

(L)

SYBAF
OP3AAZ

Taxation II

Time : 2 & ½ Hours

March-2016

Marks : 75

Instructions:

1. All questions are compulsory carrying 15 Marks each, subject to internal choice.
2. Use of a simple calculator is allowed.
3. Working note should form part of your answer.

Q.1. Multiple Choice : (Any eight)

(8)

- A). 1. Excise duty can be levied on those goods which are
- a). Manufacture in India
 - b). Sold in India
 - c). Removed from the factory
 - d). None of the above
2. The excise duty on alcoholic goods manufactured by the manufacturer is payable to
- a). State Government
 - b). Central Government
 - c). Corporation
 - d). Local Authority
3. Which of the following duties is under the purview of the State Government
- a). Central Excise duty
 - b). Custom Duty
 - c). Service Tax
 - d). VAT
4. Which are the goods still under physical control
- a). Plastic product
 - b). Cigarette product
 - c). Apparel product
 - d). Glass Product
5. Personal Ledger Account must be prepared in
- a). Triplicate
 - b). Single
 - c). Double
 - d). Quaduplicate
6. Service Tax is a tax on
- a). Profession
 - b). Trade
 - c). Service
 - d). All the above
7. Service Tax is administered by
- a). Excise Department
 - b). Central Government
 - c). State Government
 - d). Custom Department
8. Service Tax Code No is a 15 digit
- a). numeric code
 - b). alpha code
 - c). complex code
 - d). alpha-numeric
9. E-filing of Return is
- a). Voluntary
 - b). Mandatory
 - c). Optional
 - d). None of these
10. Transfer of title means change in
- a). Ownership
 - b). Custody
 - c). Possession
 - d). Name

(PTO)

Q.1

B) Match the Following : (Any seven)

Group A	Group B
1. Income Tax	1. 30 days
2. Excise	2. 45 days
3. Excise duty becomes chargeable on	3. Certification of Registration
4. Manner of payment of duty	4. Application for Registration
5. Registration	5. Half yearly Return of any assessee
6. Daily Stock Account	6. Rule 10
7. ST-1	7. Rule 9
8. ST-2	8. Rule 8
9. Time specified for issue of invoice	9. Manufacture of goods
10. Payment of service tax	10. Direct Tax
	11. Indirect Tax
	12. Levied only by State Government

Q.2 How will the assessable value be determined under Section 4 of the Central Excise Act, 1944? (08)

A) Contracted wholesale price for delivery at the buyer's premises 99,000
This includes the following elements of cost:

(i) Direct Material	5,000
(ii) Direct Labour	4,000
(iii) Excise duty	4,800
(iv) Sales Tax	2,400
(v) Selling Expenses	1,100
(vi) Freight and Insurance charges paid for transportation from factory to buyer's premises	10,000

Q.2 Mr Raja is owing certain properties which he is given as follows. The said sum includes rent from: (07)

No.	Particulars	Amount
1.	A building was let out to Omkar Coaching Classes of TYBCOM	4,00,000
2.	A Ganesh temple hall was let out for religious purpose for general public	5,00,000
3.	Houses are let out to individuals for residential purpose	7,00,000
4.	Vacant land used for animal husbandary	8,00,000
5.	A building was let out to Vidya Prasarak School	9,00,000
6.	A building was let out to be used as corporate office	8,00,000
7.	A building was let out to RBI	3,00,000

Compute the amount of service tax payable by Mr. Raja assuming the rent is exclusive of service tax in each case. Ignore Small Service Provider's exemption.

OR

- Q.2** Kunal TV Ltd is engaged in the manufacture of colour television sets having its factories at Bangalore and Pune. At Bangalore the company manufactures picture tubes which are stock transferred to Pune factory where they are consumed to produce television sets. Determine the Excise duty liability of the captively consumed picture tubes from the following information: (08)
- A).**

Particulars	Rs.
Direct Material cost (per unit)	550
Indirect Material	60
Direct Labour	90
Indirect Labour	60
Direct Expenses	110
Indirect Expenses (related to production)	60
Administrative overheads (not related to production)	70
Selling and Distribution overheads	99

Additional Information:

- (i) Excise duty rate applicable is 16% (plus Education Cess @ 3%)

- Q.2** Mr Baja is furnishes you following information. (07)
- B).**

No.	Particulars	Amount
1.	Renting of property to an educational body	1,00,000
2.	Renting of vacant land for animal husbandary	2,00,000
3.	Government department allots houses to its employees and charge a license fee	3,00,000
4.	A building let out to Private Hospital	5,00,000
5.	A building located at Jammu was let out for office purpose	6,00,000
6.	Loan processing fee charged	7,00,000
7.	Debit card related service	8,00,000

Compute the amount of service tax payable by Mr. Baja assuming the amount is exclusive of service tax in each case. Ignore Small Service Provider's exemption.

