

Note : All questions are compulsory carrying 15 marks each

Q-1 A] Select Correct alternative and rewrite the sentence (Any 8)

(08)

1. Excise duty can be levied on those goods which are \_\_\_\_\_  
 a. Manufactured in India      c. Removed from factory  
 b. Sold in India      d. None of the above
2. What percentage should be added to the cost of production in the case of captive consumption  
 a. 15 %      b. 10 %      c. 0 %      d. 20 %
3. CENVAT credit can be utilized for payment of excise duty levied on any \_\_\_\_\_  
 a. Final product      c. Input product  
 b. Exempted product      d. Intermediary non-dutiable products
4. Which one of the following would come under the specific rate of duty  
 a. Cigarette product      c. Wood product  
 b. Plastic product      d. Diesel product
5. The law excise duty is governed by the central Excise Act \_\_\_\_\_  
 a. 1944      b. 1962      c. 1994      d. None of above
6. Service tax Law extends to \_\_\_\_\_  
 a. Whole of India Except Jammu and Kashmir  
 b. Whole of India  
 c. Maharashtra  
 d. None of these
7. Whenever aggregate value of taxable service provided exceeds \_\_\_\_\_, the service provider is required to get registered.  
 a. Rs. 10 Lakhs      c. 8 Lakhs  
 b. Rs. 1 Lakh      d. Rs. 9 Lakhs
8. Service tax is leviable on taxable services \_\_\_\_\_  
 a. Provided      c. to be provided  
 b. Both (a) and (c)      d. None of the above
9. Point of taxation is relevant for the purpose of \_\_\_\_\_ of service tax.  
 a. Payment      c. Provision  
 b. Collection      d. determination
10. Goods means every kind of \_\_\_\_\_  
 a. movable property      c. Both (a) and (b)  
 b. Immoveable property      d. None of these

B] State whether the following statement is True / False and rewrite the sentence (Any 7) (07)

1. Service tax has been imposed as an indirect tax.
2. Every person liable to pay service tax must apply for registration.
3. Negative List specifies the services which are out of the ambit of service tax.

(P.T.O.)

4. Commission charged by bank for bank draft is chargeable to service tax.
5. Definition of goods excludes actionable claim and money.
6. Excisable goods includes salt.
7. Excise duty and sales tax have to be included in the assessable value.
8. Excise duty is levied by state government.
9. CETA has adopted 9 digit tariff system for classification.
10. Manufacture is not define under Central Excise tariff Act.

Q - 2 M/s Shakti Industries manufactures a product. Retail price of the product is Rs. 800 p unit.

(15)

Industrial Consumers are eligible for 20% discount.

Wholeseller's are eligible for 15% discount.

Retailers are eligible for 10% discount.

Company has scheme of giving 5% quantity discount to those consumers whose purchase are least 20% more than their own purchases in previous month. Additional discount was granted on excess quantity purchased. Purchases for the month of March 2016 are as follows:

Dealer	Total Units Sold	Units eligible for extra discount
Wholeseller	6,000	1,000
Retailer	4,000	2,500
Industrial Consumers	8,000	3,000

Rate of excise duty is 14%. Find out total excise duty payable. Ignore education cess.

OR

Q - 2 Determined the Assessable value and the cost of production on manufacture of the under mentioned product for purpose of captive consumption in terms of Rule 8 of the Central Excise Valuation Rules, 2000.

(15)

Particulars	Amount
Direct Material	3,22,445
Direct Wages & Salaries	1,67,100
Works overheads	78,000
Quality Control Costs	96,000
Research and Development Costs (related to production)	48,000
Administrative overheads	44,000
Selling and Distribution Costs	31,600
Realizable value of scrap	6,200

Administrative overheads are in relation to production activities. Material cost includes Excise duty Rs. 12,445 availed by way of CENVAT credit.

Q - 3 . Compute value of taxable services and the service tax from the following amounts received by MKES Education Institute.

