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V Semester B.Com. Examination, November/December 2014
(Semester Scheme) (Fresh)
(2014-15 and Onwards)
COMMERCE (Paper – II)
5.6 : Business Taxation – I (Elective – I)

Time : 3 Hours

Max. Marks : 100

Instruction: Answer should be written **completely** either in **English** or **Kannada**.

SECTION – A

Answer **any 10** sub-questions. **Each** sub-question carries **two** marks. (2×10=20)

1. a) Expand BCD and SAD.
- b) Define Broker as per Central Excise Act.
- c) What is CST ?
- d) Expand TIN and NCCD.
- e) State any two features of CST.
- f) State various kinds of customs duty.
- g) What is central excise duty ?
- h) What do you mean by zero rated sales ?
- i) Mention any four goods Exempted from VAT.
- j) Define registered dealer as per CST Act.
- k) From the following information calculate assessable value
FOB = 8000 UK pounds
BCD = 10%
Exchange rate notified by CBE and C Rs. 56 = 1 pound
Exchange rate announced by RBI Rs. 55 = 1 pound
- l) From the following information calculate Total Excise duty payable
MRP of a product = Rs. 10,000
Rebate allowed = 10%
BED = 10%



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SECTION – B

Answer **any 4** questions of the following. **Each** question carries **8** marks. (8×4=32)

2. Explain the various types of central excise duty.
3. Write the features of VAT.
4. ABC Ltd. imported goods from USA at a cost of US Dollors 19,000 FOB. The other details are as follows.
- | | |
|------------------------------|--------------|
| a) Transit Insurance | 1,900 Dollor |
| b) Commission to local agent | Rs. 5,800 |
| c) Sea freight charges | 5,500 Dollor |
| d) Packing charges | 4,300 Dollor |
- e) Design and development charges of 5,000 dollors were paid to consultancy firm in USA.
- f) Rate of exchange notified by CBE and C Rs. 58 = 1 Dollor
- g) Rate of exchange announced by importer bank Rs. 59 = 1 Dollor
- Compute Assessable value of the imported goods.
5. From the following calculate taxable turnover and CST payable of a dealer under CST Act.
- | |
|---|
| i) Gross turnover ₹ 15,00,000 |
| ii) Exports to USA ₹ 6,00,000 |
| iii) Freight (shown separately) ₹ 80,000 |
| iv) Cash discount ₹ 20,000 |
| v) Installation charges (shown separately) ₹ 50,000 |
| vi) Goods return within six months ₹ 20,000 |
| vii) CST is 2% included in GTO |
| viii) Trade discount ₹,1,00,000 |
6. Determine the assessable value for the purpose of Excise duty from the following information.
- | | |
|---|-------------|
| cum. duty selling price including of sales tax at 3% is | Rs. 28,000. |
| Rate of Excise duty is | 10% |
| Freight | Rs. 6,000 |
| Insurance on freight | Rs. 1,000 |
| Insurance (not shown separately) | Rs. 500 |



SECTION – C

Answer **any three** of the following questions. **Each** question carries **16** marks. **(16×3=48)**

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

- i) Freight from America to Indian airport 330 Dollors
- ii) Insurance 75 Dollors
- iii) Design and development charges paid to consultancy firm in USA 1000 Dollors
- 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 Dollor
- vi) BCD payable is 13%
- vii) Special CVD 4%
- viii) Education cess 3%
- ix) CVD payable 10%

8. From the following information furnished by a dealer in Tamil Nadu. Compute the amount of Tax payable under CST Act. The sales tax rate is 14%.

Particulars	Inter State sale with form 'C' (₹)	Inter State sale without form 'C' (₹)
Gross turnover	16,00,000	7,00,000
Gross sales including the following		
Packing charges	3,500	1,500
Design charges	1,500	800
Trade discount	800	300
Exports	2,40,000	—

2)



	Freight (shown separately)	2,000	700
	Freight (not shown separately)	18,000	13,000
	Goods returned within 3 months	1,500	1,200
	Installation expenses (shown separately)	5,600	5,100
	Goods rejected within 8 months	3,000	1,600
	Sale outside States	9,000	8,000
	Commission for additional sales	3,500	1,500
	Excise duty	1,50,000	50,000
9.	Goods worth ₹ 70,000 were sold within the State (included in GTO 7,00,000)		

9. The following goods are manufactured and sold by Mr. Narayana.

Items	No. of units sold	Rate per unit
A	3000	18
B	6000	23
C	400	38
D	700	28

The other information are

- All goods are given 18% rebate
 - Company purchased inputs of ₹ 1,70,000 and paid tax @ 12%.
 - All goods are levied with 16% BED
 - Company purchased Machinery of ₹ 5,00,000 on which tax paid was ₹ 25,000
- Calculate net excise duty payable.

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10. From the following information compute taxable turnover of a dealer of Bangalore under VAT.

Rate of VAT is 12.5%

Gross turnover	₹ 23,00,000
Sale of students note book in Karnataka	₹ 50,000
Sale in course of Exports	₹ 8,00,000
Sale of shares and debentures	₹ 3,00,000
Goods returned within 3 months	₹ 75,000
Sale in M.P.	₹ 50,000
Trade discount	₹ 1,00,000
Cash discount	₹ 40,000
Sale against 'C' form	₹ 2,00,000
Sale in Kerala	₹ 10,000