

- (ii) Packing Charges – \$ 3,000
- (iii) Paid Commission in India to the broker
– Rs. 10,000
- (iv) Freight from America to Indian Port –
\$ 2000
- (v) Insurance Premium – \$ 1,000
- (vi) Exchange Rate :
- (I) Declared by the Board – 1 Dollar =
Rs. 60.00
- (II) Declared by the R. B. I. – 1 Dollar =
Rs. 60.50
- (vii) Rate of Basic Customs Duty – 10%
- (viii) On similar goods the rate of Excise duty
payable in India – 12.5%
- (ix) SAD @ 4% and Education Cess and
SHEC @ 3% is leviable.
- (c) An Indian Dealer imported 30 machines from
American @ 200 Dollars per machine.

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**SX/S-4/UG(A) —
B. Com (VIII)**

2017

Time : 3 hours

Full Marks : ~~100~~ 70

*Candidates are required to give their answers in
their own words as far as practicable.*

The questions are of equal value.

Answer any five questions.

1. What do you mean by Indirect Tax ? State its salient features and distinguish it from Direct Tax.
2. What do you understand by "Place of Provision of Service" ? Discuss the rules for place of provisions of service.
3. Discuss the various Import and Export procedures mentioned under Indian Customs Act.

4. (a) What is Reverse Charge Mechanism ? Point out the cases under 100% Reverse charge Mechanism.
- (b) Differentiate among Excise Duty, Customs Duty and Central Sales Tax.
5. Explain the procedure for obtaining registration under Central Excise Act, 1994.
6. (a) What are the different approaches for charging Service Tax ? State the different services covered under "Negative List".
- (b) ABC Stock Brokers Ltd. is a registered Stock broker of Mumbai Stock Exchange who furnishes the following information for services provided by it during the quarter ending December 2016 :
- (i) Brokerage charged from investors for transaction (Sale/Purchase of listed Securities) on behalf of investors :

2016. VAT payable by Multan Chand and Sons on various sales for the period are as under :

- (I) On Taxable Sales made in the State – Rs. 1,70,000.
- (II) CST on Inter State Sales to other registered dealers – Rs. 30,000.

Calculate net VAT liability of the firm for the period.

- (ii) Mr. A buys an article for Rs. 10,000 and pays 7% tax. He sells the same article for Rs. 13,000 and charges 9% tax. Find the VAT paid by Mr. A.

8. (a) What do you mean by Customs Duty ? Discuss the various types of Customs Duty in India.
- (b) X Co. imported goods from America. From the following informations determine the Customs Duty Payable :
- (i) Cost of Goods – \$ 15,000

- (ii) VAT charged by registered dealers of the State – Rs. 2.6 lakh.
- (iii) Goods purchased from unregistered dealers – Rs. 5 lakh.
- (iv) Goods sold during the period – Rs. 30 lakh.
- (v) Goods Imported from other States – Rs. 6 lakh.
- (vi) CST charged by dealers of other States – Rs. 12,000.
- (vii) Closing Stock – Rs. 5 lakh.

Compute the amount of net VAT Liability under State VAT Law.

- (c) (i) Multan Chand and Sons is a registered dealers of the State, they have paid Rs. 3 lakh as VAT against the goods bought from a registered dealer of the State during the quarter ending 30th June,

Rs. 20 lakh (out of this certain transactions were entered into through sub brokers and a brokerage of Rs. 4.80 lakh were paid to various sub brokers).

- (ii) Brokerage for transactions in listed Securities for other brokers – Rs. 3.40 lakh.
 - (iii) Commission / Brokerage for Arbitrage Transactions for other brokers – Rs. 5.00 lakh.
 - (iv) Brokerage for purchase/sale of listed securities through a Delhi based broker of Rs. 6 lakh (out of this, brokerage of Rs. 2.40 lakh was paid to Delhi broker)
 - (v) Underwriting Commission for underwriting issue of BPT Ltd. – Rs. 20 lakh.
 - (vi) Demat charges – Rs. 26 lakh
- Compute value of Taxable service and Service Tax Payable by ABC stock brokers.

(c) "Look out" is an interior decorator of Indore providing consultancy service relating to planning, designing, beautification of interiors. They also render value and Fengsui Consultancy. Following are the details of income and expenditures for the quarters ending 31st December, 2016 :

- (i) Consultancy charges for designing and beautification of interiors – Rs. 4,56,600.
- (ii) Consultancy Charge for landscape designing – Rs. 2,42,500.
- (iii) Vastu Consultancy Charges – Rs. 1,75,300
- (iv) Fengsui Consultancy Charges – Rs. 86,900
- (v) Services provided as director of film, designing sets and structures for shooting temporarily – Rs. 2,56,700.

(vi) Charges for supply of materials, items of decoration – Rs. 3,76,400.

They got reimbursed out of pocket expenses on actual basis from clients Rs. 89,600.

Calculate the value of Taxable Services and amount of Services Tax Payable by lookout.

7. (a) What is value Added Tax ? Discuss its variants and methods.

(b) S Traders, a registered dealer, selling goods which is vatable @ 13%. The firm purchases goods from other registered and unregistered dealers of the state and also import from other States. Sales and Purchases figures relating to the quarter ending 30th September, 2016 are as under :

(i) Goods Purchased form registered dealers of the State – Rs. 20 lakh.

9. (a) Discuss the kinds of Excise Duty .Give its merits and demerits.

(b) A manufacturer prepared an invoice as under:

(i) Price of Goods (including Excise Duty and VAT @ 6%) – Rs. 3,00,000.

(ii) Advertising, publicity and marketing expenses – Rs. 20,000

(iii) Outward handling charges in the factory – Rs. 500

(iv) Outward freight and insurance – Rs. 20,000.

(v) Allowed discount @ 15% on price of the goods.

If the rate of Central Excise duty is 12.5%, how much amount he should charge from the customer as duty.

(c) Gupta Electronics Ltd. manufactures mixer grinders. It gets order for 2,000 mixers. For

this order following items charged by Sumeet

Ltd :

(i) Price of per mixer – Rs. 3,400

(ii) Packing charges per mixer – Rs. 100

(iii) Trade discount @ 5% on Rs. 3,400

(iv) Transit insurance premium – Rs. 2,000

(v) Outward freight – Rs. 24,000 and Internal Transport – Rs. 5,800.

(vi) Bank charges for recovery of Sales Price is Rs. 1,400.

(vii) Special discount on selling price @ 10% if buyer is ready to make full payment as on advance. Buyer had paid advance for 1,000 mixers.

Find the assessable value. Also find out amount of excise duty if rate of duty is 12.5%.

10. Write short notes on any two of the following :

- (a) VAT Invoice
- (b) Export and Import Manifest
- (c) Inclusions and Exclusions
- (d) Mega Exemption Notifications



However the following expenses are not included in it :

- (i) Packing charges 10 Dollars Per Machine
- (ii) Transportation charges to Indian Port 100 Dollars.
- (iii) Transit Insurance Premium 30 Dollars
- (iv) Brokerage (excluding buying Commission) – 60 Dollars.

The dealer incurred the following expenses after delivery at the port :

- (I) Transportation charges from port to his godown – Rs. 3,000
- (II) Insurance Premium – Rs. 500
- (III) Octroi – Rs. 2,000

Compute assessable value to determine Customs duty. Exchange rate is :- 1 Dollar Rs. 60.