(15)

1. Collections from running a school upto 12<sup>th</sup> Standard : Rs. 5 Lakh
2. Fees for conducting examinations, etc. in school : 3 lakh

3. Collection from conveyance facility to students of school : 4 lakh
  4. Collections from pre- school education : Rs. 5 lakh
  5. Collections from running an approved vocational educational course : Rs. 5 lakh
  6. Running a boarding school with fees of Rs. 14 lakh (package offered inclusive of food, rent, etc.)
  7. Running courses recognized by foreign law : Rs. 5 lakh and collections from bus facility to such students : Rs. 2 lakh
  8. Running a coaching centre : Rs. 14 lakh
  9. Placement services : Rs. 3 lakh
  10. College education fees (affiliated to Mumbai university) : Rs. 10 Lakh
  11. Holding admission test for admission to college : Rs. 3 lakh
  12. Campus recruitment fees : Rs. 1 lakh
- The society received grants-in- aid of Rs. 25 lakhs from Government/ Foreign bodies.  
All the amounts are excluding tax. Ignore threshold exemption.

OR

Q- 3 Lakhanpur Post Office provided the following services to persons other than Government during the quarter ending 31/3/2015. (15)

Services Rendered	Rs.
Basic mail services	1,00,000
Transfer of money through money orders	5,00,000
Operation of saving accounts	1,50,000
Rural postal life insurance services	2,00,000
Distribution of mutual funds, bonds and passport applications	5,00,000
Issuance of postal orders	3,00,000
Collection of telephone and electricity bills	1,00,000
Pension payment services	50,000
Speed post services	5,00,000
Express parcel post services	2,00,000

Compute the services tax liability of Lakhanpur Post Office for the quarter ending 31/3/2016

Q-4 A] ABC Advertising agency provides the following services for the year ended 31/3/2015: (08)

1. Sale of space for aerial advertising to ABC Ltd. Rs. 9 lakhs
2. Sale of time slot for advertisement to be broadcast on television : Rs. 7 lakhs
3. Charges for preparation for advertisement for reliance communications : Rs. 8 lakhs

4. Advertisement via banner at public places : Rs. 13 lakhs  
 5. Commission Charges for canvassing advertisement on FM radio : Rs. 3 lakhs  
 6. Sale of time slot for advertisement on FM radio : rs.3 lakhs  
 Compute the value of service tax and service tax payable thereon if all charges exclusive of service tax. Ignore Small Service Provider's exemption.

B] An assessee has factory in Kolkata. As a sales policy, he had fixed uniform price 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 at 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.

(07)

OR

Q - 4 A] Determine the point of taxation in the following cases.

(08)

Date of provision of service	Date of Invoice	Date of Payment
25-03-2015	05-04-2015	08-04-2015
25-03-2015	25-03-2015	08-04-2015
25-03-2015	08-04-2015	30-03-2015
04-04-2015	31-03-2015	08-04-2015
04-04-2015	28-03-2015	31-03-2015
04-04-2015	04-04-2015	31-03-2015
10-05-2015	12-06-2015	30-05-2015
05-09-2015	08-10-2015	20-09-2015

B] XYZ sells its products A, B and C through unrelated wholesalers. The wholesale price is Rs. 91,500 (inclusive of excise duty). Cash discount of Rs. 2,000 is allowed if the payment is made within 7 days; and if the payment is made after 30 days, interest is charged at 18% per annum. Charges for durable and returnable packing are Rs. 1,500. The manufacturer has paid turnover tax Rs. 910 and this is not recoverable from the buyer. What is the assessable value and what is the excise duty payable, if the product is liable for excise duty @14% and education cess @3%?

(07)

Q - 5 a] Explain the process of registration under Service tax Act.

(15)

OR

Q - 5 write short note (Any 03)

1. Excisable Goods
2. Manufacture
3. Any five Mega Exemption
4. Factory
5. Financial services

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3. Collection from conveyance facility to students of school : 4 lakh
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