Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_

G:\logo and QP Template\logo 3 Feb 2018 final.tif

**End Semester Examination – Nov/Dec – 2018**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
| **Code :** | **17BB2012** | **Duration :** | **3hrs** |
| **Sub. Name :** | **INDIRECT TAXATION** | **Max. marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | **Marks** | |
| 1. | a. | State the Provisions pertaining to the taxability of Sales on Inter-State and demonstrate upon the conditions that are laid out in fulfilling the provisions of CST Act. | CO1 | 10 | |
| b. | Write a short note on the following terms as per the CST ACT –   1. A Registered Dealer 2. ‘C’ Form | CO1 | 10 | |
| (OR) | | | | | |
| 2. | a. | During the year 2017-18, the Gross Inter-State Sales made by Talent Industries Ltd., of Ahmedabad is Rs.4,78,60,000. Although the Central Sales Tax is not shown separately, the following information is available from the records of the company –   1. The company sells machinery which makes Steel rods. If it is sold in the Maharashtra State, VAT rate is 5 per cent (plus additional tax @ 10% of VAT). 2. Information regarding sales with and without ‘C’ Form is as follows:  |  |  |  | | --- | --- | --- | | **Particulars** | **Inter-State**  **Sale with**  **C Form**  **Rs.** | **Inter-State**  **Sale without**  **C Form**  **Rs.** | | Gross Sales | 32,50,000 | 22,32,000 | | It includes the following - |  |  | | Excise Duty | 17,75,000 | 4,61,000 | | Freight (not being shown separately) | 53,000 | 64,000 | | Freight (shown separately) | 90,000 | 19,000 | | Packing charges | 21,625 | 21,200 | | Cost of Installation (shown separately) | 1,05,000 | 1,15,000 | | Insurance charges to cover the risk of the seller | 12,500 | 21,300 | | Insurance charges for covering the risk of buyer at the request of the buyer | 17,000 | 96,000 | | The following items have not been deducted to calculate Gross Sales Turnover |  |  | | Trade Discount (given by way of credit note on March 31, 2016). | 24,000 | 30,000 | | Goods returned within 6 months | 3,00,000 | 1,25,000 | | Incentive Bonus for additional sale | 45,000 | 31,000 |   You are required to find out the sales turnover and central sales tax payable. | CO1 | | 10 |
| b. | Mr. Vinod is a dealer in Delhi, who is involved in Inter-State sale of goods – The following table gives the data pertaining to the various buyers and the tax rates applicable on the Value addition made in each stage.   |  |  | | --- | --- | | **Buyer** | **Local Tax or VAT Rate** | | Y | Nil | | Z | 0.5% | | A | 1.5% | | B | 2% | | C | 3% | | D | 4.5% | | E | 12% |   What will be the central sales tax rate as per the provisions if –   1. The buyers are registered dealers and issue C Form ; and 2. The buyers are not registered dealers. | CO1 | | 10 |
|  |  |  |  | |  |
| 3. |  | Discuss on the importance of Value Added Tax and Explain the Provisions which indicate the way in which VAT is Calculated. | CO2 | | 20 |
| (OR) | | | | | |
| 4. | a. | You are appointed as the Regional Head of a Multi National Company. The company requires you to prepare a report with all inclusive data on the various modes in which VAT can be computed in India and make it available to a foreign collaborating company. | CO2 | | 10 |
| b. | |  |  | | --- | --- | | The following are details of information available for an MNC, namely Royal Trading Inc., who is a registered dealer for the year ending March 31, 2018 .  **Particulars** | **Rs.** | | Purchase of raw material within state (1500 units, inclusive of VAT levy at 12.5 per cent) | 21,20,000 | | Inter-State purchases of raw materials, inclusive of CST at 4 per cent | 7,09,000 | | Import of packing material, inclusive of customs duty of Rs. 10,000 | 4,10,000 | | Capital goods purchased on April 1, 2017 of VAT levy at 10 per cent (input credit to be spread over 2 financial years) | 7,70,000 | | Sales of taxable goods within state, inclusive of VAT levy at 4 per cent | 60,23,000 | | Sales of taxable goods within state, exempt from levy of VAT (goods were manufactured from the Inter-State purchase of raw materials) | 2,30,000 |   Compute the VAT liability of the dealer for the year ending March 31, 2018. | CO3 | | 10 |
|  |  |  |  | |  |
