

2017**M.Com. 4th Semester Examination****CORPORATE INDIRECT TAXES****PAPER—COM-402***Full Marks : 50**Time : 2 Hours**The figures in the margin indicate full marks.**Candidates are required to give their answers in their own words as far as practicable.**Illustrate the answers wherever necessary.***Unit - I****(Marks : 20)**

1. Answer any *two* of the following questions : 2×5
- (a) What is indirect tax ? Mention some of its merits and demerits over the direct tax. 1+4
- (b) With the help of suitable example explain the term 'time and place of removal' while levying excise duty. 5

(Turn Over)

- (c) What is an invoice ? Point out the main contents of a valid invoice. 1+4
- (d) An assess sales goods to Parichay & Co. The buyer is a 'related person' to the assessee as defined u/s 4 (3) (b) of the CEA. On 15th December, 2016 the assessee sold goods to the company for Rs. 10,000. On that date the assessee sold the similar goods to an unrelated buyer at Rs. 12,000. What will be the assessable value in each of the following cases ?
- (i) Parichay & Co. sold the goods to an unrelated buyer at Rs. 13,000 on 20th December, 2016.
 - (ii) Parichay & Co. sold the goods to an unrelated buyer at Rs. 11,500 on 25th December, 2016.
 - (iii) Parichay & Co. used the goods fully for its captive consumption. 5

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

- (a) (i) What is GST ? What are the different types of GST ?
Give a description of GST credit will be available to an assessee on purchasing input goods and input services.

- (ii) During the month of December 2016, Shree Shah Co. manufactured and cleared excisable goods amounted to Rs. 20,00,000. During the month the company has also provided taxable services amounted to Rs. 5,00,000.

For the purpose of manufacturing goods and providing services, the company, on the other hand, purchased input goods amounting to Rs. 6,00,000 and input services of Rs. 2,00,000 during the same period.

On 15th December, 2016, the company had purchased one automatic machine at a price of Rs. 3,00,000 and also one hand machine at Rs. 9,000.

(All the figures shows above are excluding taxes and duties).

Calculate the Excise duty and Service tax payable by the assessee for the month of December, 2016, assuming that there was no opening balance in the Personal Ledger Account (PLA) of the assessee.

Consider rate of Excise duty as 14.5% and rate of Service tax as 15% (including Swachh Bharat Cess 0.5% and Krishi Kalyan Cess 0.5%).

(1+1+3)+5

- (b) (i) On January 2017, Colgate Palmolive Ltd. has introduced a new toothpaste which is notified under section 4A of Central Excise Act, 1944, with a notified abatement of 30%.

During January 2017, the company has cleared and sold (a) 10,000 units having retail sales price of Rs. 60 per unit at Rs. 45 per unit ; (b) 20,000 units having retail sales price of Rs. 60 per unit at Rs. 48 per unit, but the buyer is charged for 1,90,000 units only and 10,000 units are given free as quantity discount ; (c) 5,000 units are distributed by the company as free sample without any retail sales price printed on it an marked as 'free sample not for sale' ; (d) 2,000 multi-pack has been sold at Rs. 100 per pack, each containing two toothpaste tube and one tooth brush free (without any MRP on it). The MRP of each toothpaste pack was scratched out and each multipack has printed a fresh MRP of Rs. 95.

Calculate the Excise duty payable by the company for the month of January, 2017, considering the duty rate as 14.5%. (Give suitable explanations wherever required).

- (ii) Correct the following statements, if those are wrong :
- (A) Production of butter from milk is considered as a deemed manufacture.
- (B) The excise duty for sale of refrigerator by a manufacturer is calculated at the invoice price.
- (C) Insurance premium paid by manufacturer for transporting goods from the factory to the buyer is includable in assessable value. 7+3

Unit - II

(Marks : 20)

3. Answer any *two* questions from the following : 2×5
- (a) Write a brief note on 'Territorial Water' and 'Customs Water' under Indian Customs Act. $2\frac{1}{2} \times 2$
- (b) What is Warehousing in Customs ? What is Warehousing period and its length ? What are the advantages of availing warehousing facility ? 1+2+2
- (c) A contractor provided service of maintaining plant & machinery. The contractor has charged service tax and Swachh Bharat cess in his invoice. The company paid

Rs. 13,06,250 to the contractor after deduction of income tax @ 10% in full settlement of Bill. Find out the total bill amount and service tax to be paid.

(d) Determine CIF value in each case of transport —

(i) Shipping (ii) Air.

(A) Free on Board Price \$ 50,000

(B) Goods are insured.

(C) Shipping or Airfreight both are equal. The amount of freight is \$ 20,000.

4. Answer any *one* from the following :

(a) What is antidumping duty ? Determine antidumping duty from the following particulars : 2+8

(i) Tap imported from South Korea \$ 2 each [Market Price in Korea \$ 3.50]

(ii) Number of toys imported 5,00,000.

(iii) Freight :

(A) From factory site in Korea to port = \$ 5,000

(B) Shipping charges = \$ 40,000

(C) From Port in Mumbai to Delhi = Rs. 2,00,000

(iv) Other incidental cost for importing :

(A) Special Packing \$ 10,000

(B) Logo insertion \$ 0.5 each

(C) The toys were insured during transit.

(v) Prevailing market price of similar toys in India
Rs. 600 each.

(vi) Exchange Rate on the date of Bill of entry :

RBI : \$ 1 = 60

CBES : \$ 1 = 65

(b) (i) Who should register under service tax ? Discuss the
procedure of registration under Service Tax Act.

1+3

(ii) Find out taxable service and amount of service tax
from the following particular in each case in the
assessment year 2016-17 :

$1\frac{1}{2} \times 4$

(A) ABC Ltd. provided services and billed for
Rs. 15,00,000 but received Rs. 3,00,000 before
31.3.17. The amount was received on 7.4.2017.

- (B) Service provider PQR Ltd. received an advance of Rs. 12,00,000 in 23.3.2017 but service is to be provided in May 2017.
- (C) Services provided by XYZ Ltd. to branch of UNICEF Rs. 50,000.
- (D) KLM Ltd. provided services to different retail clients. The annual services provided by KLM Ltd. Rs. 8,75,000.

[Internal Assessment — 10 marks]
