**MCQ on Indian Customs Regulations\_ Class Date – 17.08.2024**

1. As per Section 12, customs duty is imposed on:
	1. **Goods imported into or exported out of India**
	2. Goods dumped
	3. Goods manufactured
	4. Goods transferred
2. The limit of the territorial waters is the line every point of which is at a distance of:
	1. 24 nautical miles
	2. **12 nautical miles**
	3. 200 nautical miles
	4. 100 KM
3. Post GST regime, CVD to offset excise duty is applicable only on:
	1. Export products
	2. Import products
	3. **Non-GST products**
	4. Export of service
4. Which of the following is responsible for administering customs laws in India?:
5. Central Bureau of Investigation (CBI)
6. **CBIC**
7. Reserve Bank of India (RBI)
8. Directorate of Revenue Intelligence (DRI)
9. The customs duty in India is levied under which act?
	1. Indian Penal Code, 1860
	2. **Customs Act, 1962**
	3. Income Tax Act, 1961
	4. Central Sales Tax Act, 1956
10. Which of the following is not a type of customs duty in India?
11. Basic Customs Duty (BCD)
12. Countervailing Duty (CVD)
13. Anti-Dumping Duty
14. **Value Added Tax (VAT)**
15. The term "Customs Valuation" refers to:
16. **Determination of the customs duty based on the value of goods**
17. Assessment of the legality of imported goods
18. Calculation of import quotas
19. Estimation of the quality of imported goods

1. What does the term “free on board (FOB)” imply in customs?
2. The seller pays for the transportation of the goods to the port of shipment
3. Goods are exempt from inspection at the port
4. **The buyer pays for the transportation of the goods from the port of shipment**
5. No customs duty is applicable on the goods
6. Who is responsible for paying customs duty on imported goods?
7. **The importer**
8. The exporter
9. The carrier
10. The customs officer
11. What is the rate of Social Welfare Surcharge?
12. **10%**
13. 5%
14. 12%
15. 4%

**MCQ on International Taxation & Cross Border payments\_ Class Date – 18.08.2024**

1. **Double taxation occurs when:**
2. **The same income is taxed by two different countries.**
3. A company pays tax on profits and then again on dividends.
4. Tax is imposed on income at both the federal and state levels.
5. A company is taxed twice on the same income in the same country.
6. **Which of the following instrument is commonly used to avoid double taxation?**
7. Arm's Length Principle
8. Transfer Pricing
9. **Tax Treaties**
10. VAT (Value Added Tax)
11. **The term "Permanent Establishment" (PE) in international taxation refers to:**
12. A temporary place of business in a foreign country.
13. **A fixed place of business in a foreign country where business activities are conducted**.
14. A subsidiary company in a foreign country.
15. A branch office in the home country.
16. **The OECD's Base Erosion and Profit Shifting (BEPS) initiative aims to:**
17. Encourage tax competition among countries.
18. **Prevent companies from shifting profits to low-tax jurisdictions**.
19. Promote tax exemptions for multinational corporations.
20. Eliminate tariffs and customs duties.
21. **A tax credit for foreign taxes paid is:**
22. **A reduction in domestic tax liability based on taxes paid to a foreign government**.
23. A method of deferring domestic taxes on foreign income.
24. A full refund of foreign taxes paid.
25. A deduction from taxable income for foreign taxes paid.
26. **Which of the following is a key feature of a territorial tax system?**
27. Taxation of worldwide income
28. **Taxation only of income earned within the country's borders**
29. No taxation on income from exports
30. Double taxation of foreign income
31. **In the context of international taxation, a "Tax Treaty" between two countries is primarily intended to:**
32. Increase the overall tax rate for multinational corporations.
33. Encourage companies to establish subsidiaries in low-tax jurisdictions.
34. **Provide relief from double taxation and allocate taxing rights between the two countries.**
35. Standardize tax rates across the two countries.
36. **The concept of "Worldwide Taxation" refers to:**
37. Taxing only income earned within a country’s borders.
38. **Taxing a country’s residents on their global income, regardless of where it is earned.**
39. Applying the same tax rate to all countries around the world.
40. Taxing income earned through e-commerce activities globally.
41. **The concept of "Tax Residency" determines:**
42. **Which country’s tax laws apply to a company or individual**.
43. The amount of tax to be withheld on international payments.
44. The rate at which foreign income is taxed.
45. The eligibility for tax incentives in a foreign country.
46. While making cross border payment tax is withheld under which section of IT Act?
47. 194
48. 192
49. 196
50. **195**

**MCQ on Transfer Pricing Regulations\_ Class Date – 18.08.2024**

1. **What is the primary objective of transfer pricing?**
	1. To increase the overall profitability of the parent company
	2. To comply with tax regulations in various countries
	3. **To allocate income and expenses between related entities for tax purposes**
	4. To reduce production costs
2. **Which of the following methods is NOT commonly used in transfer pricing?**
3. Comparable Uncontrolled Price (CUP) Method
4. Cost Plus Method
5. Residual Profit Split Method
6. **LIFO (Last In, First Out) Method**
7. **Transfer pricing regulations are designed to prevent which of the following?**
8. Underreporting of revenue
9. Overstatement of liabilities
10. **Shifting profits to low-tax jurisdictions**
11. Increasing production efficiency
12. **Which of the following is true regarding the Comparable Uncontrolled Price (CUP) method in transfer pricing?**
13. **It compares the transfer price to the market price of identical goods or services.**
14. It is only applicable to services, not goods.
15. It is the least preferred method of transfer pricing.
16. It involves adding a standard markup to the cost of goods.
17. **When a company uses the Cost Plus method for transfer pricing, what is added to the cost of production to determine the transfer price?**
18. Fixed overhead costs
19. **A percentage profit margin**
20. Variable costs
21. Depreciation
22. **The Arm's Length Principle in transfer pricing refers to:**
23. **Setting transfer prices based on market conditions as if the entities were unrelated.**
24. Applying a fixed profit margin to all internal transactions.
25. Setting transfer prices below market value to reduce taxes.
26. Using only one method for determining transfer prices.
27. **Which of the following is a challenge commonly associated with transfer pricing?**
28. Determining an appropriate tax rate for subsidiaries
29. Finding comparable transactions between unrelated parties
30. Calculating exchange rates for intercompany transactions
31. Establishing corporate governance policies
32. **Which of the following entities typically enforces transfer pricing regulations?**
33. International Monetary Fund (IMF)
34. World Trade Organization (WTO)
35. **Tax authorities in individual countries**
36. United Nations (UN)
37. **The OECD stands for -**
38. **Organization for Economic Cooperation & Development**.
39. Organization for Economically weak country development
40. Oil Exporting Countries Development.
41. Oil Examination Country Development
42. **Which of the following is a potential consequence of not complying with transfer pricing regulations?**
43. Reduction in production costs
44. **Tax penalties and adjustments by tax authorities**
45. Higher profit margins across the company
46. Improved relationships with foreign governments