| 5. | a. | State the Provisions relating to Customs Duty. What are the various types of Customs Duty applicable as per the Customs ACT? Elaborate on the way in which the Customs Duty is Computed. | CO3 | | 10 |
| b. | As an Executive in a Company dealing in Exports and Imports, the Managing Director of the company requires you to prepare an Extensive report on the applicability of baggage rules with a clear mention on the exemptions available and the rate of duty there on. | CO3 | | 10 |
| (OR) | | | | | |
| 6. |  | Find out the customs duty from the information given below in respect of goods imported by Frazer and Ross LLC (Pvt) Ltd.   |  |  |  | | --- | --- | --- | |  | USD | Rs. | | Free on board value (FOB) | 54,000 |  | | SBI buying rate of 1 USD |  | 68 | | SBI selling rate of 1 USD |  | 72 | | Exchange rate notified by Central Board of Excise and Customs |  | 64 | | Buying commission paid by X Ltd. to its agent in USA for representing X ltd. in the purchase of goods. | 1800 |  | | Air fare |  | 8,40,000 | | Demurrage paid by X Ltd. to airlines for not lifting goods in time |  | 64,000 | | Insurance charges |  | 96,000 | | Loading/unloading charges, handling charges |  | 5,000 | | Basic custom duty |  | 10% | | Countervailing duty (to compensate excise duty) |  | 12% | | Special CVD ( to counter balance sales tax/ VAT) |  | 4% | | CO3 | | 20 |
|  |  |  |  | |  |
| 7. | a. | State some of the services which are coming under the purview of Service Tax Liability. Explain the provisions pertaining to service tax levy. | CO2 | | 10 |
| b. | When do the assessee required to file the Returns on the Service Tax applicable in the financial year. If the return is found erroneous, can the Assessee have a chance to file a revised return and what is the duration allowed under the act for such revision. | CO2 | | 10 |
| (OR) | | | | | |
| 8. |  | MNC Ltd provides civil construction to different persons in Kerala as a result of the recent floods. The information on the various developments are given by the company for August 2018.   |  |  | | --- | --- | | **Particulars** | **Rs.** | | Gross Amount charged for new construction (collected from Government of Kerala) | 5,00,00,000 | | Gross Amount charged for alteration to old constructed buildings which are dilapidated. | 90,00,000 | | Maintenance/repairs/re-conditioning/restoration of goods/machines used in civil construction (collected from other contractors) | 16,00,000 | | Installation of electrical fittings (collected from main contractor) | 12,00,000 | | Glazing, Plastering and flooring (collected from other contractors). | 6,00,000 |   The Government of Kerala has supplied steel for the entire project, fair market value of which is Rs.12,00,000 (without sales tax or VAT). However, for this the Government of Kerala has recovered Rs. 10,00,000 (plus VAT @ 5 per cent) from MNC Ltd.  MNC Ltd. has Cenvat credit of excise duty (Rs. 50,000) and input service (Rs.21,000). Find out service tax liability of August 2018. None of the figures given above includes service tax. | CO3 | | 20 |
|  | |  |  | |  |
|  | | **Compulsory**: |  | |  |
| 9. |  | B Ltd. is in the business of Manufacture in Bombay. It also provides technical consultancy to other countries in India. Excise Duty payable on production for April 2018 on its final product is as follows-  Basic Excise Duty: Rs.1,20,000, education cess : Rs. 2,400, Secondary and Higher Education Cess : Rs.1,200.  Service tax payable on consultancy output services provided during June 20143 is as follows –  Service tax : Rs.6,000, education cess : Rs. 120, SHEC : Rs. 60  During June 2014, it receives various inputs on which total duty paid by suppliers of input was as follows –  Basic Duty : Rs. 1,00,000, EC : Rs. 2,000, SHEC : Rs. 1,000  Excise duty payable on Capital Goods received during April 2018 was as follows –  Basic duty : Rs.6,000, education cess : Rs. 120, SHEC : Rs.60  Service tax paid on input services is as follows –  Service tax : Rs.2100, EC : Rs. 42, SHEC : Rs. 21.  The opening balance in its PLA on April 6, 2018 is as follows –  Excise Duty : Rs. 10,000, Service tax : Rs. 12,000, EC : Rs. 440, SHEC : Rs. 10  Find out the amount payable for the month of April 2018. | CO3 | | 20 |