

# APPLIED INDIRECT TAXATION

## CANONS OF TAXATION - INDIRECT TAXES

### Descriptive & Practical Questions :

- Q1. Ability to pay is one of the most important canons of Taxation.  
[Ref: Q8. (c), Dec '08 / Paper-10] 4
- Q2. State with reasons whether the following is true or false.  
There are common provisions in Customs/Central Excise/ST.  
[Ref: Q1. (a)(iv), Dec '09 / Paper-10] 3
- Q3. State briefly the basic requirements of principle of natural justice in the context of adjudication in indirect taxes.  
[Ref: Q1. (c)(ii), June '11 / Paper-10] 2
- Q4. State the powers of Central Government in the area of taxation, as per the Constitution of India.  
[Ref: Q2. (a), June '10 / Paper-10] 7
- Q5. Bopara & Co., which has heavy indirect taxes outlay, wishes to know the situations in which it can file a revision application with the Central Government. Please outline the various situations.  
[Ref: Q2. (b), June '10 / Paper-10] 8
- Q6. What is the difference between short levy and short payment?  
[Ref: Q6. (b), June '11 / Paper-10] 2

## CENTRAL EXCISE

### Objective -Type Questions :

- Q1. Fill in the blanks :
- Goods covered by Central Excise Tariff but fully exempt from duty are \_\_\_\_\_. (excisable/not excisable)
  - SSI units whose turnover exceeds Rs. \_\_\_\_\_ per annum have to furnish declaration in prescribed form for Central excise purposes.
  - Compressing and bottling gas \_\_\_\_\_ (is/isnot) manufacture.
  - Affixing brand name, labelling or re-labelling and repacking from bulk pack to small pack of readymade garment \_\_\_\_\_ (is/is not) manufacture.
  - Cenvat credit \_\_\_\_\_ (can/can not) be utilised for payment of service tax on output service.
  - In case of Central Excise and Customs, appeals must be filed within \_\_\_\_\_ days from the date of communication of order.
  - Job work done under Cenvat provisions \_\_\_\_\_ (is/is not) exempt from service tax.
- [Ref: Q1. (a), Dec '08 / Paper-10] 1×7

Q2. State with reasons, whether **True** or **False** :

- (i) Cenvat credit on capital goods can be availed in full in the year of purchase.
- (ii) Wastes and scrap are always treated as excisable goods.
- (iii) Excise duty is payable on all sample, even if given free.

[Ref: Q1. (b), Dec '08 / Paper-10] 3×5

Q3. Fill in the blanks :

- (i) Goods under Central Excise must be \_\_\_\_\_ (movable/immovable) and \_\_\_\_\_ (marketable/packaged).
- (ii) CETA specifies some \_\_\_\_\_ (process/operations) as amounting to manufacturer. This will be said to be manufactured \_\_\_\_\_ (even if/unless) as per court decisions they do not amount to manufacture.
- (iii) Processing can amount to manufacture if a \_\_\_\_\_ (new/existing) and \_\_\_\_\_ (identifiable/similar) product known in the market emerges.

[Ref: Q1. (a)(i)(ii)(iii), June '09 / Paper-10] 2×5

Q4. State with reasons, whether true or false :

Brand owner is considered as manufacturer under Central Excise.

[Ref: Q1. (b)(i), June '09 / Paper-10] 5

Q5. Fill in the blanks :

- (a) An assessee can claim refund of excise duty within \_\_\_\_\_ from relevant date u/s 1 IB of the Central Excise Act, 1994.
- (b) EOUs has to issue \_\_\_\_\_ certificate for obtaining inputs without payment of excise duty.

[Ref: Q1. (a)(viii)(ix), June '10 / Paper-10] 1+1

Q6. State with reasons whether the following is true or false :

- (a) Parts used for repair or replacement during warranty period are excisable.
- (b) Central excise authorities cannot raise demands contrary to the approved classification/price list retrospectively.
- (c) Delay in filing appeal can be condoned but condonation is not a matter of right.

[Ref: Q1. (a), Dec '09 / Paper-10] 3+3+3

Q7. Fill up the blanks :

- (a) Appeals under Central Excise and Customs must be filed within \_\_\_\_\_ days from the date of communication order.
- (b) Compressing and bottling gas \_\_\_\_\_ (is/is not) manufacture.
- (c) Erection of civil structure \_\_\_\_\_ (is/is not) manufacture.

- (d) At present deduction \_\_\_\_\_ (is/is not) available on the basis of equilized freight and Central Excise.
- (e) Captive consumption is \_\_\_\_\_ to duty, value is determined on the basis of cost + \_\_\_\_\_ %.
- (f) Job work is not \_\_\_\_\_ .
- (g) Show cause notice issued by an officer beyond his power will be \_\_\_\_\_ .  
[Ref: Q1. (b), Dec '09 / Paper-10] 1+1+1+1+1+2+1

Q8. Fill in the blanks :

- (a) The adjudicating authority \_\_\_\_\_ review the order passed by it earlier.
- (b) An assessee can claim refund of excise duty within \_\_\_\_\_ from relevant date u/s11B of the Central Exercise Act, 1994.
- (c) EOU has to issue \_\_\_\_\_ certificate for obtaining inputs without payment of excise duty. [Ref: Q1. (a), June '10 / Paper-10] 1×3

Q9. State **with reasons**, whether the following statements are true or false (Answers without reasoning will not receive any credit) :

- (a) Installation/use of capital goods is a pre-requisite for taking CENVAT credit.
- (b) According to Central Excise Act, 1944, 'Assessment' includes self assessment of duty and also provisional assessment.
- (c) There is provision for payment of Central Excise Duty 'under protest'.
- (d) The Commissioner of Central Excise is empowered to review the service tax orders passed by the officer subordinate to him and re-adjudicate it, in case he finds the order to be legally inappropriate.
- (e) The person providing both taxable and non-taxable services and not maintaining separate books of accounts, wishing to avail Cenvat credit is required to reverse 6% of the value of exempted services. [Ref: Q1. (b), June '10 / Paper-10] 2×5

Q10. Fill in the blanks :

- (a) Waste and Scrap will not be excisable unless it is specified in \_\_\_\_\_ .
- (b) In addition to departmental audit, C & AG carries out selective audits which is termed as \_\_\_\_\_ . [Ref: Q1. (a), Dec. '10 / Paper-10] 1+1

Q11. State with reasons, whether the following statements are true or false (Answer without reasoning will not receive any credit) :

- (a) Repacking of an already manufactured product would amount to manufacture in Excise Law.
- (b) Define Excisable goods as mentioned in Central Excise Act, 1944. [Ref: Q1. (b), (c) Dec. '10 / Paper-10] 2+2

Q12. Fill in the blanks :

- (a) Central excise is a duty on excisable goods manufactured or produced in India, other than \_\_\_\_\_ .
- (b) For stock transfer of goods out of the state, input tax paid in excess of \_\_\_\_\_ will be eligible for tax credit. [Ref: Q1. (a), June '11/Paper-10] 1×2

