



Reg. No. :

Name :

Third Semester M.Com. Degree (Reg./Suppl./Imp.)
Examination, October 2018
(2014 Admn. Onwards)
COM3C14 : WEALTH TAX AND INDIRECT TAXES



Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any four** of the following. Part (a) of **each** question carries **1** mark, Part (b) carries **3** marks and Part (c) carries **5** marks.

1. a) Define Net Wealth.
 b) Explain the term Assessee as per Section 2(c) of the Wealth Tax Act, 1957.
 c) Explain the Assets chargeable to wealth tax as per section 2(ea).
2. a) State distinction between "transit goods" and "transshipment goods".
 b) State in brief provisions relating to refund of special CVD of 4% paid while importing goods.
 c) PQR Ltd. imported machinery which was kept in warehouse on 1/4/2014. Ex-bond bill of Entry for home consumption was presented on 1/11/2014. It was assessed and returned to PQR Ltd on 3/11/2014. PQR Ltd paid Customs duty payable Rs. 5 lakhs on 14/11/2014 and cleared the goods from the warehouse. Calculate the interest payable by PQR Ltd.
3. a) Is supply to buyer in Nepal considered as "Export" under Central Excise. If payment is received in Indian rupees from Nepalese buyer ?
 b) Explain the distinction between 'goods' and 'excisable goods'.



- c) Following information are available in respect of manufacture of an Engine which has been used for captive consumption within the factory. Calculate the assessable value on which excise duty is payable.

Particulars	Amount (in Rs.)
Cost of Direct materials (inclusive of excise duty of Rs.1545)	16,545
Cost of Direct employees	12,300
Consumable stores and repairs	8,400
Quality control cost	4,300
Research and development cost	2,700
Production overheads	3,000
Administrative overheads	1,500
Selling and distribution cost	3,600
Scrap value realised	1,500

4. a) What are the fees payable to government while applying for Service tax registration ?
- b) Janaki and sons, a firm of advocates provided Service to JKL Manufacturers Ltd. and issues invoice on 15/6/2015 for Rs. 1,00,000/- /JKL Manufacturers Ltd. paid the bill amount of advocates on 20/12/2015. State person liable to pay service tax. Service tax payable and due date of payment of service tax. Assume service tax rate of 14%. Ignore Educational cess.
- c) B Ltd., is engaged in business of renting of immovable properties owned by it. During the year 2014-15, it has collected the following amounts.

	Rs.
i) Vacant land used for agriculture	10 lakhs
ii) Building let out to RBI	12 lakhs
iii) Building let out to Company for office	9 lakhs
iv) Temple hall let out for religious purposes	0.25 lakhs
v) Building located in USA let out to T (who is in Kolkata) for use as hotel.	30 lakhs



- vi) House let out to students for residential purpose 6 lakhs
- vii) Building rented to Zap Secondary School (recognized by Government) 24 lakhs
- viii) Rent from guest house (pre day rent Rs. 500) 1.5 laks
- Calculate service tax payable by considering service tax rate @14%. Ignore Education Cess and SAH education cess.
5. a) Goods are sold in Delhi Airport in duty free shops. Is State Vat (Sales tax) payable on such sale ?
- b) A dealers made interstate sale by charging CST@2% on assumption that buyers will issue C form. However, the buyers did not issue any C form. State implications.
- c) State eligibility of following purchases for availment of Cenvat credit of excise duty paid on those purchased goods :
- 1) Raw material.
 - 2) Petrol.
 - 3) Office equipment.
 - 4) Capital goods used in mines away from the factory.
 - 5) Goods used in canteen for employees.
 - 6) Lubrication oil.
 - 7) Inputs used for making structure for support of capital goods.
 - 8) Spare parts used for maintenance of motor vehicle owned by company.
6. a) A manufacturer availed Cenvat credit on 31.3.2014. What is the time limit within which he must utilise the Cenvat credit, otherwise it lapses ?
- b) State in brief provisions where Parliament can impose restrictions on rate of sales tax (VAT) which can be imposed by State Government on goods sold within the state.
- c) Sathyanarayanan Pvt.Ltd., a manufacturer imported his raw material in a vessel. The assessable value of machinery as per section 14 of Customs Act is Rs. 24,70,000. The Bill of Entry was filled on 28.2.2015 when customs duty payable was 12%. The vessel was granted entry inwards on 4.03.2015, when customs duty rate was 14%. The importer paid customs duty on 12.03.2015, when customs duty rate was 10%. Calculate customs duty payable. Rate of CVD may be taken as 14%. Education cess and SAH Education cess was not payable on CVD.
- Calculate customs duty payable. How much Cenvat credit is available to Sathyanarayanan Pvt. Ltd. (4×9=36)



SECTION - B

Answer the following questions. Each question carries 12 marks.

7. a) Mega Star Hotels Pvt. Ltd., provides the following information relating to their services for the month of September, 2015 :

The hotel has 45 rooms in all, out of which 30 rooms were Delux Rooms with a declared tariff of Rs. 1,200 per day. The other 15 rooms were Semi-Delux Rooms with a declared tariff of Rs. 800 per day. The hotel has the practice of offering 25% discount on Delux Rooms. The occupancy ratio of the rooms on an average was 80%.

Receipts for serving food from Air-conditioned restaurant Rs. 6,00,000.

The above amount includes Rs. 2,00,000 for goods sold on MRP basis across the counter as a part of the bill.

Gross receipts for serving food from non-air conditioned restaurant clearly demarcated and separately named Rs. 4,00,000.

Compute the value of taxable services and tax liability for the month of September 2015 and provide explanations wherever required. Service tax has been charged separately wherever applicable. Mega Star Hotels Pvt. Ltd is not eligible for small service provider's exemption.

OR

- b) Mr. Rohit has to organize the marriage ceremony of his daughter. For this purpose he entered into a contract with M/s. Anila caterers to provide him with erection/laying of Pandal and Shamiana for organizing marriage function along with the facilities like supply of crockery, furniture, sound system, lighting arrangements, etc.

Discuss in the light of case law, if any, the following questions that arise :

- i) Whether the transaction is liable to service tax ?
 - ii) If yes, under what category of service ?
8. a) i) Write a brief note on Physical Verification of Premises with regard to registration process under Central Excise Law.
- ii) Martin Dorairaj wants to know whether he is eligible to claim rebate of duty under rule 18 of the Central Excise Rules, 2002 and provides the following information :



Particulars	Amount (in Rs.)
Duty payable on excisable goods used in the manufacture of other goods for being supplied to SEZ	18,000
Duty payable on raw materials used in processing and supplying them as provision of stores to an aircraft flying to Australia. Processed goods are to be supplied at Mumbai Airport.	16,000
Duty payable on excisable goods and raw materials used in manufacturing of such goods to be supplied to 100% EOU.	6,000

OR

- b) Determine the applicability of service tax in each of the following independent cases :
- i) Construction, erection, commissioning or installation of original works pertaining to an airport.
 - ii) Services provided by way of admission to a national park.
 - iii) The Ambulance services provided by a Manpower recruitment agency.
 - iv) Services by Mutual fund agent to Mutual Fund or Asset Management Company.

(2×12=24)