



M.Com. (Semester – III) Examination, April 2016
COO3A4 : INDIRECT TAXES (OA – 18)

Duration : 3 Hours

Total Marks : 60

- Instructions :** 1) This paper consists of **nine** questions carrying **equal** marks.
2) Question No. 1 consists of **5 compulsory** questions of **2 marks each**.
3) Answer **any 5** questions from question 2, 3, 4, 5, 6, 7, 8 and 9.
4) **Each** question carries **10** marks. Figures to the **right** indicate marks.

1. Answer the following questions in brief : (5×2=10)
- What do you mean by CENVAT ? List the documents required to claim CENVAT.
 - What is negative list of services under Service Tax ? List out any 4 services under negative list.
 - What is the time limit for the payment of GVAT ?
 - 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. 60, Interbank Closing Rate : Rs. 60.55, Rate notified by CBE&C of customs Act : Rs. 60.75. Calculate the value for customs purposes.
 - TV carries an abatement rate of 25% and they are specified under the first schedule of CETA 1985. Find out the amount of duty if the MRP of TV is Rs. 1,00,000 and the rate of excise duty is 12.5%.
2. a) Explain the procedure of dealer's registration under Goa VAT. 5
b) What is the difference between a Casual Dealer and a Non-Resident Dealer under Goa VAT ? 5
3. Explain the concept of bundled services and highlight on the provisions related to bundled services. 10
4. a) Who cannot be termed as a 'Manufacturer' under Central Excise Act, 1944 ? 5
b) Explain the provisions of valuation under MRP of Central Excise Act, 1944. 5



5. a) Explain the concept of 'Countervailing Duty' levied under Customs Tariff Act. 5
- b) Discuss the importance of 'transaction value' in Customs valuation. 5
6. a) Compute the VAT liability of Mr. Rahul for the month of October 2015 using the invoice method of computation of VAT :
 Purchases from local market (including VAT @ 4%) – Rs. 65,000
 Transport cost – Rs. 1,750, Storage Cost – Rs. 750,
 Goods sold at a margin of 5% on the cost of goods sold. VAT rate is 4%. 5
- b) Determine the place of provision of services in the following cases : 5
- i) Mr. Sushant, an Indian broker provides broking services to Ms Wilma, a foreign resident and gets commission in foreign exchange.
- ii) Ms Jenifer wants to participate in Travel Expo to be held in Portugal for which she makes payment of Mr. Furtado in foreign exchange. Mr. Furtado is the organizer of the Travel Expo.
- iii) Kamat builders gets contract for construction of a Recreational complex in Dhaka (Bangladesh) from Kyoto Company Pvt. Ltd. situated in Dhaka. Payment is made by Kyoto Company Pvt. Ltd., in Indian Rupees.
- iv) Milo, an Indian Company sends its engineer to Spain for training to be provided by Mr. Gomes in Spain. Payment made by Milo Company to Mr. Gomes is in Indian Rupees.
- v) Zara, an Indian customer, delivers goods to Gati Ltd., Indian Courier Company to carry goods to Dubai. Zara is exporter and has foreign exchange reserves. Zara makes payment to Gati Ltd. in foreign exchange.
7. An assessee has factory in Haryana. As a sales policy, he has fixed uniform price of Rs. 2,000 per piece for sale anywhere in India. Freight is not shown separately in his invoice. During the F.Y. 2014-15, he made the following sales
- i) Sale at factory gate in Haryana (1200 pieces) – No transport charges
- ii) Sale to buyers in Gujarat (600 pieces) – Actual transport charges incurred – Rs. 28,000
- iii) Sale to buyers in Goa (400 pieces) – Actual transport charges incurred – Rs. 18,000
- iv) Sale to buyers in Hyderabad (1000 pieces) – Actual transport charges incurred – Rs. 50,000
- Find assessable and calculate the excise duty payable. 10



8. Mr. D'silva has imported some goods from USA at FOB Cost of 3,500 US Dollars. Other details are as follows :
- i) Freight from USA to India was 200 US Dollars
 - ii) Packing Charges – 600 USD were charged extra.
 - iii) Insurance and sea freight – 250 USD
 - iv) Brokerage paid to importer – 500 USD
 - v) Rate of exchange announced by CBE&C was Rs. 62.80 for 1 US Dollar.
 - vi) Design and development charges of 500 US Dollars were paid to an engineering firm in USA.

Customs duty payable was 10%. If similar goods were produced in India, excise duty payable as per tariff is 14%. Education cess is as applicable. Special CVD is payable at applicable rates. Find customs duty payable.

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9. Mr. Swapnil cleared various manufactured final products from his factory in July 2014. The duty payable in the month was Rs. 3,50,000 (Excise Duty). During the month, he received various inputs.

The total duty paid by the suppliers on the inputs was, Excise duty – Rs. 50,000,
Excise duty paid on capital goods received during the month was,

Basic duty – Rs. 12,000

Service tax paid on input services : Service tax – Rs. 10,000

How much duty Mr. Swapnil will be required to pay for the month of July 2014 ?
Also, calculate the duty payable if the assessee had the following balance in his PLA account.

Excise Duty – Rs. 1,70,000 and Service Tax – Rs. 30,000.

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