- Q13. State with reasons, whether the following statements are *true* or *false*. (Answer without reasoning will not receive any credit).
- Materials used for maintaining factory building are eligible for cenvat credit.
  - Subsidy given by government to manufacturers to compensate cost of production will form part of sale price.
  - What is the significance of taxable event in central excise?  
[Ref: Q1. (b), (c), June '11/Paper-10] 2×3

### Descriptive & Practical Questions :

- Q1. Writes notes on Doctrine of unjust enrichment in case of refunds under Central Excise and Customs. [Ref: Q3. (b)(i), Dec '08 / Paper-10] 5
- Q2. (a) What is special Audit under section 14AA of CEA? (cenvat credit Audit)  
[Ref: Q6. (a), Dec '08 / Paper-10] 4
- Who can conduct such audit? [Ref: Q6. (b), Dec '08 / Paper-10] 3
  - Who can order such audit? [Ref: Q6. (c), Dec '08 / Paper-10] 4
  - What is the time limit for submission of report? [Ref: Q6. (d), Dec '08 / Paper-10] 4
- Q3. (a) Determine the value of a product and excise duty payable on the basis of following data
- |  |        |   |
|--|--------|---|
| (i) Goods sold at Depot Price          | 20,000 |   |
| Freight from factory to Depot          | 500    |   |
| Insurance                              | 500    |   |
| Octroi                                 | 1200   |   |
| Star VAT                               | 800    |   |
| CE 16%, Education Cess 2%, SAH Cess 1% |        | [Ref: Q7. (a)(i), Dec '08 / Paper-10] 6 |
- (b) Complete AV2CE if the goods are used for captive consumption. Assume cost of production is 80% of the invoice price in above question. [Ref: Q7. (a)(ii), Dec '08 / Paper-10] 4
- Q4. Write short note on Exemption to Small Scale Industry units.  
[Ref: Q7. (b), Dec '08 / Paper-10] 5
- Q5. Meaning of "accessory" for excise duty purpose. [Ref: Q3. (b), June '09 / Paper-10] 5
- Q6. Duty Entitlement Pass Book (DEPB) scheme. [Ref: Q3. (c), June '09 / Paper-10] 5
- Q7. Special Audit as per Sec. 14A of Central Excise Act, 1944. [Ref: Q3. (d), June '09 / Paper-10] 5
- Q8. Who is a job worker? State how is value determined when the goods are manufactured on job work basis. [Ref: Q4. (a), June '09 / Paper-10] 3+6

Q9. A Ltd. supplies raw material to a job worker J Ltd. After completing the job-work, the finished product of 5,000 packets are returned to A Ltd. putting the retail sale price as Rs. 20 on each packet. The product in the packet is covered under MRP provisions and 40% abatement is available on it. Determine the assessable value under Central Excise Law from the following details :

Cost of raw material supplies	Rs. 28,000
Job worker's charges including profit	Rs. 9,000
Transportation charges for sending raw material to the job worker	Rs. 4,000
Transportation charges for returning the finished packets to A Ltd.	Rs. 4,000

[Ref: Q4. (b), June '09 / Paper-10] 6

Q10. Explain the provisions relating to cenvat credit on goods, services and capital goods under Central Excise. [Ref: Q7. (a), June '09 / Paper-10] 8

Q11. An assessee cleared various manufactured final products during June, 2008. The duty payable for June, 2008 on his final products was as follows : Basic Rs. 2,00,000, Education Cesses—as applicable. During the month, he received various inputs on which total duty paid by suppliers of inputs was as follows : Basic duty Rs. 50,000, Education Cess Rs. 1,000, SAH education Cess Rs. 500. Excise duty paid on capital goods received during the month was as follows : Basic duty Rs. 12,000, Education Cess Rs. 240, SAH Education Cess Rs. 120. Service Tax paid on input services was as follows : Service Tax Rs. 10,000, Education Cess Rs. 200, SAH Education Cess Rs. 100.

How much duty the assessee will be required to pay by GAR-7 challan for the month of June 2008, if assessee had no opening balance in PLA account? What is last date for payment?

[Ref: Q7. (b), June '09 / Paper-10] 7

Q12. Briefly discuss the provisions of Section 14A of the Central Excise Act, 1944 relating to special audit. [Ref: Q3. (a), June '10 / Paper-10] 5

Q13. Will the quantum of goods manufactured relating to printed laminated rolls with brand name, be considered for SSI exemption limit? [Ref: Q3. (b), June '10 / Paper-10] 3

Q14. Is it correct to say that the concept of Input Service Distributor is a facility and not a compulsion for availing CEN VAT credit? [Ref: Q3. (c), June '10 / Paper-10] 4

Q15. Who are the persons liable to pay Central excise duty? [Ref: Q3. (d), June '10 / Paper-10] 3

Q16. Write short notes on :

- CENVAT credit where inputs are partially used for manufacture of dutiable goods/taxable services;
- Deemed manufacture as per excise law is legal fiction.

[Ref: Q6. (a)(b), June '10 / Paper-10] 2×3

Q17. Write short notes on :

- (a) Related person under the Central Excise Act.
- (b) Determination of value when goods are manufactured on job work basis.
- (c) Transaction value under the Central Excise Act.

[Ref: Q3. (a)(b)(c), Dec. '09 / Paper-10] 3×3

Q18. Explain the provisions of interest on delayed payment under Central Excise and Customs.

[Ref: Q4. (a), Dec. '09 / Paper-10] 7

Q19. Explain the provisions of the Central Excise Act, 1944 which empower the Central Government not to recover the duties of excise not levied or short levied as a result of general practice. If the duty has been paid despite such practice, is it refundable?

[Ref: Q4. (b), Dec. '09 / Paper-10] 6+2

Q20. Write short notes on :— e-payment of excise duty and state whether it is compulsory or not.

[Ref: Q5. (b), Dec. '09 / Paper-10] 7+2

Q21. What will be the consequences in case the 'subject goods' are not used by the manufacturer for the purpose specified in the notification? When will the subject goods be deemed as not been used for intended purpose?

[Ref: Q6. (b), Dec. '09 / Paper-10] 5

Q22. Describe, in brief, the procedure for export of goods under bond as per Rule 13 of C.E. Rules, 1944.

[Ref: Q8. , Dec. '09 / Paper-10] 15

Q23. Briefly discuss the provisions of Section 14A of the Central Excise Act, 1944 relating to special audit.

[Ref: Q3. (a), June '10 / Paper-10] 5

Q24. Will the quantum of goods manufactured relating to printed laminated rolls with brand name, be considered for SSI exemption limit?

[Ref: Q3. (b), June '10 / Paper-10] 3

Q25. Is it correct to say that the concept of Input Service Distributor is a facility and not a compulsion for availing CENVAT credit?

