



M.Com. (Semester – III) Examination, November 2016
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) What are declared Goods under Goa VAT ?
 - b) What is the difference between negative list and exemptions under Service Tax ?
 - c) What do you mean by Anti-dumping Duty under Customs Tariff Act, 1975 ?
 - d) X Ltd. manufacturer of skin cream, a specified product under Section 4A of the CEA, 1944. Abatement for the product is 40%. Each unit of skin cream contains 100 grams. Such 100 units of skin cream were cleared from the factory based on the free samples on 1st June 2016. MRP price of similar product is Rs. 100 per unit contain 50 grams each. Find the assessable value of free samples.
 - e) A small scale manufacturer has achieved turnover of Rs. 1.52 Crore during the financial year 2015-16. Normal duty payable on the product is 14% plus education cess as applicable. Compute the excise duty payable by SSI unit if the unit wants to avail CENVAT credit.
2. What do you mean by Input Tax Credit under Goa VAT ? Which goods are not eligible for the Input Tax Credit ? 10
3. a) Explain the contents of Taxable Invoice under Service Tax. 5
- b) Define the term 'Gross amount charged' under Service Tax. 5

P.T.O.



4. a) Say YES or NO stating reasons :

- i) Excise duty can be collected even if the goods are Non-Excisable at the time of manufacture, but are excisable at the time of removal of goods from the place of removal.
- ii) No excise duty can be levied if the goods manufactured by manufacturer are not movable but marketable.
- iii) Specific duty means duty payable by the assessee on excisable goods based on the value of goods.
- iv) If in the previous year the turnover of a manufacturer is equal to Rs. 4 Crore, then he can claim the exemption benefits available to SSI in the current year.
- v) Compounded levy scheme is an Optional scheme under Central Excise.

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b) Explain briefly the meaning of 'Trade Parlance Test' in matters relating to classification under CETA 1985.

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5. Discuss the inclusions and exclusions from Customs Value as per Customs Act, 1962.

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6. a) An assessee has factory in Delhi. As a sales policy, he has fixed uniform price of Rs. 2,000 per piece for sale anywhere in India. Freight is not shown separately in his invoice. During the F.Y. 2014-15, he made the following sales :

Sale at Factory Gate in Delhi (1200 pieces) – No transport charges.

Sale to buyers in Gujarat (600 pieces) – Actual transport charges incurred – Rs. 28,000

Sale to buyers in Goa (400 pieces) – Actual transport charges incurred – Rs. 18,000

Sale to buyers in Hyderabad (1000 pieces) – Actual transport charges incurred – Rs. 50,000.

Find assessable value and calculate the excise duty payable.

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b) Assessable value of certain goods imported from USA is Rs. 6,00,000. 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 12% *ad valorem*. Calculate the amount of additional duty of customs u/s 3(1) of the Customs Tariff Act, 1975 assuming basic customs duty @ 10% *ad valorem*.

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7. a) Mr. and Mrs. Fernandes visited Spain and brought the following goods while returning to India : Their personal effects amounting to Rs. 50,000. A personal computer bought for Rs. 50,000. A laptop was bought for Rs. 75,000. Two litres of liquor was bought for Rs. 2,500. A new camera was bought for Rs. 48,000. What is the amount of Customs duty payable ?

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- b) 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.

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8. Mr. Aniket cleared various final products from his factory in July 2015. The duty payable in the month was Rs. 3,00,000 (B.E.D.). During the month, he received various inputs.

The total duty paid by the suppliers on the inputs was,

Basic duty Rs. 50,000, Education Cesses is as applicable.

Excise duty paid on capital goods received during the month was,

Basic duty Rs. 12,000, Education Cesses is as applicable.

Service tax paid on input services : Service tax – Rs. 10,000 Education Cesses is as applicable.

How much duty Mr. Aniket will be required to pay for the month of July 2015 ?

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9. A consignment is imported by air. CIF price is 2000 Euro. Air freight is 550 Euro and Insurance cost is Euro 50. Exchange rate announced by CBE&C is 1 Euro = Rs. 54.15. Basic customs duty payable is 10%. Excise duty on similar goods produced in India is 16%. Education cess and special CVD as applicable. Find value for customs purpose and the total customs duty payable. How much CENVAT can be availed by the importer if he manufacturer ?

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