

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.Com DEGREE EXAMINATION

III SEMESTER – November 2014

CO 3951 INDIRECT TAX

Date:

Max: 100 Marks

Duration: 3 Hours

SECTION – A

Answer ALL questions

(10 x 2 = 20)

- 1) No Duty is charged on 'Intermediaries' used in Manufacture of a Final Product. Discuss.
- 2) What are the penal consequences for non-payment of duty within the due date?
- 3) What is meant by temporary detention of baggage?
- 4) Self-Consumption of service is not liable for Service Tax. Explain the exceptions to this principle.
- 5) 'Laddus' does not find a place as such in Customs Tariff as well as in Excise Tariff. Do their imports attract Basic Customs Duty and Additional Duty of Customs/ Where will you classify them?
- 6) A particular Central Excise Notification grants full exemption to all products of Printing Industry including newspapers and printed periodicals. A manufacturer, who is Manufacturing Cardboard cartons and subsequently doing varied printing on them, claims the benefit of the said Exemption Notification on the ground that every material on which, printing work is done becomes a product of the Printing Industry. Is the claim of the Manufacturer Justified? Give reasons.
- 7) A Newspaper Company collected advertisement charges from its Advertisers, for publishing their advertisements in the specified places in Newspaper. Whether the Newspaper Company is liable for Service Tax?
- 8) T Ltd. imported some goods from LSS Inc. of US by Air Freight. You are required to compute the value for purposes of Customs Duty under the Customs Act, from the following particulars – CIF Value USD 6,000; Freight paid USD 2,000; Insurance cost USD 700. The Bank had received payment from the importer at the exchange rate of USD 1 = Rs. 46, while the CBEC notified exchange rate on the relevant date was USD 1 = Rs. 45.50.
- 9) SS Ltd provides Management Consultancy Services that are subject to Service Tax. In respect of the services rendered during the month of December 2012, the Service Tax of Rs. 15 lacs was remitted to Government Treasury on January 20, 2013. Arrive at the penalty under section 76 of the Finance Act, which is leviable in this case.
- 10) Compute the VAT liability of Mr. X from the following particulars –
Purchase price of the inputs purchased from the local market (inclusive of VAT) – Rs.26,000; VAT rate on purchases – Rs. 4%; Storage cost incurred – Rs.250; Transport

cost – Rs.950; Goods sold at a profit margin of 5% on cost of such goods. VAT rate on sales – 12.5%.

SECTION – B	Answer any FOUR questions	(4 x 10 = 40)
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- 11) What is the procedure for diversion of goods for home consumption from Export Warehouse? When can the Officer in charge waive the physical warehousing in case of exigency?
- 12) Duty is not levied on Pilfered goods. Briefly explain the conditions to be satisfied for non-payment of Duty.
- 13) Certain services are rendered in relation to organization of Events. What is the Place of Provision of such services in the following cases -
- a) A Ltd managed the exhibition of products for a UK based Company in Nagpur
 - b) Fees charged for entry to above exhibition. Such Fees is remitted to the UK Company
 - c) M/s.Geo Ltd, an event organizer from India organized the purview show of a film in Germany for a U.S. based Production Company
 - d) Charges for 3D Glasses collected from audience to view the above film
- 14) Write short notes on Registration under VAT Law?
- 15) A Manufacturer has agreed to supply a machine on following terms –

	Rs.
Price of the machine (excluding duties and taxes)	12,00,000
Packing for transportation of the machine charged separately	15,000
Transport charges from factory to buyer's place	30,000
Development and tooling charges charged separately	40,000
CST	4%
Octroi	5,000
Excise Duty	12%

Special discount of Rs. 12,000, if advance of Rs. 4,00,000 is paid with order.

Work out the Excise Duty liability based on the following additional information –

- a) Actual transportation cost is Rs. 35,000
 - b) Interest of Rs. 5,000 was charged as party failed to make payment within 30 days
 - c) The buyer paid advance with the order.
- 16) Compute the Duty payable under the Customs Act, for an imported equipment based on the following information:
- a) Assessable value of the imported equipment USD 10,100;
 - b) Date of Bill of Entry 25th April. Basic Customs Duty on this date 20% and Exchange Rate notified by the CBEC USD 1 = Rs. 65;
 - c) Date of Entry inwards 21st April. Basic Customs Duty on the date 16% and Exchange Rate notified by the CBEC USD 1 = Rs. 50;

- d) Additional Duty payable u/s 3(1) and (2) of the Customs Tariff Act – 15%;
 - e) Additional Duty u/s 3(5) of the Customs Tariff Act – 4%;
 - f) Educational Cess at 2% and Secondary and Higher Educational Cess at 1%.
- 17)** Vikrant Ltd. imports Business Support Services from Wilson Ltd. of USA on 18-08-2011. The relevant invoice for \$ 1,50,000 is raised by Wilson Ltd, on 20-09-2011. Assuming that Vikrant Ltd makes the above mentioned payment on the dates as indicated below, determine the Point of Taxation under the Point of Taxation Rules in each case giving reasons for your answer – (a) case 1 – 10-12-2011 and (b) case 2 – 15-04-2012.

SECTION – C	Answer any TWO questions	(2 x 20 = 40)
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- 18)** Explain the provisions in the Central Excise Act, for valuation of excisable goods with reference to Retail Sale Price as per Section 4A.
- 19)** Outline various provisions involved in the Large Tax Payer Unit under the Central Excise Act.
- 20)** Explain the procedure for clearance of goods for Home Consumption under Customs Act?
- 21)** Explain the procedure for filing Service Tax Returns.