[Ref: Q3. (c), June '10 / Paper-10] 4

Q26. Who are the person liable to pay Central excise duty? [Ref: Q3. (d), June '10 / Paper-10] 3

Q27. Briefly discuss the aspects relating to self assessment by an importer on the basis of 'Risk Management System'. State the categories of eligible and ineligible persons who can make use of this scheme.

[Ref: Q4. (b), June '10 / Paper-10] 7

Q28. Write short notes on :

- (a) CENVAT credit where inputs are partially used for manufacture of dutiable goods/taxable services ;
- (b) Deemed manufacture as per excise law is legal fiction;
- (c) Monetary limits of adjudicating authorities, Officers of Central Excise, Customs and Service Tax.

[Ref: Q6. (a)(b)(e), June '10 / Paper-10] 3×3

- Q29. Briefly discuss about the general exemption and concessions given to SSI units for excise duty purposes. [Ref: Q2. (a), Dec. '10 / Paper-10] 4
- Q30. Who is liable to pay Excise Duty in case goods are produced or manufactured on Job Work? [Ref: Q3. (a), Dec. '10 / Paper-10] 2
- Q31. Explain steps involved in classifying a product under Central Excise Tariff Act. [Ref: Q4. (a), Dec. '10 / Paper-10] 5
- Q32. What do you understand by advance ruling under Service Tax? State briefly the question on which "Advance Ruling" can be sought? [Ref: Q5. (a), Dec. '10 / Paper-10] 5
- Q33. M/s. P Ltd. used to label its products with a foreign brand and claimed exemption under a notification. The classification list was approved by the department after carrying out verifications and all returns were regularly filed. The invoice containing description of goods were also regularly approved by the department. The department denied the benefit of exemption to the assessee for previous period of five years, by invoking extended period of limitation under section 11A on the ground that it failed to declare the particulars regarding affixing of labels. Is the department justified? Discuss. [Ref: Q7. (a), Dec. '10 / Paper-10] 5
- Q34. Write note on 'Input service' for purpose of Cenvat Credit as applicable to a manufacturer. [Ref: Q7. (b), Dec. '10 / Paper-10] 6
- Q35. Name two situations where excise duty liability is not of the actual manufacturer but of the person who has supplied the raw material to the manufacturer. [Ref: Q7. (c), Dec. '10 / Paper-10] 2
- Q36. Explain provisions in respect of valuation for excise duty purposes determined when sales are generally through a related person. [Ref: Q8. (a), Dec. '10 / Paper-10] 5
- Q37. Explain how DEPB scheme helps in making exported products tax free. [Ref: Q8. (b), Dec. '10 / Paper-10] 5
- Q38. Discuss provisions relating to mandatory penalty equal to the amount of duty under the Central Excise Act and circumstances when such penalty shall be reduced. [Ref: Q8. (c), Dec. '10 / Paper-10] 5
- Q39. 'Provisional Assessment' under Rule 7 of the Central Excise Rules, 2002. [Ref: Q2. (b), June '11 / Paper-10] 4
- Q40. An assessee cleared various manufactured final products during June, 2010. The duty payable for June, 2010 on his final products was as follows : Basic Rs. 1,00,000, education cess as applicable. During the month, he received various inputs on which total duty paid by suppliers of inputs was as follows : Basic duty Rs. 25,000, Education cess Rs. 500, SAH education cess Rs. 250. Excise duty paid on capital goods received during the month was as follows : Basic duty Rs. 6,000, Education cess Rs. 120, SAH education cess Rs. 60. Service tax paid on input services was as follows : Service tax Rs. 5,000, Education cess Rs. 100, SAH education cess

- Rs. 50. How much duty the assessee will be required to pay by GAR 7 challan for the month of June, 2010, if assessee had no opening balance in his PLA account? What is last date for payment? [Ref: Q4. (b), June '11 / Paper-10] 5
- Q41. If any excisable goods are exempted from duty of excise absolutely, the manufacturer of such goods will be bound to avail the exemption. Comment. [Ref: Q6. (d), June '11 / Paper-10] 2
- Q42. An assessee purchased inputs weighing 200 Kg. The duty paid on inputs was Rs. 2000. During transit from supplier to the factory of manufacture, 10 Kg of the inputs were destroyed. The destroyed quantity of inputs does not qualify to be 'inputs' within the meaning of the Cenvat Credit Rules, 2004. Discuss. [Ref: Q6. (f), June '11 / Paper-10] 2
- Q43. Special audit under sections 14A and 14AA of the Central Excise Act, 1944 can be done by a cost accountant only. Comment. [Ref: Q6. (g), June '11 / Paper-10] 1
- Q44. Explain situations where the provisions of unjust enrichment under section 11B(2) of the Central Excise Act, 1944 will not apply and the applicant will be entitled to refund. [Ref: Q7. (c), June '11 / Paper-10] 5

## CUSTOMS LAWS

### Objective -Type Questions :

- Q1. Fill in the blanks :  
Basic Customs duty is levied under section \_\_\_\_\_ of the Customs Act. [Ref: Q1. (a)(iii), Dec '08 / Paper-10] 1
- Q2. Fill in the blanks :  
Exclusive economic zone extends to \_\_\_\_\_ (200/300) nautical miles from the base line of the coast. Beyond \_\_\_\_\_ (100/200) nautical miles is High Seas. [Ref: Q1. (a)(iv), June '09 / Paper-10] 2
- Q3. Fill in the blanks :  
General Free Allowance (GFA) under Customs Act is \_\_\_\_\_ (allowed/not allowed) on unaccompanied baggage; GFA is \_\_\_\_\_ (allowed/not allowed) on alcoholic liquor or wines up to two litres. [Ref: Q1. (a)(v), June '09 / Paper-10] 2
- Q4. The concession under Customs Act for person who is transferring his residence to India whereby he is eligible to bring used personal and household articles to India without duty is applicable to Indian residents returning from overseas after 2 years but not available to foreigners. [Ref: Q1. (b)(iii), June '09 / Paper-10] 5



Q5. Fill in the blanks :

- (a) Taxes and duties are \_\_\_\_\_ in arriving at the assessable value for customs duty purposes.
- (b) EOU can sell a portion of their production in Domestic Tariff are (DTA) up to \_\_\_\_\_ % of their \_\_\_\_\_ value of exports in earlier year.
- (c) A service provider \_\_\_\_\_ avail CENVAT credit of special CVD paid u/s 3(9) of Customs Tariff Act.
- (d) An importer who knowingly mis-declares assessable value can be imprisoned for a period up to \_\_\_\_\_ years.
- (e) Margin of dumping means the difference between \_\_\_\_\_ and \_\_\_\_\_.  
[Ref: Q1. (a)(ii)(iv)(v)(vii)(x), June '10 / Paper-10] 1×5

Q6. State with reasons whether the following is true or false.

