



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.Com. DEGREE EXAMINATION – COMMERCE

THIRD SEMESTER – NOVEMBER 2016

CO 3951 - INDIRECT TAX

Date: 09-11-2016
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

SECTION – A

Answer ALL questions

(10 x 2 = 20)

- 1) Distinguish excisable goods from non-excisable goods.
- 2) What is the uniqueness of Harmonized System of Nomenclature?
- 3) A Co. imported software of seismic data and is entitled to exemption from Customs Duty, subject to Certificate granted by Authority, but was not available to the Importer within due time. The Dept rejected the claim for Exemption. Is the department is correct?
- 4) Under what condition, refund of Additional Custom Duty is granted?
- 5) What is Self-Service? When it becomes taxable?
- 6) From the following, identify the services that are taxable and that are not taxable under Service Tax?
(i) Transportation of goods by vessel from outside India upto Customs Station of India; (ii) Hiring the vehicle to another Co. for use by its employees; (iii) Late fees charged by financial institutions for issuing credit card; (iv) Renting of a property for temporary purposes like marriage or other social function.
- 7) Bring out the relevance of Value Added Tax.
- 8) Determine duty payable, for the invoice price of excisable goods are Rs. 36,000 and it includes the following –

	Rs.
Sales Tax	2,000
Surcharge payable on Sales Tax	100
Octroi	200
Insurance from factory to depot	300
Freight from factory to depot	700

Rate of Basic Excise Duty – 12.50%.

- 9) Determine the assessable value for the Customs Act, in respect of import of a machine from U.K.

FOB Value	£ 6,000
Air Frieight	£ 1,500
Design and Development chargers paid in U.K.	£ 500
Design and Development charges paid in India	£ 10,000

Commission paid to Local Agents 1% of FOB Value. Exchange rate as per CBEC £1 = Rs. 65.
Insurance charges are not ascertainable.

- 10) S Ltd. provides management consultancy services that are subject to service tax. In respect of the service rendered during the month of December, 2015, the service tax of Rs. 15 lacs was remitted to Government Treasury on January 20, 2016. Arrive at the penalty which is leviable in this case.

SECTION – B

Answer any four questions

(4 x 10 = 40)

- 11) What are small scale industries under Excise Act? Bring the relevant provisions.
- 12) What is the relevance of import manifest and export manifest in the Customs Act?
- 13) What do you mean by Place of Provisions of service (POPS)? What is the POPS for services on organizing events and if the same service provided at multiple locations?
- 14) Explain how to identify the location of immovable property to determine the Point of provision of service and the criteria related to its service.

15) Work out the Excise Duty liability based on following information –

	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
Interest charged as party failed to make payment within 30 days	5,000
CST	4%
Octroi	5,000
Excise Duty	12.50%
Actual transportation cost	35,000

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

16) Compute the assessable value for the purpose of determination of Customs Duty from the following data:

Machinery imported from USA by air (FOB Price)	US \$ 4,000
Accessories compulsorily supplied along with the machinery	US \$ 1,000
Air Freight	US \$ 1,200
Insurance Charges (actual not available)	
Local Agent's Commission to be paid in Indian Currency	Rs. 9,300
Transportation from Indian Airport to Factory	Rs. 4,000

Exchange rate to be considered 1\$ = Rs. 48.

17) Compute the VAT liability of Mr. Sai, for January, using 'invoice method', from the following particulars –

Purchase price of the inputs purchased from the local market (inclusive of VAT)	Rs. 26,000
VAT rate on purchase	4%
Storage	Rs. 250
Transportation cost	Rs. 950
VAT rate on sales	12.5%

Goods sold at a profit margin of 5% on cost of such goods.

SECTION – C

Answer any TWO questions

(2 x 20 = 40)

18) Explain the procedures relating to filing or return under Excise Law, e-filing, self assessment and provisional assessment.

19) Under Value Added Tax, what are the provisions pertaining to the following – (i) Goods exempt from VAT; (ii) Goods liable to VAT; (iii) Conditions for Composition Scheme; (iv) VAT credit for stock transfer and (v) Carry forward of VAT credit.

20) Discuss the provisions of Service Tax relating to (a) self-assessment, (b) provisional assessment, (c) effect of final assessment, (d) best judgment assessment and (e) rectification of mistakes in the assessment order.

21) Write note on (a) Canon of convenience, (b) Trade Parlance Theory, (c) Similar Goods, (d) Bundled Services and (e) Role of Chartered Accountant in VAT.
