

Paper 11 - Indirect Taxation

Full Marks: 100

Time allowed: 3 Hours

1. Answer the following questions

(A) Multiple choice questions

7 x 2 = 14

- (i) CESTAT Tribunal has passed an order on issue relating to classification of goods. An assessee is aggrieved with the order. Where should he file the appeal?
- (a) Supreme Court
(b) High Court
(c) Any where
- (ii) Goods not eligible for SSI concession
- (a) Pan masala
(b) Tobacco Products
(c) Both (a) and (b)
(d) None of (a) and (b)
- (iii) Which of the following are eligible for input tax credit?
- (a) Liquor
(b) Raw materials
(c) Petrol
(d) None
- (iv) Which of the following is not a declared goods under CST?
- (a) Cereals
(b) Hides and skin
(c) Cotton yarn
(d) Cigarettes
- (v) A Ltd. being an interior decorator received in advance money from his customer ₹ 30,000 in the month of July for which he works in the month of September. What is the POT?
- (a) July
(b) September
(c) August
(d) October
- (vi) An architect received fees of ₹ 4,48,500 after TDS of ₹ 51,500. Service Tax is payable on
- (a) ₹4,48,500

- (b) ₹ 51,500
(c) ₹ 5,00,000

- (vii) An importer imported some goods @ \$10000 on CIF. Following Dollar rates on the date of presentation of BOE is given. What is the exchange rate?
(a) Inter Bank closing Rate ₹ 43.38 per dollar
(b) RBI floor rate 1\$= ₹ 43.37
(c) CBEC under Customs Act 1\$= ₹ 43.55
(d) Rate at which bank has ready payment from importer 1\$=₹ 43.58

(B) Say Yes or No for the following questions

6 x 1 = 6

- (a) Subsidy given by government to manufacturer forms part of selling price.
(b) Service is payable if consideration/value is received in kind.
(c) Services to and from North East India are exempted
(d) Customs duty is not levied on goods Derelict, Wreck.
(e) MRP provisions are over riding provisions
(f) VAT can be imposed on the value of service

(C) Match the following

5 x 1 = 5

Column A	Column B
1. ICD	A. Branch Transfer
2. MEIS	B. Warehousing of imported goods
3. RCMC	C. Inland Container Depot
4. Yellow colour BOE	D. Registration Cum Membership Certificate
5. Form F	E. Merchandise Exports from India Scheme

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

2. (a) Explain briefly Compulsory Registration and Voluntary Registration under VAT. **8**
(b) Mr. Raja Ram, a first stage dealer in packing machinery in the state of Tamil Nadu furnishes the following data:
(i) Total interstate sales during F.Y. 2015-16 (CST not shown separately) ₹ 92,50,000
(ii) Above Sales include—
Excise Duty ₹ 9,00,000; Freight (of this ₹ 50,000 is not shown separately in invoice) ₹ 1,50,000; Insurance charges incurred prior to delivery of goods ₹ 32,000; Installation and Commissioning charges shown separately ₹ 15,000; Determine the turnover and CST payable, assuming that all transactions were covered by valid 'C' forms. **7**
3. (a) M/s XYZ Ltd. sold machinery to Mr. K at a price of ₹ 5 lacs on 15.6.2015 and the same was removed from the factory at Kolkata. The rate of Excise Duty applicable is 12.5% on the date of removal. Mr. K refused to take delivery of the machine when it reached his destination. In the meantime M/s XYZ Ltd. increased the prices of similar type of machinery to ₹ 6 lacs w.e.f 16.6.2015. The machinery refused by Mr. K has been sold on 20.7.2015 to

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Mr. L at the revised price of ₹ 6 lacs. The Excise Duty rate applicable is 13.5% w.e.f. 1.7.2015. Explain the following with reasons:

- i) What is the value to be taken as Assessable value?
 - ii) What is the Rate of Excise Duty applicable and duty payable on above transaction?
 - iii) The C.E.O is demanding duty on the price of ₹ 6 lacs. Is he right in his approach?
 - iv) Does cost of production have any bearing on A.V? **10**
- (b) What is meant by Doctrine of Unjust Enrichment in the context of Excise? **5**
4. (a) Distinguish between the provisions of duty drawback u/s 74 and u/s 75. **8**
- (b) Mr. R Venkata Rao, an Indian Resident, had gone to UK for business purposes. He brought following goods while returning to India
- I. Personal effects like cloths valued at ₹ 73,000
 - II. Two liters of liquor of ₹ 4,200
 - III. New Camera of ₹ 58,500
 - IV. One Laptop of ₹ 58,000. What is the Customs Duty payable? **7**
5. (a) Services provided by Indian railways to B.L. India for ₹ 2,00,000. Find the S.T. payable and S.B.C payable by Indian Railways? **5**

(b) ASB Ltd. dealing in all activities relating to Real Estate business furnishes the following information pertaining to services provided.

Particulars	₹
Construction services provided to International Labour Organization	10,00,000
Construction of private clinic to Dr. Deepak	50,00,000
Renovation service provided to government relating to plant for sewerage treatment	25,00,000
Construction of roads in factory	20,00,000
Construction of residential complex meant for use of M.P.	80,00,000
Renting of Residential dwelling for use as residence	20,00,000
Repairs and maintenance of Railway Station	1,50,000

Compute the value of Taxable service, service tax liability by considering the rate as 14% and SBC 0.5%. **10**

6. (a) State the dealers who are not eligible for composition scheme. **6**
- (b) Calculate the Customs Duty payable on the basis of following information:
- (i) A.V. of goods as per Sec 14 of Customs Act ₹1,00,000
 - (ii) BCD @ 10%
 - (iii) Excise Duty @12.5%
 - (iv) Education Cess and Secondary & Higher Education Cess on excise is exempt by way of notification
 - (v) The product is covered under MRP provision.
- The imported goods contained 1000 packages. MRP printed on each package is ₹ 200. Abatement available on MRP is 40%. **9**

7. (a) State the power of taxation under Constitution of India. **8**
(b) State the distinction between Abatement and Composition Scheme. **7**
8. (a) Explain the Advance Authorization under FTP. **8**
(b) Describe the powers of DGFT. **7**