The conveyances are not allowed to leave India without written permission from customs authorities. [Ref: Q1. (a)(ii), Dec '09 / Paper-10] 3

Q7. Fill up the blanks :

- (a) Exclusive economic zone extends to \_\_\_\_\_ nautical miles from the base line under the customs Act.
- (b) Laptop Computer (Note Book Computer) brought as baggage by person above 18 years of age \_\_\_\_\_ (is/is not) fully exempt from customs duty.  
[Ref: Q1. (b)(ii)(iv), Dec '09 / Paper-10] 1+1

Q8. State with reasons, whether the following statements are true or false (Answers without reasoning will not receive any credit) :

- (a) Customs officer should pass an adjudication order in all situations where an assessment is done more than the claim of importer/exporter.  
[Ref: Q1. (b), June '10 / Paper-10] 2

Q9. Fill in the blanks :

- (a) A passenger returning to India after stay in Germany for one week is entitled to bring goods up to Rs. \_\_\_\_\_ without payment of any Customs duty.
- (b) In case of imports other than imports by EOU the imported goods can be kept in Customs bonded ware-house for \_\_\_\_\_ days without paying any interest.  
[Ref: Q1. (a), Dec. '10 / Paper-10] 1+1

Q10. State with reasons, whether the following statements are true or false (Answers without reasoning will not receive any credit) :

- (a) Customs duty is not paid by an importer and it was found that such non-payment was on account of fraud committed by him. In such case, there is no time limit for issue of show cause notice demanding duty and penalty.
- (b) Is it possible for a Trader to claim refund of special CVD from customs department? State your views.  
[Ref: Q1. (b), (c), Dec '10 / Paper-10] 2+1

Q11. Fill in the blanks :

- (a) Indian customs waters extend upto \_\_\_\_\_ nautical miles beyond territorial waters.

- (b) Bills of entry can be submitted \_\_\_\_\_ days prior to expected date of arrival of vessel.
- (c) Article having eight digit code where customs duty rate is specified in the customs tariff is termed as \_\_\_\_\_ . [Ref: Q1. (a), June '11 / Paper-10] 1×3

Q12. State with reasons, whether the following statements are *true* or *false*. (Answer without reasoning will not receive any credit).

- (a) Second hand goods imported are not chargeable to customs duty. [Ref: Q1. (b), June '11 / Paper-10] 2

### Descriptive & Practical Questions :

Q1. Briefly explain the procedure for assessment and clearance of imported goods through a customs sea port under the Customs Act, 1962. [Ref: Q2. (a), Dec '08 / Paper-10] 8

Q2. Customs value (Assessable value of imported goods) is Rs. 4,00,000. Basic customs duty payable is 10%. If the goods were produced in India, excise duty would have been 16%. Education cess is as applicable. Special CVD is at appropriate rates. Find the customs duty payable. How much Cenvat can be availed of by importer if he is manufacturer?

[Ref: Q2. (b), Dec '08 / Paper-10] 7

Q3. What do you understand by transit and transshipment of goods? Under what conditions do they enjoy exemptions from duty under the Customs Act, 1962?

[Ref: Q2. (a), June '09 / Paper-10] 10

Q4. The assessable value of an imported items is Rs. 1,00,000. Basic customs duty is 20%, additional duty of customs is 2% and secondary and higher education cess is 1% on duty. No additional duty of customs is chargeable on such goods u/s 3(5) of the Act.

Compute the amount of customs duty payable. Also state the amount of credit available to the importer. [Ref: Q2. (b), June '09 / Paper-10] 5

Q5. Mention briefly any five illustrative cases under the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, where all the industry Drawback rates will not apply.

[Ref: Q8. (a), June '09 / Paper-10] 6

Q6. Write notes on Special Brand Rate.

[Ref: Q8. (b), June '09 / Paper-10] 4

Q7. From the following data, you are required to compute the customs duty payable by Sukbhir & Co:

	<b>(In Euro)</b>
FOB value of textile machinery	1,00,000
Air freight	26,000
Expenses incurred by seller for improving the design, at buyer-importer's request	4,000
Transit Insurance	2,000
Exchange rate 1 Euro = Rs. 60	
Basic duty 25%	Rate of CVD 16%
	Rate of SAD 3%

The price offered in the importer is a special discounted price. The buyer-importer has been specifically directed not to disclose this price to any buyer in India. Seller's normal selling price is 1,20,000 Euro. [Ref: Q4. (a), June '10 / Paper-10] 8

Q8. Briefly explain the significance of the levy of "auto Dumping duty" under the Customs Tariff Act. [Ref: Q2. (a), Dec. '09 / Paper-10] 7

Q9. Shakti has imported certain goods by air. FOB value of goods is \$2000. Freight \$500 and insurance \$50. Rate of exchange is \$1 = Rs. 50.

Landing charges is 1% of CIF value. Calculate the assessable value for Customs Duty.

[Ref: Q2. (b), Dec. '10 / Paper-10] 8

Q10. Short note on — Simplified Brand Rate Fixation scheme. [Ref: Q6. (d), June '10/Paper-10] 3

Q11. What are the methods of valuation of customs duty? Is it mandatory that they should be applied sequentially? [Ref: Q8. (a), June '10 / Paper-10] 4

Q12. Mr. Ram, the assessee, has purchased goods from Mr. Rahim, on high sea sales basis. Mr. Rahim has imported the same Mr. Antony of Malaysia for an invoice value of 10,000 USD. Mr. Rahim has charged the assessee for 11,000 USD. The assessee contends that while arriving at the assessable value for customs, the price charged by the foreign supplier to Mr. Rahim should be taken as the basis. Is the same correct? [Ref: Q8. (b), June '10 / Paper-10] 3

Q13. Can an importer, exporter or 'person in charge' amend the documents submitted to customs authorities? If yes, from what date is the amendment effective? [Ref: Q2. (b), Dec. '10 / Paper-10] 3

Q14. What is the "taxable event" in the case of export of goods under customs law? Is export duty payable in case of applicable goods where ship travels 40 nautical miles from Indian port and the title passes to the buyer, but the ship returns to India because of engine trouble? What is the relevant date for export duty? [Ref: Q2. (d), Dec. '10 / Paper-10] 4

