

Paper-10

APPLIED INDIRECT TAXATION Test Paper II/10/AIT/2008/T-4

Time Allowed-3 Hours

Full Marks-100

Answer Question No. 1 which is compulsory and any 10 questions from rest. Q 1 carries 20 marks and other questions carry 8 marks each

Q1] (a) Following is information pertaining to inter-state sales effected by a registered dealer:

	Products		
	L	M	N
Local State Sales tax	12.5%	8%	2%
Total sales value	7,84,000	5,40,000	4,12,000

Additional information (i) In respect of product L sold in May, 2007, goods of total sales value of Rs. 67,200 were returned in July, 2007 and Rs. 44,800 in December, 2007: Rs. 56,000 were rejected and returned in January, 2008. (ii) Buyer of product N did not produce C forms. (iii) Buyer of product M for total sale value Rs. 43,200 did not furnish C form as the product was not covered in his registration certificate. - - Compute the taxable turnover and the sales tax liability of the three products L, M and N, for the financial year 2007-08.

Q1] (b) Distinguish between 'Zero rated sale' and 'exempt sale' with reference to Vat.

Q2] Explain restrictions on State Government on imposing sales tax.

Q3] Explain use of C, F and H form under CST Act.

Q4] What are advantage of VAT over conventional system of taxation?

Q5] Define 'inter-State sale' and explain its ingredients.

- Q6]** Discuss the instances wherein the goods move out of the selling State, but do not amount to inter-State sales under section 3 of the Central Sales Tax Act, 1956. How does a dealer *prima facie* discharge the burden of proof that he is not liable to tax in the course of inter-State transaction?
- Q7]** State giving brief reasons, whether sales tax can be levied on following transactions: (i) Sale of newspapers (ii) Giving utensils on rental basis (iii) Supply, erection, testing and commissioning of water supply line (iv) Development of software
- Q8]** Define 'works contract'. Can sales tax be levied on activity of textile processing?
- Q9]** State correct or incorrect, giving correct legal position – All goods purchased by 'registered dealer' are eligible for concessional rate of tax under the Central Sales Tax Act, 1956.
- Q10]** Explain the expression 'sale in the course of import'. A person while returning to India from abroad purchased goods in duty free shop in the International Airport. Is he liable to pay sales tax?
- Q11]** Write note on 'Goods of special importance'.
- Q12]** Write a note on White Paper on Vat.
- Q13]** write note on cancellation of registration obtained under CST Act.