

Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce and Economics,
Ponda Goa

M.Com (Semester IV) Examination, April 2015

ACCOUNTING & FINANCE

CO4A4: INDIRECT TAXES (OB 10A)

Duration : 2 hours

Total Marks: 50

Instructions: Answer all Questions

Q1] Answer the following : (5x2=10)

- Explain briefly Taxable Event with reference to Central Excise Act, 1944.
- What is the eligible turnover for claiming exemption under the Notification No. 8/2003-CE dated 01.03.2003 relating to small scale units?
- ONGC vessel and a foreign vessel are drilling oil beyond 12 nautical miles in the sea. Which of the two is a foreign going vessel? Explain.
- Explain Non-monetary Consideration under Service tax
- Calculate the total VAT liability under the State VAT law for the month of April 2015 from the following:

Particulars	Rs
Inputs purchased within the state	1,70,000
Capital goods used in the manufacture of the taxable goods	50,000
Finished goods sold within the state	2,00,000
Applicable tax rates are as follows:-	
VAT rate on capital goods	12.5%
Input tax rate within the state	12.5%
Output tax rate within the state	4%

Q2.A] Enumerate the safeguards, conditions and limitations subject to which the refund of CENVAT credit shall be allowed under rule 5 of CENVAT Credit Rules, 2004 (10)

OR

B] Explain the Purchases which are not eligible for Input Tax Credit under VAT (10)

Q3.A] (1) Briefly mention the categories of persons who are required to take registration under the Central Excise Law

(2) What are the due dates for duty payment and filing of returns by SSI Units? (10)

OR

- B]** Find out service tax liability in each case separately: (10)
1. Advertising agency provided services relating to making or preparation of advertisement for Rs 5,40,000.
 2. Commodity futures provided by commodity exchange agency on commission basis for Rs 20,000
 3. Toll collection is under taken by a sub-contractor to collect toll on commission basis from an Agency authorized to levy toll for Rs 1,50,000.
 4. Tickets sold by a cinema hall for screening 3D movie for Rs 5,00,000
 5. Charges collected by a housing society for distribution of electricity within a residential complex for Rs 7,000 from each flat (total no. of flats 50)
 6. Services provided by The Institute of Chartered Financial Analysts for qualifications recognised by a law of foreign country for Rs 15,00,000.
 7. Rent from a residential house which is given to the State Bank of India for conducting Commercial operations for Rs 1,00,000 p.m. and property tax paid for 6 months Rs 12,000.
 8. Services relating to transportation of passengers in a vessel through Inland Waterways for Rs 50,000.
 9. Services relating to transportation of goods by air through aircraft from Chennai airport to Cochin airport for Rs 2,00,000
 10. Goods transported in a vessel through national waterways (i.e. inland waterways) for Rs.22,000.

Q4.A] Briefly mention categories of persons/premises who are exempted from obtaining registration under rule 9(2) of the Central Excise Rules, 2002 (10)

OR

B] (1) Calculate the assessable value and the excise duty payable from the following particulars:

List price of the product (inclusive of taxes)	Rs 5,960
Trade discount	10%
VAT	12.5%
Excise duty	12%
Education cesses as applicable	
An exemption notification grants exemption of 50% of the duty payable on this product.	

(2) Determine the transaction value and the duty payable from the following particulars:

	Rs
i. Price of machinery excluding taxes and duties	5,50,000
ii. Installation and erection expenses [Machinery has been fixed to the earth]	21,000
iii. Packing charges (primary and secondary)	11,500
iv. Design and engineering charges	2,000
v. Dharmada	500

Other information:

- (a) Cash discount @ 2% on price of machinery was allowed as per terms of contract since full payment was received before dispatch of machinery.
- (b) Bought out accessories valued at Rs 6,000. The accessories are optional and Provide ease of use of the machinery.
- (c) Central excise duty @ 12% and educational cess as applicable @ 3%.

Make suitable assumptions as are required and provide brief reasons. (10)

5.A] What will be the impact on the customs duty if the goods are--:

- (i) Damaged inside the warehouse before clearance for home consumption
- (ii) Deteriorated inside the warehouse before clearance for home consumption
- (iii) Destroyed in the warehouse before clearance for home consumption
- (iv) Destroyed on the wharf, before clearance for home consumption
- (v) Destroyed after clearance from warehouse.

(10)

OR

B] XYZ Industries Ltd., has imported certain equipment from Japan at an FOB value of 2,00,000 Yen (Japanese). The other expenses incurred by M/s. XYZ Industries in this connection are as follows:

- (i) Freight from Japan to Indian Port - 20,000 Yen
- (ii) Insurance paid to insurer in India - Rs.10,000
- (iii) Designing charges paid to Consultancy firm in Japan - 30,000 Yen
- (iv) M/s. XYZ Industries had expended Rs. 1,00,000 in India for Certain development activities with respect to the imported equipment
- (v) XYZ Industries had incurred road transport cost from Mumbai port to their factory in Karnataka - Rs 30,000
- (vi) The Central Board of Excise and Customs had notified for purpose of section 14 of the Customs Act, 1962 exchange rate of 1 Yen = Rs. 0.63. The inter bank rate was 1 Yen = Rs. 0.65
- (vii) M/s XYZ Industries had effected payment to the Bank based on exchange rate 1Yen = Rs. 0.66
- (viii) The commission payable to the agent in India was 5% of FOB value of the equipment in Indian Rupees.

Arrive at the assessable value for purposes of customs duty under the Customs Act, 1962 providing brief notes wherever required with appropriate assumptions (10)