- Q15. Discuss the includibility or otherwise to the assessable value under the Customs Act, 1962 of the following payments made by an importer to the overseas supplier of a second hand Plant in India :
- (i) Dismantling charges for removing the second hand Plant at the supplier's place and shipping to the Indian importer.
  - (ii) Fees for supervision of erection and commissioning of plant in India. For this purpose the Foreign Supplier deputed their technicians in India.
- [Ref: Q3. (b), Dec. '10 / Paper-10] 2×2
- Q16. CIF value of imported goods is Rs. 10,00,000. Basic Customs Duty payable is 10%. If the goods were produced in India, Excise Duty payable would have been 8%. Education cess is 2% and Special Education Cess is 1%. Spl. CVD is payable at appropriate rates. Find the Customs duty payable. What are the duty refunds/benefits available if the importer is (a) manufacturer (b) Service provider (c) Trader? [Ref: Q6. (a), Dec. '10 / Paper-10] 11
- Q17. Write brief note on – Refund of special CVD paid on goods imported by a trader. [Ref: Q2. (c), June '11 / Paper-10] 5
- Q18. Discuss provisions for valuation of exports, if value cannot be determined on basis of transaction value. [Ref: Q4. (a), June '11 / Paper-10] 6
- Q19. Explain the term “joint venture in India” under the explanation to section 28E(C) of the Customs Act 1962 for the purpose of advance ruling. [Ref: Q4. (c), June '11 / Paper-10] 2
- Q20. FOB value of 1000 Kgs goods exported is Rs. 1,00,000. Rate of duty drawback on such export is Rs. 30 per Kg. Market price of goods is Rs. 25,000 (in wholesale market). Ascertain whether the exporter is entitled to duty drawback in the above case, and if yes, what the quantum of such duty drawback is. [Ref: Q6. (c), June '11 / Paper-10] 2
- Q21. Warehouse goods can be transferred from one warehouse to another under the Customs Act, 1962. Do you agree? Discuss. [Ref: Q6. (e), June '11 / Paper-10] 2
- Q22. Discuss briefly the power of the appellate tribunal to order ‘rectification of mistake’ under Customs Act. [Ref: Q7. (a), June '11 / Paper-10] 5
- Q23. Assessable value of certain goods imported from USA is Rs. 5,00,000. The packet contains 5000 pieces with maximum retail price of Rs. 200 each. The goods are assessable under section 4A of the Central Excise Act, 1944 after allowing an abatement of 40%. The excise duty rate is 10% ad valorem. Calculate the amount of additional duty of customs under section 3(1) of the Customs Tariff Act, 1975 assuming basic customs duty @ 10% ad valorem. [Ref: Q8. (c), June '11 / Paper-10] 5

## SERVICE TAX

### Objective -Type Questions :

- Q1. Fill in the blanks :  
A secondary and higher education cess of \_\_\_\_\_ (1%/2%) has been imposed on services liable to service tax under the Finance Act, 2007.  
[Ref: Q1. (a)(v), Dec '08 / Paper-10] 1
- Q2. Fill in the blanks :  
Finance Act, 1994 which contains provisions relating to service tax \_\_\_\_\_ (does/does not) provide for criminal liability in service tax matters.  
[Ref: Q1. (a)(x), Dec '08 / Paper-10] 1
- Q3. State with reasons, whether **True** or **False** :  
In case of delayed payment of service tax the assessee has to pay simple interest @13% for the period for which the payment is delayed. [Ref: Q1. (b)(iv), Dec '08 / Paper-10] 3
- Q4. Fill in the blank :  
(a) E-payment of service tax is mandatory where the service tax paid in the immediate preceding year is not less than Rs. \_\_\_\_\_.  
[Ref: Q1. (a)(i), June '10 / Paper-10] 1
- Q5. State with reasons, whether the following statements are true or false (Answers without reasoning will not receive any credit) :  
(a) Customs officer should pass an adjudication order in all situations where an assessment is done more than the claim of importer/exporter.  
[Ref: Q1. (b)(v), June '10 / Paper-10] 2
- Q6. Fill in the blanks :  
(a) E-payment of service tax is mandatory where the service tax paid in the immediate preceding year is not less than Rs. \_\_\_\_\_ .  
[Ref: Q1. (a)(i), June '10 / Paper-10] 1  
(b) An out-door caterer is providing full and substantial meals. His invoice does not show breakup between value of food and value of service. He is liable to pay service tax on \_\_\_\_\_ of the bill amount. [Ref: Q1. (a)(v), Dec. '10 / Paper-10] 1
- Q7. State with reasons, whether the following statements are true or false (Answers without reasoning will not receive any credit) :  
(a) A service provider is required to file return in form ST-4 on quarterly basis within 90 days of the service of order to the Central Sales Tax Authority.  
(b) A sub-contractor is a taxable service provider. Do you agree? Discuss.  
[Ref: Q1. (b)(c), Dec. '10 / Paper-10] 2+2

Q8. Fill in the blanks :

(a) Registration of service tax is granted by \_\_\_\_\_ of central excise.  
[Ref: Q1. (a)(iv), June '11 / Paper-10] 1

Q9. State with reasons, whether the following statements are *true* or *false*. (Answers without reasoning will not receive any credit) :

(a) A service provider can opt for centralised registration under service tax even if he does not have any centralised billing system. [Ref: Q1. (b)(iv), June '11 / Paper-10] 2

(b) Which committee recommended the introduction of Service Tax?  
[Ref: Q1. (c)(iv), June '11 / Paper-10] 1

### Descriptive & Practical Questions :

Q1. Write notes on Appeals under service tax. [Ref: Q3. (b)(ii), Dec '08 / Paper-10] 5

Q2. State the provisions relating to general exemption available to small service providers.  
[Ref: Q4. (a), Dec '08 / Paper-10] 7

Q3. State briefly the provisions for valuation of taxable services for charging Service Tax.  
[Ref: Q4. (b), Dec '08 / Paper-10] 8

Q4. Outline the provisions relating to registration under service tax.  
[Ref: Q5. (a), June '09 / Paper-10] 7

Q5. Explain 'Export of Services' under service tax. What is the exemption available to exporter of service from service tax?  
[Ref: Q5. (b), June '09 / Paper-10] 8

Q6. ABC Co. Ltd. provided services valuing Rs. 8 lakhs during the financial year 2007-08. During 2008-09, it has provided taxable services valuing Rs. 10 lakhs and has received payments towards payable services Rs. 8.5 lakhs. It has also received services in the nature of transport of goods by road valuing Rs. 50,000, in respect of which it is the person liable to pay service tax. Compute the service tax, if any, payable by ABC Co. Ltd. for the financial year 2008-09. It is given that goods transport service is exempt to the extent of 75% of value thereof.  
[Ref: Q8. (c), June '09 / Paper-10] 5

Q7. Mr. Suresh Raina, who is rendering taxable services, wants to know what he should do, if he discovers a mistake after 90 days from the date of filing service tax return, resulting in short/excess payment of tax. Can he file a revised return? [Ref: Q7. (a), June '10 / Paper-10] 4

Q8. Is there any obligation to file service tax return, even if no service tax is payable?  
[Ref: Q7. (b), June '10 / Paper-10] 3

Q9. Discuss briefly the provisions conferring general exemption to small service providers in the context of levy of service tax.  
[Ref: Q7. (c), June '10 / Paper-10] 8

Q8. Mrs. Bose is rendering taxable services, which were brought into the service tax net w.e.f. 1.5.2009. The following information are made available to you:

	(Rupees)
(i) Amount received on 10.5.2009 for services provided in April, 2009	2,00,000
(ii) Advance received from one client on 10.5.2009	3,39,000
(iii) For balance services of Rs. 7,00,000 bill was raised on 12.3.2010 and the amount due was received from the above client on 15.3.2010	
(iv) Other taxable services billed and received during 1.5.2009 to 31.3.2010	4,00,000
(v) Value of free services rendered in October, 2009	1,50,000

Compute the value of taxable services and service tax payable for the year ended 31.3.2010.

