



**M.Com. (Semester – III) (Acct. & Fin.) Examination, November 2015**  
**COO3A4 : INDIRECT TAXES (OA – 18)**

Duration : 3 Hours

Max. Marks : 60

**Instructions :** 1) This paper consists of **nine** questions carrying **equal** marks.

2) Question No. 1 consists of **5 compulsory** questions of **2 marks each**.

3) Answer **any 5** questions from question 2, 3, 4, 5, 6, 7, 8 and 9.

4) **Each** question carries **10 marks**. Figures to the **right** indicate marks.

1. Answer the following questions in brief.

(5×2=10)

a) State any 2 points of difference between Sales Tax and VAT.

b) List out any 4 services which are exempt under Service Tax.

c) What do you mean by 'Anti-dumping Duty' under Customs Act, 1962 ?

d) An SSI Unit has cleared goods of the value of Rs. 80 lakhs during the financial year 2014-15. The effective rate of Central Excise duty on the goods manufactured by it is 12.5%. What is the correct amount of duty which the unit should have paid on the above clearances if the unit avails CENVAT Credit and if the unit does not avail CENVAT Credit ?

e) F.O.B. cost of a consignment is 3000 UK Pounds. Insurance and transport costs are not available. What is the Customs Value ? On the date of filing of bill of entry, Reserve Bank of India reference rate of UK Pound was Rs. 100.37 and inter-bank closing rates were : Rs 99.38 per UK Pound and Rs. 105.33 per UK Pound. Exchange rate announced by CBE & C was Rs. 99.25 per British Pound.



2. a) What do you mean by Composition of Tax under GVAT ? Which dealers cannot opt for Composition under Goa VAT 2005 ? 5
- b) Explain the concept of 'Reverse Charge' under Service Tax. 5
3. a) Highlight on the provisions of valuation under Service Tax. 5
- b) What is Input Tax Credit ? Which dealers are not eligible to claim for input tax credit ? 5
4. a) Can assessing officer demand excise duty from the assessee ? If yes, then explain the procedure for the same. 5
- b) Explain the various methods of valuation of a product under Central Excise Act, 1944. 5
5. Enumerate the various costs and services that are to be included and excluded from the transaction value under Customs Valuation Rules 2007. 10
6. a) Ms. Swati rendered taxable services to client. A bill of Rs. 40,000 was raised on 29<sup>th</sup> April 2014. Rs. 15,000 were received from client on 1<sup>st</sup> July 2014 and the balance on 23<sup>rd</sup> October 2014. No service tax was separately charged in the bill.
- i) Is Ms. Swati liable to pay service tax, even though the same is not charged by her ?
- ii) In case, she is liable, what is the value of taxable services and the service tax payable, if service tax rate is 14% ? 5
- b) Mr. Rohan, an Indian citizen, returned to India on 12<sup>th</sup> March 2015, after travelling to Los Angeles, USA for 7 months. He brought with him the following :
- i) Used shirts and cloth valuing Rs. 30,000
- ii) New cloth and fancy jewellery valuing Rs. 40,000
- iii) One laptop computer worth Rs. 58,000
- iv) 2 kg of Gold valuing Rs. 5,000 per gram. The tariff value notified by CBE & C for calculating duty on gold is USD 530 per 10 gms.
- The exchange rate notified by CBE&C is 1USD = Rs. 62.35
- What is the customs duty payable by Mr. Rohan ? 5



7. Veena Industries manufactures two brands of cold drinks; Slice & Maaza. Sale Price of Slice is Rs. 20 per bottle and Maaza Rs. 21 per bottle respectively. The sales price includes excise duty of 12.5%. It also includes central sales tax of 3%. Maaza is included under MRP provisions u/s 4A. You are required to calculate the total excise duty payable by Veena Industries. Additional information available is as follows : Slice – 2000 bottles are cleared and Maaza – 1000 bottles are cleared from factory.

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8. a) "Papadwala" supplied certain raw materials to several household ladies for making "Papads". The said ladies at their own premises were using their labour force to make "Papads" and receive job charges. The final product was sold directly from the premises of the ladies. "Papadwala" did not supervise their undertaking. The Central Excise Department raises huge demand of duty on "Papadwala", alleging that he is manufacturer.

State giving reason whether the case is acceptable.

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- b) Determine the transaction value and the excise duty payable from the following information :

Factory Price – Rs. 1,500, Depot price on the date when goods were removed from the factory – Rs. 20,000, depot price includes the following : Goa VAT – Rs. 1,000, Entry Tax – Rs. 500, Insurance from Factory to Depot – Rs. 1,500, freight from factory to depot – Rs. 1,000. Rate of excise duty is 12.5%.

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9. 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 as applicable. Special CVD payable at appropriate rates. Find the customs duty payable. What are the duty refunds available if the importer is a Manufacturer, Service Provider and Trader ?

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