



SE – 429

**VI Semester B.Voc. Examination, September 2020
(CBCS) (2018-19 and Onwards) (Repeaters)
Paper – 6.3 : INDIRECT TAXES
Retail Management**

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written **completely in English.**

SECTION – A

Answer **any 5** of the following questions. **Each** question carries **2** marks. **(5×2=10)**

1. a) What do you mean by Customs Duty ?
- b) Give the definition of 'Assessment' under Customs Act.
- c) Write two types of Customs Duty.
- d) Expand NCCD and CVD.
- e) What is CST ?
- f) Define ' Goods' under Customs Act.
- g) Define Form 'A'.

SECTION – B

Answer **any 3** of the following questions. **Each** question carries **6** marks. **(3×6=18)**

2. Write objectives of custom duties.
3. Calculate the Assessable Value from the following information :

a) FOB value	\$ 20,000
b) Air freight	\$ 4,500
c) Insurance charges	Not known
4. A consignment is imported by air. CIF price is 2,000 Euro. Air freight is 550, Euro and insurance cost is Euro 50. Exchange rate announced by CBE and C as per customs notification is 1 Euro = Rs. 54.15. Basic customs duty payable is 10%. Excise duty on similar goods produced in India is 16%. Education cess is applicable. Find the total custom duty payable.

P.T.O.



5. From the following information determine CST for the financial year 2016-17, when a sale is effected from Bengaluru to Mumbai.
- a) Invoice No. : 0528
 - b) Sale price : 6,00,000
 - c) CST : 22%
 - d) Trade discount : 8%
 - e) Cash discount : 2%
 - f) Quantity supplied : 10,000 kgs
 - g) Quantity rejected by buyer within 3 days of delivery : 1,000 kgs.
 - h) Quantity returned by buyer after 6 months of dispatch : 2,000 kgs.
6. Techno Ltd. Imported certain goods from USA through Mumbai port at a cost of \$ 2,50,000 FOB. The other details are as follows :
- i) Air freight : \$ 40,000
 - ii) Packing charges : \$ 4,000
 - iii) Insurance : \$ 2,000
 - iv) Design and development charges : \$ 16,000
 - v) Rate of exchange announced by RBI : Rs. 78,00/\$
 - vi) Rate of exchange notified by the Central Board of Excise and Customs Rs. 78.40/\$

Compute the assessable value of the imported goods.

SECTION – C

Answer **any three** of the following questions. **Each** question carries **fourteen** marks.

(3×14=42)

7. Compute the assessable value and custom duty payable from the following information :
- i) FOB value of machine – 16,000 UK pounds
 - ii) Freight Paid (air) – 5,000 UK pounds
 - iii) Design and development charges paid in UK – 1,000 UK pounds
 - iv) Commission payable to local agent @ 2% of FOB in Indian rupee
 - v) Date of bill of entry – 24-10-2003 (Rate BCD 20%, Exchange rate as notified by CBE and Rs. 68 per UK pound.)
 - vi) Date of entry inward – 20-02-2003 (Rate of BCD 18%, Exchange rate as notified by CBE and Rs. 70 per UK pound)
 - vii) Insurance charges actually paid but details not available.

8. Arun & Co. is a dealer in an petroleum product at Mangalore, chargeable to CST at 22%. For the year ended 31.3.2017, the dealer has shown total turnover (including CST) at Rs. 38,76,000. In the above, the dealer has treated the following amount thus :

- i) Collected from buyers, shown separately in invoice Rs. 28,000
- ii) Weighment Charges incidental to sale Rs. 2,20,000. The dealer has recorded the following amount in separate folios in the ledger.
- iii) Packing charges (these have been collected from buyers through Debit notes) Rs. 45,000
- iv) Cash discount allowed to buyer Rs. 18,000
- v) Indemnity/guarantee charges collected from buyer to cover loss during transit Rs. 12,000
- vi) Marine insurance premium for transporting goods to the premises of buyers, collected from the buyers Rs 32,000

Determine the total and taxable turnover under CST Act 1956 for the financial year 2016-17. You are required to show the treatment of each and every item distinctly.

9. Mani & Co. purchased goods from XYZ Co. for Rs. 3,00,000 (Excluding VAT). His expenses are :

Salary and wages – Rs. 50,000, Rent – Rs. 10,000, Depreciation – Rs. 10,000, Profit – Rs. 20,000. His selling price is Rs. 3,90,000

The VAT rate is 10% (sales tax rate), calculate VAT by different methods.

10. A company imported a machine from USA of CIF price is 3,300 Dollars. From the following information determine the assessable value and customs duty payable.

- i) Freight from America to Indian airport 330 Dollars
- ii) Insurance 75 Dollars
- iii) Design and development charges paid to consultancy firm in USA 1,000 Dollars
- iv) The company also spent an amount of Rs. 6,600 in India for installation of machine.
- v) Exchange rate as notified by CBE and C is Rs. 58.50 = 1 Dollar
- vi) BCD payable is 13%
- vii) Special CVD 4%
- viii) Education cess 3%
- ix) CVD payable 10%



11. During 2016-17, the gross inter-state sales made by ABC Pvt. Ltd. of Maharashtra is Rs. 71,70,000. Although the central sales tax is not shown separately, the following information is available from the records of the company.

- i) The company sells alcohol in human consumption.
- ii) CST : 22%

Information regarding sales with and without C form is as follows :

Particular	Amount
Gross sales	27,50,000
It includes the following :	
Freight [not being shown separately]	72,000
Freight [shown separately]	25,000
Packing charges	29,000
Cost of installation [shown separately]	1,50,000
Insurance charge to cover the risk of the seller	22,000
Insurance charges for covering the risk of buyer at the request of buyer	1,20,000

The following items have not been deducted to calculate gross sales turnover :

Particular	Amount
Trade discount [given by way of credit note on March 31, 2017]	30,000
Goods returned within 6 months	1,50,000
Incentive bonus for addition sale	30,000

Ascertain the sales turnover and Central Sales Tax Payable. (Invoice No. : 00707)