[Ref: Q8. (c), June '10 / Paper-10] 8

Q9. Mr. Suresh Raina, who is rendering taxable services, wants to know what he should do, if he discovers a mistake after 90 days from the date of filing service tax return, resulting in short/excess payment of tax. Can he file a revised return? [Ref: Q7. (a), June '10 / Paper-10] 4

Q10. Is there any obligation to file service tax return, even if no service tax is payable?

[Ref: Q7. (b), June '10 / Paper-10] 3

Q11. Discuss briefly the provisions conferring general exemption to small service providers in the context of levy of service tax. [Ref: Q7. (c), June '10 / Paper-10] 8

Q12. Mrs. Bose is rendering taxable services, which are were bought into the service tax net w.e.f. 1.5.2009. The following information are made a available to you :

	(Rupees)
(i) Amount received on 10.5.2009 for services provided in April, 2009	2,00,000
(ii) Advance received from on client on 10.5.2009	3,39,000
(iii) For balance services of Rs. 7,00,000 bill was raised on 12.3.2010 and the amount due was received from the above client on 15.3.2010	
(iv) Other taxable services billed and received during 1.5.2009 to 31.3.2010	4,00,000
(v) Value of free services rendered in October, 2009	1,50,000

Compute the value of taxable services and service tax payable for the year ended 31.3.2010.

[Ref: Q8. (c), June '10 / Paper-10] 8

Q13. What are the sources of Service Tax Law?

[Ref: Q3. (c), Dec. '10 / Paper-10] 3

Q14. Calculate the net service tax payable under the provision of the rule 2A of the Service Tax (Determination of value) Rules 2006 relating to determination of value of services in the execution of a works contract from the following particulars :

- (i) Gross amount for the works contract (excluding VAT) Rs. 1,00,000.
- (ii) Value of goods and materials sold in the execution of works contract Rs. 70,000.
- (iii) CENVAT credit on (ii) above Rs. 1,000.
- (iv) Service tax paid on input services Rs. 1,000.

- (v) CENVAT credit on capital goods issued for works contract Rs. 1,000.
- (vi) Service tax rate the relevant Assessment year is 10.30%. Make suitable assumptions and provide explanations where required. [Ref: Q4. (b), Dec. '10 / Paper-10] 3
- Q15. What do you understand by advance ruling under Service Tax? State briefly the question on which "Advance Ruling" can be sought? [Ref: Q5. (a), Dec. '10 / Paper-10] 5
- Q16. Write a brief note on categories of services for classifying a service as export of service. [Ref: Q7. (d), Dec. '10 / Paper-10] 2
- Q17. Explain provisions in Cenvat Credit Rules in respect of 'input service distributor'. [Ref: Q3. (c), June '11 / Paper-10] 4
- Q18. Calculate the value of taxable service of Robin Transport Company engaged in the business of transport of goods by road. Give reasons for taxability or exemption of each item. No freight is received from any of the specified category of consignor/consignee. Suitable assumption may be made wherever required. Robin does not avail cenvat credit.
- |  | Rs.      |
|--|----------|
| (i) Total freight charges received by Robin during the year  | 6,75,000 |
| (ii) Freight charges received for transporting fruits  | 62,500   |
| (iii) Freight collected for transporting small consignment for persons who paid less than Rs. 750 for each consignment | 37,500   |
| (iv) Freight collected for transporting goods in small vehicles for person who paid less than Rs. 1500 per trip        | 75,000   |
- [Ref: Q8. (b), June '11 / Paper-10] 5



## CENTRAL SALES TAX ACT & VAT ACT.

### Objective -Type Questions :

- Q1. State with reasons, whether **True** or **False** :  
Security demanded from dealer under the Central Sales Tax Act, 1956 can be satisfied in the form of Security Bond. [Ref: Q1. (b)(ii), Dec '08 / Paper-10] 3
- Q2. State with reasons, whether **True** or **False** :  
Under Central Sales Tax Act, for an activity to be classified as business profit motive is immaterial. [Ref: Q1. (b)(ii), June '09 / Paper-10] 5
- Q3. Fill in the blanks :  
(a) VAT rate applicable within Gujarat State for gold is 1%; if gold is sold to an unregistered buyer in Delhi, the CST is chargeable at \_\_\_\_\_.  
(b) First appellate authority can condone delay up to \_\_\_\_\_ days in filing the CST appeal if proper cause is shown. [Ref: Q1. (a)(iii)(xi), June '10 / Paper-10] 1+1
- Q4. State **with reasons**, whether the following statements are true or false (Answers without reasoning will not receive any credit) :  
VAT helps in checking tax evasion and in achieving neutrality. [Ref: Q1. (b)(i), June '10 / Paper-10] 2
- Q5. Fill in the blanks :  
(a) VAT rate applicable within Gujarat State for gold is 1%; if gold is sold to an unregistered buyer in Delhi, the CST is chargeable at \_\_\_\_\_ %.  
(b) EOU has to issue \_\_\_\_\_ certificate for obtaining inputs without payment of excise duty. [Ref: Q1. (a), June '10 / Paper-10] 1+1
- Q6. State **with reasons**, whether the following statements are true or false (Answers without reasoning will not receive any credit) :  
VAT helps in checking tax evasion and in achieving neutrality. [Ref: Q1. (b)(i), June '10 / Paper-10] 2
- Q7. Fill in the blanks :  
(a) \_\_\_\_\_ is payable on inter state sales, while \_\_\_\_\_ is payable on sale within the State.  
(b) Central Sales Tax applies to the whole of India \_\_\_\_\_ the State of Jammu & Kashmir. [Ref: Q1. (a)(vi)(vii), Dec. '10 / Paper-10] 1+1
- Q8. State with reasons, whether the following statements are true or false (Answers without reasoning will not receive any credit) :  
(a) Appeal against an order passed by the Registration authority must be filed within 90 days of the service of order to the Central Sales Tax Authority.  
(b) Levy of VAT will have effect on retail price of goods. [Ref: Q1. (b)(iv)(v), Dec. '10 / Paper-10] 2+2

- Q9. Goods under CST includes all kinds of movable property. Comment.  
[Ref: Q1. (c)(iii), Dec. '10 / Paper-10] 2
- Q10. VAT is termed as 'Consumption based' Tax. Explain.  
[Ref: Q1. (c)(v), Dec. '10 / Paper-10] 2
- Q11. Fill in the blanks :  
(a) Offences under CST are \_\_\_\_\_ but are bailable.  
[Ref: Q1. (a)(iii), June '11 / Paper-10] 2
- Q12. State with reasons, whether the following statements are *true* or *false* (Answers without reasoning will not receive any credit) :  
(a) Under VAT system there will be compulsory assessment at the end of each year.  
[Ref: Q1. (b)(v), June '11 / Paper-10] 2
- Q13. Define 'appropriate state' under the CST Act. [Ref: Q1. (c)(iii), June '11 / Paper-10] 2
- Q14. What are the three variants of VAT? [Ref: Q1. (c)(v), June '11 / Paper-10] 1

