



M.Com. (Semester – IV) Examination, November 2014
ACCOUNTING AND FINANCE (OB – 10)
CO4A4 : Indirect Taxes

Duration : 2 Hours

Total Marks : 50

Instructions : 1) All questions are **compulsory**.
2) Figures to the **right** indicate marks.

1. Answer the following : (5x2=10)
- Define the term "Service" under Financial Act, 1994.
 - Explain input tax and output tax under GVAT.
 - Explain the doctrine of Unjust Enrichment in Central Excise Act.
 - Explain in brief the significance of Indian Customs Waters under Customs Act.
 - Washing machines carry an abatement rate of 20% and they are specified under the first schedule of CETA 1985. Find out the amount of duty if the MRP of the washing machine is Rs. 10,000/- and the rate of Excise Duty is 14%.
2. A) Explain the following : 10
- Turnover and Taxable turnover under GVAT.
 - Composition of tax under GVAT.
- OR
- B) Explain the procedure of registration by an assessee under Service Tax. 10
3. A) Enumerate exempted services and negative list under Service Tax. 10
- OR
- B) Explain the term 'Manufacture' and 'Deemed Manufacture' under Central Excise Act, 1994 with the help of suitable example. 10
4. A) Explain the significance of Trade Paralance Test, with respect to classification of excisable goods under Central Excise Act, 1994. 10

OR

P.T.O.



B) Determine the total excise duty payable under Section 4 of the Central Excise Act, 1994 from the following information :

- i) Price of the machinery excluding taxes and duties Rs. 11,00,000/-
- ii) Cash discount of 2% on the price of machinery was allowed as per terms of contract.
- iii) Cost of material supplied by buyer free of cost Rs. 17,000/-
- iv) Assessories supplied along with machinery valued at Rs. 12,000/-
- v) Installation and erection expenses Rs. 42,000/-
- vi) Pre-delivery inspection charges Rs. 1,000/-
- vii) Packing charges Rs. 23,000/-
- viii) Design and engineering charges Rs. 4,000/-
- ix) Central Excise Duty is 12% and education cess as applicable.

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5. A) What is baggage ? Explain in brief the duty exemptions to baggage under the Customs Act.

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OR

B) A manufacturer having central excise registration certificate imports an equipment from abroad. Compute the duty payable under Customs Act, 1962 for such import on the following information :

- i) F.O.B. cost of the equipment is US \$ 10,000.
- ii) Licences fees relating to imported goods payable by buyer as a condition of sale – 20% of FOB cost.
- iii) Insurance paid in India Rs. 6,000.
- iv) Material and component supplied by buyer free of cost Rs. 20,000/-.
- v) Buying commission paid for delay in clearing the goods from airport Rs. 5,000/-
- vi) Known-how charges US \$ 500.
- vii) Air freight US \$ 3,000
- viii) CBEC has notified for the purpose of Section 14 of the Customs Act exchange rate of US \$ 1 = Rs. 60.75.
- ix) Basic custom duty is 10%. C.V.D. rate is 12% and special C.V.D. is 4%. Education cess as applicable.

Compute the assessable value and determine the custom duty payable by Sunshine Ltd.

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