 5,245 eligible for Cenvat credit)	1,45,245
Cost of direct employees	27,340
Consumable stores and repairs	13,800
Quality Control Cost	7,900
Research and Development Cost	15,150
Factory Overheads	2,850
Administration Cost – Production related	19,280
Administration Cost – Others	5,780
Selling and distribution cost	9,150
Scrap value realised	2,720

- (b) Certain goods were imported from Korea into India Normal value of these goods in Korea is ₹ 2,100. Export price to India is ₹ 1,600. Landed cost in India is ₹ 1,900. Fair selling price of that product in India is ₹ 2,200. **Calculate anti-dumping** duty that can be imposed on these goods if imported in India. 3

- (c) (i) Explain purpose of Place of Provision of Service Rules.
- (ii) What would be place of provision of service in relation to design of a building?
- (iii) What would be place of provision of consultancy services? 5

3. (a) (i) State situations where an exporter would prefer to pay excise duty on final products and claim rebate of excise duty paid, instead of clearing goods under bond without payment of excise duty.
- (ii) Which documents are required to be prepared at time of clearance from factory to clearing goods for export under claim of rebate?
- (iii) Can he claim rebate of excise duty in following situations:
- (A) Supplies to unit in Special Economic Zone
- (B) Supply to EOU unit 3+3+2=8

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