Paper-10

APPLIED INDIRECT TAXATION

Test Paper II/10/AIT/2008/T-2

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] Explain principles of cost analysis for valuation of captive consumption for excise duty purposes. Give the format of cost sheet for certifying cost of production [20 marks]

Q2] When a manufacturer can claim exemption from payment of Excise duty on any intermediate product manufactured and used within the same factory?

Q3] A Trader supplies raw material of Rs. 1,150 to processor. Processor processes the raw material and supplies finished product to the trader. The processor charges Rs. 450, which include Rs. 350 as processing expenses and Rs. 100 as his (processor's) profit. Transport cost for sending the raw material to the factory of processor is Rs. 50. Transport charges for returning the finished product to the trader from the premises of the processor is Rs. 60. The finished product is sold by the trader at Rs. 2,100 from his premises. He charges Vat separately in his invoice at applicable rates. The rate of duty is 16% plus education cess as applicable. What is the AV, and what is total duty payable ?

Q4] Is show cause notice essential, if assessee voluntarily pays the amount of excise duty or customs duty?

Q5] State the doctrine of unjust enrichment in case of refunds under Central Excise and Customs

Q6] A SSI unit has effected clearances of goods of the value of Rs. 475 lacs during the Financial Year 2006-07. The said clearances include the following: (i) Clearance of excisable goods without payment of excise duty to a 100% EOU unit. Rs. 120 lacs (ii) Job work in terms of notification no : 214/86 CE, which is exempt from duty - Rs. 75 lacs (iii) Export to Nepal and Bhutan - Rs. 50 lacs (iv) Goods manufactured in rural area with the brand name of the others - Rs. 90 lacs. Examine with reference to the notification governing SSI, under the Central Excise

Act whether the benefit of exemption would be available to the unit for the Financial Year, 2007-08.

Q7] Explain the point at which duty liability arises in case of imported goods and warehoused goods.

Q8] Explain the meaning of 'normal value', 'margin of dumping' and 'injury margin'. How would you determine 'normal value' in case of import from non-market economy countries?

Q9] Discuss provisions for valuation for exports, if value cannot be determined on basis of transaction value.

Q10] Explain briefly the procedure for assessment and clearance of imported goods through a Customs Sea Port under the Customs Act, 1962.

Q11] Mr. A, a person holding Indian passport, brings 1 Kg Gold, out of which Rs. 3,60,000 are in form of biscuits and balance of Rs. 40,000 in form of gold jewellery which he was using abroad. (valued at international rates). What is the duty payable if (*a*) the person is returning after 3 months stay (*b*) the person is returning after 9 months stay abroad and the Gold belongs to him. (*c*) the person is returning after 8 months stay abroad and the Gold belongs to his friend, who has given it only for carrying to India. (*d*) He is returning after 18 months' stay abroad (ignore difference due to minor impurities in jewellery).

Q12] Explain provisions under Customs Act relating to Interest on warehoused goods.

Q13] Discuss the Government policy to set up a Special Economic Zone (SEZ).

Q14] Explain special provisions regarding burden of proof for Goods covered u/s 123 of Customs Act.