VCD - 5-3-14 - SYBAF – SEM IV – INDIRECT TAXATION II – 60 – 2 Hrs - 220

Note : Q – 1 and Q – 2 are compulsory
Attempt Q – 3 or Q – 4 and Q-5 or Q – 6
Figures at right indicate full marks

Q – 1 M/s DDK Industries manufactures "S" product. Retail price of the product is RS. 1600 per unit. (08)

Group 'X' type dealers are eligible for 10% discount.
Group 'Y' type dealers are eligible for 15% discount.
Group 'Z' type dealers are eligible for 20% discount.
Company has scheme of giving 5% quantity discount to those dealers whose purchase are at least 10% more than their own purchases in previous month. Additional discount was granted on excess quantity purchased. Purchases for the month of August 2012 are as follows:

Dealer	Total Units Sold	Units eligible for extra discount
A	16,000	2400
B	8,000	2000
C	24,000	3200

Rate of excise duty is 10% per unit. Find out total excise duty payable. Ignore education cess.

b] AB & Co. Chartered Accountant is having in office in Mumbai and Britain. During the quarter ended 31-06-2012, it receives following sum of money. (07)

		Rs.
1)	**For Audit office in Mumbai**	
	-For audit service in India	16, 00,000
	- For audit services performed in Britain (Exported services as per rules)	12, 56,000
2)	From business Auxiliary services (Remittance Management)	2, 00,000

These are exclusive of service tax @ 12% and education cess of 3%. Calculate service tax payable.

Q – 2 Choose correct alternative from following (05)

1. Rate of excise duty shall be determined as on the date of
   a. Removal from the factory or the warehouse
   b. Manufacture
   c. Sale
   d. None of the above
2. Where the excisable goods are not sold by the assessee but are used for consumption in the manufacture of other articles, the assessable value shall be
   a. 110 % of the selling price

(PTO)

b. 110 % of the cost of manufacture of such goods
c. 110 % of the list price of such goods
d. None of the above

3. In CETA, rate of duty is indicated against each
   a. Tariff item b. Headings c. Sub-heading d. Chapter
4. Return of service tax has to be filed
   a. Monthly b. Quarterly c. Half yearly d. Yearly
5. Practicing C. A. becomes taxable w.e.f.
   a. 16/08/2002 b. 16/10/1998 c. 01/06/2001 d. None of above

B] State Whether the following statement is TRUE / FALSE (05)

1. Services provided to a unit of Special Economical zone is exempted from service tax.
2. Work contract in respect of construction of Dam is excluded form from service tax.
3. The maximum retail price u/s 4A is inclusive of service tax
4. CETA had adopted the 9 digit tariff system for classification.
5. Service tax is paid and borne by the service provider.

C] State whether the following activity is manufacture or not as per the provisions of Central Excise Act 1944 (05)

1. Boiling of butter
2. Slicing of pineapple
3. Sawing of timber
4. Canning of vegetable product
5. Melting and conversion of old jewellery

Q – 3 How will the assessable value be determined under Section 4 of the Central Excise Act, 1944? Contracted wholesale price for delivery at the buyer's premises Rs. 90,000. This includes the following elements of cost:

(i) Cost of Drawing and Designs Rs. 4,000
(ii) Cost of Primary packing Rs. 3,000
(iii) Cost of Packing at buyer's request for safety during transportation Rs. 7,000
(iv) Excise duty Rs. 4,800
(v) Sales tax Rs. 2,400
(vi) Octroi Rs. 2,800
(vii) Freight and Insurance charges paid for transportation from factory to buyer's premises Rs. 10,000

(05)

B] Calculate the assessable value for the purpose of levy of excise duty from the following particulars: (05)

Cum-duty selling price inclusive of Sales tax @5% Rs. 96,000
Rate of excise duty applicable to the product @ 16%

C] Define "Excisable Goods" (05)

(PTO)

OR

Q – 4 a] An assessee has factory in Kolkata. As a sales policy, he had fixed uniform price of Rs. 2,000 per piece (excluding taxes) for sale anywhere in India. Freight is not shown separately in his invoice. During the current FY, he made following sales:- (i) Sale of factory gate in Kolkata- 1,200 pieces. no transport charges; (ii) Sale to buyer's in Gujarat- 600 pieces – actual transport charges incurred Rs. 28,000; (iii) Sales to buyer's in Bihar- 400 pieces – actual transport charges incurred Rs. 18,000; (iv) Sales to buyer's in Kerala- 1,000 pieces – actual transport charges incurred Rs. 54,000. Find the assessable value per piece. (05)

B] Calculate the assessable value for the purpose of levy of excise duty from the following particulars: (05)

Cum-duty selling price inclusive of Sales tax @5% Rs. 82,000

Rate of excise duty applicable to the product @ 16%

C] Explain Central Excise Tariff Act (05)

Q – 5 a] A work contractor submits the following details relating to a works contract. Compute the service tax payable. (08)

1. If the contractor does not opt for the composition scheme
2. If the contractor opts for the composition scheme.

Particulars	Rs.
Gross amount charged	2,85,000
Value of transfer of property of goods involved in the work contract	95,000
VAT Tax paid on above	15,000

b] M/s Shah Ltd an event management company undertook a contract of Marriage function for Rs. 70,00,000. The paid Rs. 12,00,000 to furniture contractor, 10,00,000 to Mandap Decorator 5,00,000 to Fashion Designer and 3,00,000 to Photographer. Calculate service tax liability @ 12.36 % (07)

OR

Q – 6 Write Short note (Any 3) (15)

1. Manufacture
2. Insurance Auxiliary services
3. Types of Duties in Central Excise Act
4. Event Management
5. CENVAT Credit

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