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Reg. No.

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VI Semester B.Voc.(RM) Degree Examination, September - 2021

RETAIL MANAGEMENT

Indirect Taxes

Paper : 6.3

(CBCS Scheme (F+R) 2018-19 Onwards)

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer All sections. Answer should be written in English only.

SECTION - A

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

1. a. What do you mean by place of Business?
- b. What is protective duty?
- c. What is CENVAT?
- d. What is specific duty?
- e. Expand CVD, TIN.
- f. From the following information calculate total excise duty payable
MRP of a product = Rs. 30,000
Rebate allowed = 10%
BED = 12.5%
- g. Give the meaning of ITC.

SECTION - B

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

2. What are the Merits and Demerits of VAT.
3. Distinguish between Inter state and Intra state sale.

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4. Mahindra Ltd. Imported some goods from XYZ Inc. of united states by air freight. You are required to compute the value for purposes of custom duty under the custom act, 1962 from the following particulars.

CIF value - US \$ 6000

Freight paid - US \$ 2000

Insurance cost - US \$ 700

The bank had received payment from the importer at the exchange rate US \$ = 1 = Rs. 60.5 while the CBEC notified exchange rate on the relevant rate was US \$ 1 = Rs. 60.

5. Determine the assessable value under excise Act from the following.

Sale price for delivery at buyer's premises Rs. 20,00,000 which includes the following cost of primary packing Rs. 8000.

Freight and insurance from Factory to place to removal Rs. 25,000.

Freight and insurance from place of removal to buyer's premises Rs. 20,000:

VAT Rs. 80,000; Octroi Rs. 2,000 and excise duty Rs. 1,05,400. Discount was allowed Rs. 10,000.

6. Purchases by Sri Sai Co. for the month of December are as follows :

1. Rs. 100000 at 4% VAT.
2. Rs. 500000 at 12.5% VAT

Sales of S & Co for the month of December are as follows :

1. Sales of Rs. 3,00,000 at 4% VAT.
2. Sales of Rs. 3,00,000 at 12.5% VAT.

Compute eligible Input tax credit and VAT payable for the month.

SECTION - C

Answer any **THREE** of the following questions. Each question carries 14 marks.(3×14=42)

7. Patel engineering Ltd has imported a machine by air from US. Bill of entry is presented on 18-7-2020. However entry inwards is Granted on 7.7.2020. The relevant details of the transactions are provided as follows.
1. CIF value of mahine imported \$ 13000
 2. Air freight paid \$ 2800.
 3. Insurance charges padi \$ 200.



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Rate of exchange as.

| Announced by | As on 18/7/20 | As on 7/7/20 |
|--------------|---------------------|---------------------|
| CBIC | 1 US \$ = Rs. 66 | 1 US \$ = Rs. 65 |
| RBI | 1 US \$ = Rs. 66.10 | 1 US \$ = Rs. 67.10 |

Calculate the assessable value in rupees for the purpose of levy of custome duty as well as total custome Duty if BCD = Nil and IGST = 18%.

8. Compute the VAT liability of Mr. Suman for the month of March 2021, using Invoice method of computation of VAT from the following particulars.

| Particulars | Rs. |
|------------------------------------------------------------------------------------|----------|
| Purchase price of the inputs purchased from the local market (Inclusive of VAT) | 1,30,000 |
| VAT rate on purchases | 4% |
| Storage cost incurred | 1,250 |
| Transport cost | 4,750 |
| Goods sold at a profit margin of 5% on cost of such goods | |
| VAT rate on sales | 12.5% |

9. From the following information compute taxable turnover of Mr. Krishna Registered dealer (Bangalore under CST Act for the financial year 2020-21).

- Gross amount received by the dealer Rs. 8,00,000.
- Sale of goods out side the state Rs. 50,000.
- Sale of goods in course of export outside India Rs. 1,50,000.
- Sale within the state Rs. 1,00,000.
- Cost of freight and installation charged separately but included in the turnover (in the course of interstate sale) Rs. 5,000.
- Subsequent sale in the course of interstate sale Rs. 1,95,000.
- Invoice No. 00363636.

10. Max India Ltd is engaged in the manufacture of machines. It has supplied machine to M/S Z Co. with the following details. Determine the total amount of central excise duty and cess payable there.

| Particulars | Rs. |
|------------------------------------------------|----------|
| 1. Price of machine excluding taxes and duties | 8,50,000 |
| 2. Installation and direction expenses | 30,000 |

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| 3. | Packing charges | 12,500 |
| 4. | Design and engineering charges | 4,000 |
| 5. | Cost of material supplied free of charge by buyer | 10,000 |
| 6. | Pre - delivery inspection charges | 1,000 |

Other information:

- i. Cash discount at 2% on price of machinery is allowed as per terms of contract because the buyer made full payment in advance.
 - ii. Bought out accessories worth Rs. 8000 supplied with the machine.
 - iii. The rate of central excise duty is 12.5% and Education cess as applicable.
11. From the following particulars, Calculate - Assessable value and total custom duty payable.
- a. Date of presentation of bill of entry 20.6.2020 [Rate of BCD 15% Exchange Rate Rs. 61.60 and rate notified by CBEC Rs. 61.80].
 - b. Date of arrival of goods in India 30.6.2020 [Rate of BCD 10% : Exchange rate Rs. 59.70 and rate notified by CBEC Rs. 59.90].
 - c. Rate of Additional Customs Duty 14%.
 - d. CIF value 2000 US dollars : Air freight 500 US dollars, insurance cost 100 US dollars. [Landing charges not ascertainable].
 - e. Education cess applicable 2% and SHEC is 1% Assume there is no Special CVD.
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