



SDV – 24

M.Com. (Semester – IV) Examination, April 2012

CO4A4 : ACCOUNTING AND FINANCE

Indirect Taxes

Duration : 2 Hours

Total Marks : 50

- Instructions :** 1) **All questions are compulsory.**
2) **Each question carries 10 marks.**

1. Answer the following :

(5×2=10)

- What are the rates of tax (as per schedules) under VAT ?
- Who is liable to pay service tax ?
- What are Excluded Excisable Goods ?
- Set top boxes carry an abatement rate of 35% and they are specified under the first schedule of CETA 1985. Find out the amount of duty if the MRP of set top boxes is Rs. 20,000 and the rate of excise duty is 10%.
- A consignment is imported by air. CIF price is 2500 USD. Freight is 500 USD. Insurance cost is 50 USD. Following dollar rates are available on the presentation of bill of entry :

RBI Floor Rate : Rs. 50, Interbank closing Rate : Rs. 50.55, Rate notified by CBE&C of Customs Act : Rs. 50.75. Calculate the value for customs purposes.

2. a) Who is liable for registration under GVAT ? What is the procedure of registration ? 10

OR

b) Explain the concept of GVAT. How does it reduce the cascading effect of tax ?

3. a) Explain the following :

- Filling of returns under service tax.
- Provisional assessment under service tax.

10

OR

b) Explain the term "Manufacture" under Central Excise Act, 1944 with the support of examples.

P.T.O.



4. a) Highlight on the applicability of MRP valuation provisions under Central Excise Act, 1944. 10

OR

- b) Mr. Swapnil cleared various manufactured final products from his factory in July 2011. The duty payable in the month was Rs. 2,00,000 (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 Cess is as applicable
- Excise duty paid on capital goods received during the month was,
- Basic duty – Rs. 12,000, Education Cess is as applicable.
- Service tax paid on input services : Service tax – Rs. 10,000 Education Cess is as applicable.

How much duty Mr. Swapnil will be required to pay for the month of July 2011 ?

5. a) Explain the methods of valuation under Customs Act. 10

OR

- b) Mr. Aiyer has imported some goods from London at FOB cost of 25,000 Euros. Other details are as follows :
- i) Freight from London to India was 1000 Euros
 - ii) Insurance was paid to insurer in India : Rs. 1,000
 - iii) Rs. 15,000 were spent in transportation of machinery from Indian port to factory of Mr. Aiyer
 - iv) Rate of exchange announced by CBE&C was : Rs. 67.80 for 1 Euro
 - v) Design and development charges of 1,500 Euros were paid to an engineering firm in London.

Customs duty payable was 10%. If similar goods were produced in India, excise duty payable as per tariff is 16%. Education cess is as applicable. Special CVD is payable at applicable rates. Find customs duty payable.