### Descriptive & Practical Questions :

- Q1. State with reasons whether sales tax will be levied on the following (*any two*) :  
(i) Sales of newspapers  
(ii) Development of software for marketing  
(iii) Shares and debentures [Ref: Q5. (a), Dec '08 / Paper-10] 5
- Q2. Write short note on taxable turnover. [Ref: Q5. (b), Dec '08 / Paper-10] 5
- Q3. A Dealer effected following inter state sales during 2nd quarter of 2008
- |                                    |     |                      |
|------------------------------------|-----|----------------------|
| Invoice No. 1 dt. 1st August, 08   | Rs. | 20,000 + C.S.T. 3%   |
| Invoice No. 2 dt. 15th August, 08  | Rs. | 70,000 + T 3%        |
| Invoice No. 3 dt. 31st August, 08  | Rs. | 51,500 tax not shown |
| Invoice No. 4 dt. 15th October, 08 | Rs. | 15,000 + 3% S.T.     |
| Invoice No. 5 dt. 31st October, 08 | Rs. | 20,000 + 3% S.T.     |
- Goods worth 5,000 exclusive of Tax were returned from Invoice No. 4 within 6 months compute Turn over and C.S.T. more necessary assumption. [Ref: Q8. (a), Dec '08 / Paper-10] 8
- Q4. Offences under C.S.T. are cognizable mention a few. [Ref: Q8. (b), Dec. '08 / Paper-10] 3
- Q5. Write short notes on Appeals to appellate authority under CST Act.  
[Ref: Q3. (a), June '09 / Paper-10] 5
- Q6. A dealer effected following inter-state sales during the quarter July, 2008-September, 2008.  
(a) Invoice No. 25 dated 5th July, 2008 : Rs. 1,12,400 (tax not shown separately), (b) Invoice No. 26, dated 13th August, 2008 : Rs. 50,000 plus tax @ 4% i.e. Rs. 2,000, Total Rs. 52,000, (c) Invoice No. 27 dated 18th September, 2008 : Rs. 20,000 plus tax @ 4% Rs. 800 i.e. Total Rs. 20,800, (d) Invoice No. 2B dated 27th September, 2008 : Rs. 31,200. Tax not shown separately. Goods returned within 6 months were Rs. 8,400 (inclusive of taxes). Sales Tax rate is 4% if goods are sold within the State.

- What is the turnover and what is tax payable, if the buyers did not issue C Form?  
[Ref: Q6. (a), June '09 / Paper-10] 8
- Q7. What is the impact of VAT on CST? [Ref: Q6. (b), June '09 / Paper-10] 7
- Q8. Distinguish 'zero rated sale' and 'exempt sale' with reference to VAT.  
[Ref: Q3. (a), Dec '08 / Paper-10] 5
- Q9. Arun of Tamil Nadu sells his land along with the standing crops and trees for Rs. 20 lakhs to David of Kerala. Central Sales Tax Officer wants to assess to tax the value of standing crops and trees in the said land. Comment.  
[Ref: Q5. (a), June '10 / Paper-10] 4
- Q10. The following items relating to inter-State sales have been recorded separately in the books of account of Nathan & Co., dealer in CST:
- |   | (Rs. in '000) |
|---|---------------|
| Sales as per bills (excluding CST)  | 1,420         |
| Excise Duty   | 80            |
| Labour charges for packing goods  | 18            |
| Insurance charges incurred by Nathan & Co. for goods transported (charged separately in invoices) | 20            |
| Freight charges incurred:   |               |
| For moving goods from factory to depot  | 45            |
| From depot to buyers (incidental to sale)   | 25            |
| Design charges incurred for manufacturing goods as per buyer's design                             | 50            |
- You are required to compute the taxable turnover of Nathan & Co. and the CST payable. Brief treatment of each item should be given.  
[Ref: Q5. (b), June '10 / Paper-10] 8
- Q11. What is 'Acquisition fraud' in the context of VAT? [Ref: Q5. (c), June '10 / Paper-10] 3
- Q12. Write short note on :  
Reverse charge in VAT and service tax. [Ref: Q6. (c), June '10 / Paper-10] 3
- Q13. State briefly whether sales tax will be levied on the following :
- (i) Shares and Debentures
  - (ii) Sale of newspaper [Ref: Q5. (a), Dec. '09 / Paper-10] 3+3
- Q14. State how the VAT system operates. [Ref: Q6. (a), Dec. '09 / Paper-10] 5
- Q15. A dealer effected following intereste sales during the quarter January-March '09.  
Invoice No. 1 dt. 01.01.09 Rs. 1,02,000 inclusive of tax  
Invoice No. 2 dt.31.01.09 Rs. 50,000 exclusive of tax CST Rs. 1,000 Total Rs. 51,000  
Invoice No. 3 dt. 01.02.09 Rs. 40,800 inclusive of CST  
Invoice No. 4 dt.15.02.09 Rs. 25,500 inclusive of CST  
Invoice No. 5 dt. 01.03.09 Rs. 2,00,000 exclusive of tax  
Following further information is given  
All registered dealers gave form 'C' except purchase of goods of invoice No.5. 50% of goods pertaining to invoice No. 1 are returned on 21.3.09. 10% of goods pertaining to invoice No. 2 is rejected.

- CST is 2%, State Sales Tax is 8%.  
 Compute the taxable turnover and tax payable. [Ref: Q7. (a), Dec. '09 / Paper-10] 8
- Q16. CST is single point tax. Elucidate.  
 A sells goods worth Rs. 1,00,000 in Delhi to 'B' a registered dealer in Madras. B gives 'C' form and pays CST of Rs. 2,000. B sells it to 'D' for Rs. 1,10,000 a registered dealer by delivery of R/R and endorsing it on the back of R/R. Is there any CST liability to 'D'?  
 [Ref: Q7. (b), Dec. '09 / Paper-10] 4
- Q17. What is deemed sale in CST? [Ref: Q7. (c), Dec. '09 / Paper-10] 2
- Q18. Why certificate in form 'H' is necessary to a penultimate exporter?  
 [Ref: Q7. (d), Dec. '09 / Paper-10] 1
- Q19. Arun of Tamil Nadu sells his land along with the standing crops and trees for Rs. 20 lakhs to David of Kerala. Central Sales Tax Officer wants to assess to tax the value of standing crops and trees in the said land. Comment. [Ref: Q5. (a), June, '10 / Paper-10] 4
- Q20. The following items relating to inter-State sales have been recorded separately in the books of account of Nathan & Co., dealer in CST :
- |   | (Rs. in '000) |
|---|---------------|
| Sales as per bills (excluding CST)  | 1,420         |
| Excise Duty   | 80            |
| Labour charges for packing goods  | 18            |
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| Freight charges incurred :  |               |
| For moving goods from factory to depot  | 45            |
| From depot to buyers (incidental to sale)   | 25            |
| Design charges incurred for manufacturing goods as per buyer's design                             | 50            |
- You are required to compute the taxable turnover of Nathan & Co. and the CST payable. Brief treatment of each item should be given. [Ref: Q5. (b), June, '10 / Paper-10] 8
- Q21. What is 'Acquisition fraud' in the context of VAT? [Ref: Q5. (c), June, '10 / Paper-10] 3
- Q22. Write short note on : Reverse charge in VAT and service tax.  
 [Ref: Q6. (c), June, '10 / Paper-10] 3
- Q23. Explain briefly the provisions of CST Act, relating to Inter-State sale by transfer of document of title to goods. [Ref: Q2. (c), Dec. '10 / Paper-10] 4
- Q24. State briefly the basic distinction between VAT and Sales Tax.  
 [Ref: Q3. (e), Dec. '10 / Paper-10] 2
- Q25. Discuss the validity or otherwise of the following statements with reasons :
- (i) Subsidy given by Government to manufacturer to compensate cost of production will form part of sale price.
  - (ii) When goods are sent by VPP, the sale is said to take place in the State from where the parcel is sent. [Ref: Q3. (d), Dec. '10 / Paper-10] 2+2

