



SDV – 17

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

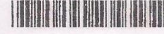
Duration : 2 Hours

Total Marks : 50

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

1. Answer the following : (5x2=10)
- a) Explain the concept of GVAT.
 - b) What are Excisable goods and Excluded Excisable goods ?
 - c) Explain 'Safeguard duty' under Customs Act.
 - d) What is negative list in service tax ?
 - e) The selling price of a product, inclusive of excise duty and sales tax is Rs. 300 per piece. Sale tax rate is 4%. Tariff rate of excise is 10%. However as per exemption notification, excise duty payable is 8%. Education cess as applicable. What is the Assessable value and total excise duty payable per piece ?
2. A) Explain the following : 10
- i) 'Business' and 'Dealer' under GVAT.
 - ii) Taxable turnover under GVAT.
- OR
- B) Discuss the provisions for valuation of taxable services for charging Service Tax. 10
3. A) Explain the following : 10
- i) Preparation of invoice by a Service Provider.
 - ii) Due dates for payment of Service Tax.
- OR
- B) Discuss the procedure for export of goods under bond as per Central Excise Rule, 1944. 10

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4. A) Discuss the procedure for registration of a factory under Central Excise Act. 10

OR

B) Determine the total amount of Excise duty payable on a machine using the details given below : 10

- i) Sale price of machine excluding taxes and duties Rs. 1,00,000/-
 - ii) Warranty charges Rs. 5,000/-
 - iii) Sales tax Rs. 20,000/-
 - iv) Octroi duty Rs. 3,000/-
 - v) Design and development paid by buyer on behalf of seller Rs. 10,000/-
 - vi) Dharmada shown separately Rs. 4,000/-
 - vii) Pre-delivery inspection charges Rs. 6,000/-
 - viii) Installation and erection charges Rs. 4,000/-
 - ix) Cost of durable and returnable packages included in the sale price given at (i) above 5,000/-
 - x) Rate of Excise Duty is 12%. Education Cess as applicable.
- Calculation should be supported by notes wherever necessary.

5. A) What are the methods of valuation of Custom Duty ? Is it mandatory that they should be applied sequentially ? 10

OR

B) Ambuja Industries Ltd. has imported equipment from Japan at FOB cost of 4,00,000 yen (Japanese). The other expenses incurred by it in this connection are as follows :

- i) Freight from Japan to Indian port (ocean freight) 40,000 Yen.
- ii) Insurance paid to insurer in India Rs. 20,000/-
- iii) Designing charges paid to consultancy in Japan 60,000 Yen.
- iv) Commission payable to the agent in India was 5% of FOB cost of the equipment in Indian rupees.
- v) CBEC has notified for the purpose of Section 14 of the Customs Act exchange rate of 1 Yen = Rs. 0.3948.
- vi) 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 Ambuja Industries Ltd. 10