- Q.3** How will the assessable value be determined under Section 4 of the Central Excise Act, 1944? (08)
- A).**

Contracted wholesale price for delivery at the buyer's premises	59,000
This includes the following elements of cost:	
(vii) Direct Material	4,000
(viii) Direct Labour	6,000
(ix) Excise duty	10%
(x) Sales Tax	10%
(xi) Selling Expenses	2,100
(xii) Transportation cost upto factory gate	10,000
(xiii) Transportation cost from factory gate to buyer premises	1,000

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Q.3 Determine the point of taxation in each of following independent cases in accordance with point of taxation. (07)

No.	Date of Actual provision of service (completion of service)	Date of Invoice	Date on which payment is received
1.	10-05-2015	30-05-2015	15-06-2015
2.	10-05-2015	30-05-2015	15-05-2015
3.	10-05-2015	30-05-2015	15-05-2015 Part amount and 10-06-2015 Balance amount
4.	10-05-2015	30-05-2015	11-05-2015 Part amount and 12-06-2015 Balance amount
5.	10-05-2015	12-06-2015	30-05-2015
6.	10-05-2015	12-06-2015	05-05-2015 Part amount and 25-05-2015 Balance amount
7.	10-05-2015	12-06-2015	12-07-2015

OR

Q.3 Based on the following information, determine the CENVAT Credit available for use in current year under the CENVAT Credit Rules, 2004. (08)

Particulars	Excise duty paid at the time of purchase
(a) Machinery use in factory	25,000
(b) Machinery use in office	5,000
(c) Equipments used in office	12,000
(d) Equipments used in factory	10,000
(e) Input - Raw Material	6,000
(f) Input- Other Material	4,000

Q.3 Determine the point of taxation in each of following independent cases in accordance with point of taxation. (07)

No.	Date of Actual provision of service (completion of service)	Date of Invoice	Date on which payment is received
1.	11-05-2015	13-05-2015	12-05-2015
2.	11-05-2015	12-07-2015	10-05-2015
3.	12-05-2015	22-05-2015	21-05-2015
4.	12-05-2015	22-05-2015	23-06-2015
5.	14-05-2015	22-05-2015	21-05-2015 Part payment 23-05-2015 Balance payment
6.	14-05-2015	17-05-2015	15-05-2015 Part payment 16-05-2015 Balance Payment
7.	15-05-2015	17-08-2015	14-05-2015 Part payment 16-05-2015 Balance payment

Q.4

(08)

A). How will the assessable value be determined under Section 4 of the Central Excise Act, 1944?

Contracted wholesale price for delivery at the buyer's premises 11,09,000
This includes the following elements of cost:

Direct Material cost (per unit)	12,000
Indirect Material	33,000
Direct Labour	44,000
Indirect Labour	5,600
Direct Expenses	21,000
Insurance upto factory gate	44,500
Advertisement	64,000
Transportation from factory gate to buyer premises	7,500
Sales Tax	10%
Excise dut	20%

Q.4

(07)

B). From the following information, determine service tax leviable @ 12.36% for first time w.e.f. 01-08-2015 through a notification issued by the service tax department

No	Date of Actual provision of service (completion of service)	Value of Taxable service (Exclusive of Service Tax)	Date of Invoice	Date on which payment is received
1.	01-07-2015	2,00,000	25-07-2015	30-07-2015
2.	01-07-2015	4,00,000	30-07-2015	05-08-2015
3.	30-07-2015	8,00,000	17-08-2015	30-04-2015
4.	01-08-2015	10,00,000	30-08-2015	15-08-2015
5.	15-07-2015	12,00,000	16-07-2014	30-07-2015- Rs. 5,00,000 15-08-2015 Rs. 7,00,000
6.	30-07-2015	14,00,000	17-08-2015	30-07-2015

OR

Q.4

(08)

A). Determine the Assessable Value , cost of production and excise duty payable on manufacture of the under mentioned product for purpose of captive consumption in terms of Rule 8 of the Central Excise Valuation Rules, 2000

Particulars	Rs.
Direct Material cost (per unit)	10,000
Indirect Material	4,440
Direct Labour	5,400
Indirect Labour	3,600

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Direct Expenses	4,500
Indirect Expenses (related to production)	4,560
Administrative overheads (not related to production)	5,470
Selling and Distribution overheads	6,700

Additional Information:

- (ii) Excise duty rate applicable is 16% (plus Education Cess @ 3%)

(07)

Q.4 B). Mr B furnishes you following information.

No.	Particulars	Amount
1.	Development & Design Charges	1,00,000
2.	Upgradation of software	2,40,000
3.	Placement Services	7,00,000
4.	Receipts of Saraswati school providing education upto higher secondary	3,60,000
5.	Providing education upto primary level	3,20,000
6.	Normal Rooms let out at declared tariff of Rs 600 per room day	5,00,500
7.	Renting of land and building for entertainment or sports	6,30,000

Compute the amount of service tax payable by Mr. B assuming the amount is exclusive of service tax in each case. Ignore Small Service Provider's exemption

- Q.5 a. Explain Rules of Interpretation as per Excise Law (08)
 b. Explain Negative List. Where specified services are not taxable. (07)

OR

- Q.5 Short Notes (Any three out of five) 5 Marks each (15)
- Excisable Goods
 - Procedure for Payment of Service Tax.
 - General Exemption from Service Tax
 - Explain Rule 4 "When price not known on removal"
 - Types of rates in Central Excise Law