

Paper 11 - Indirect Taxation

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Full Marks: 100

Time allowed: 3 Hours

1. Answer the following questions

(A) Multiple choice questions

7 x 2 = 14

- (i) Aggregate sale price was ₹ 10,200 in interstate sale from Haryana, sales tax rate is 12.5%. Buyer from Delhi issued 'C' form. How is the tax rate calculated?
(a) 2/102
(b) 2/100
(c) 12.5/112.5
(d) 12.5/100
- (ii) A dealer engaged in effecting interstate sale is required to get himself registered where his turnover exceeds:
(a) Any Amount
(b) ₹9,00,000
(c) ₹10,00,000
(d) ₹50,00,000
- (iii) The selling price of VINTEX Ltd. inclusive of Basic Excise Duty @ 12.5% and CST 2% is ₹ 3600. What would be the assessable value of the product per unit under Central Excise Act?
(a) ₹3,325.90
(b) ₹3,137.25
(c) ₹3,065.10
(d) None
- (iv) If there is difference of opinion about interpretation of a provision in FTP, whose interpretation is final?
(a) Principal chief commissioner of customs
(b) Director General of Foreign Trade
(c) Revenue Secretary, Ministry of Finance
(d) Chairman of CBEC.
- (v) Brand Rate of Duty Drawback is applicable only when
(a) All industry Rate is not applicable
(b) All industry rate does not cover 80% of drawback amount due
(c) Both conditions
(d) None of the conditions (a) and (b)
- (vi) Which of the following services is exempted in case of passenger transportation services:
(a) National Waterways
(b) Tourism Carriage Contract
(c) Radio Taxi
(d) None
- (vii) Definition of service includes _____
(a) An activity

- (b) for consideration
- (c) Both
- (d) None of (a) and (b)

(B) Say Yes or No for the following questions [6x1=6]

- (a) Definition of sale under CST includes pledge, mortgage and hypothecation.
- (b) Service to WHO is exempted.
- (c) Duty Draw Back (DDB) is allowed on wearing apparel.
- (d) MRP provisions are not applicable for packaged commodities meant for industrial and institutional consumers.
- (e) Advance authorization is made in Aayat Niryaat Form.
- (f) Penalty and fine for violation of Government rules attract Service-tax.

(C) Match the following [5x1=5]

Column A	Column B
1. ACES	A. Jammu and Kashmir
2. White Colour BOE	B. Penultimate sale
3. IEC	C. Home Consumption
4. Form H	D. Import Export Code
5. Excise Duty extends to whole of India including	E. Automation of Central Excise and S.T.

Answer any FIVE questions from the following each question carries 15 marks

2. (a) Ram &Co. a registered dealer with Head Office at Kolkata, furnishes to you the following information:
- i) Inter State Sale of goods (it includes ₹10,00,000 being the value of goods transferred to Chennai Branch covered by Form F) ₹ 49,20,000
 - ii) Dharmada collected ₹ 25,000
 - iii) Weighment charges ₹ 2,15,000
 - iv) Cash discount shown in invoice as per trade practice ₹ 60,000
 - v) Indemnity charges (recovered from buyer to cover transit loss based on their request) ₹ 53,000.

Calculate the turnover and CST payable on the assumption that all the sales were made to registered dealers. **8**

(b) Explain the VAT variants. **7**

3. (a) C Ltd. is engaged in manufacturing water pipes. Compute Cenvat Credit admissible to C Ltd. The Excise Duty paid at the time of purchase of following goods is :

	Value in ₹
Raw Steel	12,000
Water pipe making machine	25,000
Lubricating Oil	2,000
Equipments used in office	10,000
Petrol	15,000
Pollution control equipment	22,000
Components, spares equipment	12,000

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- (b) Write about Daily Stock Account. **7**
4. (a) An exporter exported 2000 pairs of leather shoes @750 per pair. All industry rate of Duty Drawback is fixed on average basis i.e., 11% of FOB subject to the maximum of ₹ 80 per pair. The exporter found that the actual duty paid on inputs was ₹1,95,000. He has approached you as a consultant to apply u/r 7 of Duty Drawback Rules for fixation of Special Brand Rate. **8**
- (b) What is meant by Transit goods and Transshipment goods under Customs? **7**
5. (a) SM Ltd. filed its Service Tax returns for the half years ending on September 2014 and March 2015 on 25.11.2014 and 31.7.2015. The two half yearly returns show a Service Tax Liability of ₹ 2,00,000 and ₹ 1,00,000 respectively. Is any late fee/ fine payable by SM Ltd.? If yes, what is the quantum of such fee in both the cases? Will your answer be different if SM Ltd. files a nil return for the half year ending on Sept. 2014? **7**
- (b) Explain the provisions relating to service – tax on educational services covered under Negative list of services. **8**
6. (a) Give the list of Records to be maintained under VAT **7**
- (b) From the following particulars determine the assessable value of the imported equipment giving explanation for each item 1) FOB cost of equipment (Japanese Yen) 2,00,000 Yen 2) Freight charges 20,000 Yen, 3) Charges for development connected to equipment paid in India ₹ 60,000 4) Insurance charges paid in India for transportation from Japan ₹15,000 5) Commission payable to Agents in India ₹15,000. Exchange Rate as per RBI is 1 Yen = ₹ 0.45; Exchange Rate as per CBEC is 1 Yen = ₹ 0.50 landing charges 1% CIF Cost. **8**
7. (a) Food King Pvt. Ltd. supplies foods and beverages only —
i) At a restaurant for ₹ 11,250 (inclusive of VAT ₹ 1,250)
ii) Supplied food to Infosys Company ₹ 22,500 (inclusive of VAT ₹ 2,500).
Find S.T. Liability. **5**
- (b) An interior designer based at Mumbai, renders his services in May 2014, to an Indian MNC based at New Delhi, for construction of a shopping mall at Dubai. Determine the place of provision of service in the above situation and discuss if the service is taxable in India. **5**
- (c) Write about Boat Note under Customs **5**
8. (a) PK Japan and XYZ Ltd. India are associated enterprises XYZ imports 200 ACs' from PK at a price of ₹ 15,000 p.u. and these are sold to ITC Hotel Ltd. at a price of ₹ 17,000 p.u. XYZ has brought similar products from Samsung India Ltd. and sold to Oberai Hotel at a gross profit of 10% of sales. XYZ incurred freight ₹ 400; customs duty ₹ 1,500 p.u. in case of purchases made from PK Japan and ₹ 200 in case of purchase made from Samsung India

Ltd. Compute ALP and the amount of increase in Total Income of XYZ Ltd. if any due to such ALP. **10**

(b) What are different types of arm's length price? **5**