



NS – 458

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V Semester B.Com. Examination, November/December 2016  
(Repeaters 2014 – 15 & Onwards)

COMMERCE

Paper – 5.6 : Elective – I : Paper – II : Business Taxation – I

Time : 3 Hours

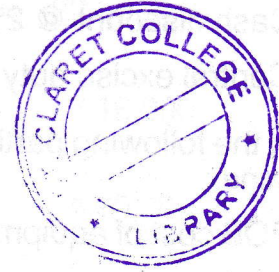
Max. Marks : 100

**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) Define Goods.
- b) What is specific duty ? Give an example.
- c) What is turnover under CST Act ?
- d) What is auxiliary duty of Customs ?
- e) Expand TIN and NCCD.
- f) Calculate Assessable Value from the following.  
Cum Duty selling price ₹ 50,000  
Outward transport charges ₹ 4,000  
Cash discount ₹ 2,000, Rate of ED 12%.
- g) What is CENVAT ?
- h) Write any two features of Indirect tax.
- i) Write any two exemptions from Custom Duty.
- j) Calculate total custom duty if Assessable Value ₹ 40,000; BCD payable @ 10% and CVD @ 12%.
- k) What do you mean by 'Baggage' ?
- l) Write any two de-merits of VAT.



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## SECTION – B

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

2. What is VAT ? Explain Tax Rates under VAT.
3. What are the features of CENVAT ?
4. Compute Excise Duty Payable from the following information :
  - i) Price of Machinery ₹ 5,00,000
  - ii) Installation charges ₹ 22,000
  - iii) Design and engineering charges ₹ 2,000
  - iv) Packing charges ₹ 11,000
  - v) Pre-delivery charges ₹ 400
  - vi) Cash discount @ 2% on cost price of machinery
  - vii) Central excise duty rate @ 12%.
5. From the following particulars determine the assessable value of the imported machine.
  - a) FOB cost of equipment = 2,00,000 ¥ (Japanese Yen)
  - b) Freight charges = 20,000 ¥
  - c) Charges for development connected to equipment paid in India ₹ 72,000
  - d) Insurance charges paid in India for transportation from Japan ₹ 15,000
  - e) Commission payable to agent in India ₹ 20,000
  - f) Exchange rate as per RBI is 1 ¥ = ₹ 0.62  
 Exchange rate as per CBE & C 1 ¥ = 0.65  
 Landing charges @ 1% of CIF Cost.
6. M/S. Kumar is a registered dealer of Bengaluru. Calculate CST payable from the following information.
 

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Gross turnover	20,00,000
Intra-State sales	20,000
Insurance to cover the risk of the buyer	5,000
Freight shown separately	10,000
Freight not shown separately	18,000



Commission for additional sales	14,000
Stock transfer	16,000
Goods rejected within 3 months of sale	5,000
Subsequent sales	25,000

SECTION – C

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

(16×3=48)

7. Mr. Sukesh is a registered dealer and gives you the following information. Compute VAT liability for the year ended 31-3-2016.

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a) Purchase of raw material within State (2000 units, inclusive of VAT levy at 12.5%)	22,50,000
b) Inter State purchases of raw materials, (inclusive of CST @ 4%)	8,16,000
c) Import of packing materials, (inclusive of custom duty of ₹ 20,000)	4,20,000
d) Capital goods purchased on 1-4-2015 (inclusive of VAT levy at 10% Input credit to be spread over 2 financial years)	11,00,000
e) Sales of taxable goods within State, (Inclusive of VAT Levy at 4%)	80,48,000
f) Sales of goods within State, (Exempt from Levy of VAT goods were manufactured from Inter State purchase of raw materials)	24,00,000

8. Calculate CST if Sales turnover (including CST) is ₹ 62,00,000 and sales turnover (excluding CST) is ₹ 62,00,000.

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i) Excise duty	4,00,000
ii) Branch transfer	60,000
iii) Freight from factory to depot	40,000
iv) Design expenses	20,000
v) Trade discount	64,000
vi) Cash discount	72,000



- vii) Goods returned within 6 months 50,000
- viii) Buyer submitted Form C
- ix) Deposit for returnable containers 8,00,000
- x) Installation charges shown separately 80,000
- xi) Installation charges not shown separately 60,000

9. M/S. V.K. Foreign Trade International Ltd. have imported one machine from England. They have given the following information.

- i) FOB value of machine 8,000 pound.
- ii) Air Freight paid 2,500 pound.
- iii) Design and development charges paid in England 500 pound.
- iv) Commission @ 2% of FOB value paid to local agent in Indian Currency.
- v) Date of Bill of entry is 24-10-2011 (rate of BCD is 10%. Exchange rate as notified by CBEC is ₹ 68 per sterling pound.)
- vi) Date of arrival of aircraft is 20-10-2011 when rate BCD was 18%, exchange rate as notified by CBEC was ₹ 70 per sterling pound).
- vii) CVD rate is 12% plus education cess 2% and Secondary and Higher Education cess is 1%.
- viii) Rate of special additional duty is 4%.
- ix) Insurance charges, though actually paid, the details are not available.

Compute the assessable value and determine the customs duty payable by M/S. V.K. Foreign Trade International Ltd.

10. M/S. Piyush manufactured and sold the following goods.

Items	No. of units sold	Rate per unit
A	2,000	10
B	2,500	12
C	500	20
D	1,000	15

**The other information are :**

- a) All goods are given 20% rebate.
- b) Product A and B is given trade discount of 10%.
- c) Company purchased input of worth ₹ 60,000 and paid tax @ 10%.
- d) All goods are levied with 16% BED and 4% SED.
- e) Company purchased machinery for ₹ 5,00,000 on which tax paid was ₹ 50,000.

Calculate Net Excise Duty Payable.