- Q26. A dealer purchased 22,000 kgs. of inputs on which VAT paid @ 4% was Rs. 8,000. He manufactured 20,000 kgs. of finished product from the inputs. 2,000 kgs. was the process loss. The final product was sold at uniform price of Rs. 10 per kg. as follows:  
Good sold within State 8,000 kgs. Finished product sold in inter-state sale against 'e' Form 5,000 kgs. Goods sent on stock Transfer to consignment agents outside the State 4,000 kgs. Goods sold to Government departments outside the state 3,000 kgs. There was no opening or closing stock of inputs, WIP or finished products. The state VAT rate on the finished product of dealer is 12.5%. Calculate liability of VAT and CST. Find VAT credit available to dealer and tax required to be paid in cash. [Ref: Q5. (c), Dec. '10 / Paper-10] 8
- Q27. Define 'Works contract' as per CST Act. Can Sales Tax is levied on activity of textile processing? [Ref: Q6. (b), Dec. '10 / Paper-10] 4
- Q28. Write brief notes on : Subtraction method of VAT. [Ref: Q2. (a), June '11 / Paper-10] 5
- Q29. A trader supplies raw material of Rs. 1,150 to processor. Processor processes the raw material and supplies finished product to the trader. The processor charges Rs. 450, which include Rs. 350 as processing expenses and Rs. 100 as his (processor's) profit. Transport cost for sending the raw material to the factory of processor is Rs. 50. Transport charges for returning the finished product to the trader from the premises of the processor is Rs. 60. The finished product is sold by the trader at Rs. 2,100 from his premises. He charges V AT separately in his invoice at applicable rates. The rate of duty is 16% plus education cess as applicable. What is the AV, and what is total duty payable? [Ref: Q3. (a), June '10 / Paper-10] 4
- Q30. Explain use of C, F and H form under CST Act. [Ref: Q3. (b), June '10 / Paper-10] 4
- Q31. Transfer of property in goods without consideration is chargeable to CST. Do you agree? Discuss. [Ref: Q4. (d), June '10 / Paper-10] 2
- Q32. W dispatches goods from Karnataka to Orison and raises invoice on X in Madhya Pradesh, W charges 4% CST and pays the same in Karnataka. During movement of goods, X sells goods to Y in West Bengal and Y ultimately sells goods to Z in Orison. Z takes delivery of goods and the movement of goods comes to end. Sale from X to Y and Y to Z is by transfer of documents. Explain the form to be issued so that the subsequent sales are exempt from central sales tax. [Ref: Q5. (a), June '10 / Paper-10] 5
- Q33. State importance of tax invoices for VAT and requirements of the invoice. [Ref: Q5. (b), June '10 / Paper-10] 5
- Q34. Mr. X, a manufacturer sells goods to Mr. B, a distributor for Rs. 2000 (Excluding of VAT). Mr. B sells goods to Mr. K, a wholesale dealer for Rs. 2400. The wholesale dealer sells the goods to a retailer for Rs. 3000, who ultimately sells to the consumers for Rs. 4000. Compute the tax liability, input credit availed and tax payable by the manufacturer, distributor, wholesale dealer and retailer under invoice method assuming VAT rate @ 12.5%. [Ref: Q6. (a), June '10 / Paper-10] 4
- Q35. Define residential complex for purpose of service tax. [Ref: Q7. (b), June '10 / Paper-10] 5

Q36. Electronic control corporation is dealer in an electronic product, chargeable to CST at 2%. For they year ended 31-3-2010, the dealer has shown total turnover (including CST) at Rs. 19,38,000. In the above, the deler has treated the following amounts thus :

(i) Dharmada collected from buyers, shown separately in invoice	Rs. 15,000
(ii) Weighment charges incidental to sale	Rs. 6,000
(iii) Central excise duty collected (including cess)	Rs. 1,03,000

The dealer has recorded the following amount in separate folios in the ledger :

(i) Packing charges (these have been collected from buyer through debit notes)	Rs. 20,000
(ii) Cash discount allowed to buyer	Rs. 9,000
(iii) Indemnity/guarantee charges collected from buyer to cover loss during transit	Rs. 6,000
(iv) Marine insurance premium for transporting goods to the premises of buyer collected from buyers	Rs. 18,500

Determine the total and taxable turnover under CST Act, 1956 for the financial year 2009-10. You are required to show the treatment of each and every item distinctly.

[Ref: Q8. (a), June '10 / Paper-10] 5

**CENTRAL OF TAXATION****Descriptive & Practical Questions :**

- Q1. State the powers of Central Government in the area of taxation, as per the Constitution of India.  
[Ref: Q2. (a), June '10 / Paper-10] 7

**APPEALS****Objective -Type Questions :**

- Q1. Fill in the blank :  
EOU can sell a portion of their production in Domestic Tariff are (DTA) up to \_\_\_\_\_ % of their \_\_\_\_\_ value of exports in earlier year.  
[Ref: Q1. (a)(iv), June '10 / Paper-10] 1

**Descriptive & Practical Questions :**

- Q1. Briefly discuss the aspects relating to self assessment by an importer on the basis of 'Risk Management System'. State the categories of eligible and ineligible persons who can make use of this scheme.  
[Ref: Q4. (b), June '10 / Paper-10] 7
- Q2. Bopara & Co., which has heavy indirect taxes outlay, wishes to know the situations in which it can file a revision application with the Central Government. Please outline the various situations.  
[Ref: Q2. (b), June '10 / Paper-10] 8
- Q3. Monetary limits of adjudicating authorities, Officers of Central Excise, Customs and Service Tax.  
[Ref: Q6. (e), June '10 / Paper-10] 3