

b. Ahuja Ltd. provides you the following data for the month of March 2017.

Commission and Erection service provided (excluding Tax)	Rs. 500000/-
Maintenance and repair service provided (composite service) (excluding Tax and 33% abatement)	Rs. 280000/-
Erection service provided by sub-contractor, directly used for output service (composite service) (including Tax and 33% abatement)	Rs. 100000/-
Telephone bill paid including service Tad (directly related with output service)	Rs. 20000/-

You are required to calculate the Service Tax payable for the month of March, 2017.

4+6

(Internal Assessment :10 marks)

2018

M. Com.

4th Semester Examination

Corporate Indirect Tax

PAPER – COM – 403

Full Marks : 50

Time : 2 Hours

Use separate sheet for each Unit

Candidates are required to give their answers in their own words as far as practicable.

UNIT – I

1. Answer any two questions of the following: 5 X 2

- a) What is indirect tax? State its four advantages over the direct tax.
- b. Who is required to be registered under Central Excise Act 1944? State the components that 15 digit Central Excise registration number carries.
- c. Z Ltd convert raw material 'R' into finished product 'F' in its factory. Following are the cost details.
Cost of raw material (R) Rs 500000
Excise Duty @16% on raw material (R)
Cost of conversion Rs 200000
Profit Rs 300000
Rate of output duty @16%
Show how does CENVAT Credit operate ignores education cess.
- d. Mention the rule of payment of excise duty .Mention the time when CENVAT credit can be claimed.

(Turn over)

2. Answer any one questions of the following: 10 X 1

a) Basu Manufacturing Ltd manufactures machines. During December, 2016 it has supplied one machine to Ghosh & Co. at a price of Rs 10Lakh (excluding taxes and duties), on which a cash discount @2% is allowed as per terms of supply with Ghosh & Co. for making full payment in cash within three days of supply. The following expenses are also additionally incurred:

- Installation and erection charges Rs 25000
- Packing Charges Rs 15000
- Design and engineering charges Rs 35000
- Cost of material (used in manufacturing of machines) supplied free of cost by Ghosh & co. Rs 60000
- Pre- delivery inspection charges (charged by Basu Manufacturing Ltd) Rs 10000
- Brought out accessories supplied with the machine Rs 45000

Compute the assessable value of the machine and determine the excise liability of Basu Engineering assuming the excise rate as 14%, education cess as applicable. (Notes and clarification are part of your answer)

- b. i. Briefly explains the concept of MRP based valuation under Central Excise.
 ii. Explain the concept of Factory under Central Excise Act.
 iii. X Ltd is in the business of manufacturing textile machines. From the following calculate assessable value and excise duty payable.

- Price of machineries (excluding taxes & duties) Rs 1350000
- Installation and erection charges Rs 25000
- Packing Charges Rs 10000
- Brought out accessories supplied- with the machineries Rs 35000
- Cash discount @2% of price of machineries. (2+2+6)

UNIT – II

3. Answer any two questions of the following: 5 X 2

- a) What is Service tax? Mention four services on which Service Tax is not applicable in India.

- b) Write brief notes on i- Registration, ii-Furnishing of returns, under Service Tax Act.

- c) From the following particulars determine the assessable value.

Price charged by exporter (FOB)	Rs 1500000
Transportation cost for import by Air.	Rs 450000
Insurance cost (transit insurance)	Rs 90000
Loading & Unloading Charges at the place of transportation	Rs 25000
Transportation cost from Indian Airport Warehouse	Rs 15000

- d) Mr. B return after 7days stays in Japan with his wife and child of 8 years. He bought with him

- Personal effect of Rs 32000
- Two laptops Rs 16000 each
- A household appliance of Rs 50000
- Sundry Gifts of Rs 20000
- Find duty payable to Govt.

4. Answer any one questions of the following: 10 X 1

- a. An importer an equipment for FOB \$ 10000. The bill of entry was presented on 10-04-2016. The unloading and handling charges in India amounted to Rs 4300.

You are required to calculate the assessable value considering the following conversion rates:

Particulars	On the date of placing the order.	On the date of presentation of bill of Entry.	On the date of clearance ³ of goods by Customs Authorities.
Inter- bank Closing Rate	Rs 57 per \$	Rs 62 per \$	Rs 68 per \$
RBI Floor Rate	Rs. 59 per \$	Rs. 64 per \$	Rs. 71 per \$
Rate as per Custom Act U/S 14(3)(i)	Rs. 71 per \$	Rs. 66 per \$	Rs. 69 per \$

(Turn over)