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**BCMCMC 367**

**Credit Based VI Semester B.Com. Examination, Sept./Oct. 2020  
(2016-17 and Earlier Batches)  
BUSINESS TAXATION – IV  
(GST and Customs Duty)**

Time : 3 Hours

Max. Marks : 120

**Instruction** : Provide working notes *wherever* necessary.

SECTION – A

Answer **any four** questions :

(4×6=24)

1. Write a note on K-VAT and CST.
2. Write a note on Form-C and Form-F under CST Act.
3. State the inclusions and exclusions in transaction value under excise duty.
4. From the following information determine the customs duty payable :
  - a) CIF value ₹ 3,00,000.
  - b) BCD @ 10%
  - c) Rate of excise duty on such goods produced in India 10%
  - d) Special Additional duty 4% and Education Cess 3%.
5. Calculate total turnover of a dealer under KVAT from the following information :
  - a) Sale of plain papers ₹ 50,000.
  - b) Sale of news papers ₹ 2,000.
  - c) Sale of note books ₹ 7,000

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- d) Sale of shares of Reliance Industries Ltd. ₹ 15,000
- e) Sale of vegetables ₹ 6,000.
- f) Sale of cows ₹ 4,500.
6. Karavali Hotels Ltd. has provided the hall for marriage function. Total charges came to ₹ 4,84,000 including food. A discount of 5% was allowed by the assessee. Find out the service tax payable.

## SECTION – B

Answer **any four** questions :

(4×12=48)

7. Explain the term 'dealer' under KVAT Act.
8. Explain the different types of customs duties.
9. A dealer registered under KVAT furnishes the following particulars :
- a) Purchase of I Schedule goods ₹ 14,00,000.
- b) Sale of I Schedule goods ₹ 10,00,000.
- c) Purchase of III Schedule goods ₹ 8,00,000.
- d) Sale of III Schedule goods ₹ 6,00,000.
- e) Purchase of paints from a dealer in Tamil Nadu ₹ 3,00,000.
- f) Purchase of paints from a dealer in Bengaluru ₹ 3,50,000.
- g) Sale of paints : Inter state ₹ 2,10,000  
Within state (Intra state) ₹ 4,00,000.
- h) Purchase of bricks from unregistered dealer (5%) ₹ 1,00,000.



- i) Sale of bricks (50%) ₹ 60,000.
- j) Sales returns of paints within state :
  - a) Within six months – ₹ 20,000
  - b) After six months – ₹ 10,000
- k) Purchase returns of I Schedule goods ₹ 1,00,000.
- l) Sale returns of III Schedule goods ₹ 1,00,000.

Compute the total turnover, taxable turnover, input tax, output tax and net tax payable. CST collected is ₹ 4,200. Sale and purchase exclude tax.

10. The selling price of ABC Batteries inclusive of excise duty @ 10% + 3% education cess and VAT @ 5% is ₹ 2,921 per battery. If 1,000 batteries were produced and sold during the year compute :
- a) Assessable value
  - b) Total excise duty payable.

The cost of inputs used in manufacturing of batteries is ₹ 10,00,000 and Basic excise duty paid is ₹ 82,400.

11. Compute the Service Tax liability during a month by an Ad. agency, in Mumbai from the following information :
- a) Gross bills made for corporate clients ₹ 9,75,000 out of which amount yet to be received ₹ 75,000.
  - b) Gross bills received for non-corporate clients ₹ 3,00,000.
  - c) In relation to corporate clients ₹ 2,00,000 were spent on travel and hotel expenses in Goa.
  - d) Amount paid to different media for carrying advertisements ₹ 8,00,000, commission secured from them ₹ 75,000.



e) A cheque of ₹ 50,000 has been received from a client but Ad. service is not yet provided.

f) An outstanding bill of last month for ₹ 50,000 being settled by client for ₹ 45,000.

12. Sugama Motors imported a machine worth \$ 20,000. However, the following expenses are not included in it :

a) Packing charges \$ 500.

b) Transport by Air

c) Insurance premium

d) Exchange rate of CBEC 1 \$ = ₹ 80.

Compute AV and determine the customs duty payable.

BCD 10%, SAD 4% and excise duty for similar goods 10%.

### SECTION – C


Answer **any two** questions.

(2×24=48)

13. Compute the total turnover, taxable turnover, input tax and net tax payable under KVAT Act by a registered dealer of Bengaluru from the following information for the month of December.

Assume that all legal requirements have been complied with :

- 1) Sale of steel Rods (III Schedule, purchase invoice ₹ 7,00,000) ₹ 8,00,000
- 2) Sale of banana chips organised from Karnataka (50% interstate, purchase invoice ₹ 22,00,000) ₹ 30,00,000
- 3) Sale of vegetables (I Schedule) ₹ 3,00,000
- 4) Purchase of fireworks (Interstate CST paid ₹ 50,000) ₹ 10,00,000

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- 5) Sale of fireworks ₹ 12,00,000
  - 6) Purchase of raw rubber from non-corporate planters URD ₹ 14,00,000
  - 7) Sale of raw rubber from the above purchases ₹ 15,00,000
  - 8) Purchase of firewood from URD ₹ 6,00,000
  - 9) Sale of firewood ₹ 8,00,000
  - 10) Purchases of spices (III Schedule) ₹ 4,00,000
  - 11) Sale of spices ₹ 4,80,000
  - 12) Purchase of declared goods from a registered dealer at Bengaluru ₹ 20,00,000
  - 13) Sale of above declared goods ₹ 15,00,000
  - 14) Sales returns of fireworks :
    - Within 6 months – ₹ 50,000
    - After 6 months – ₹ 80,000
  - 15) Purchase returns of raw rubber :
    - Within 6 months – ₹ 30,000
    - After 6 months – ₹ 40,000
  - 16) Sales returns of raw rubber :
    - Within 6 months – ₹ 60,000
  - 17) CST collected ₹ 33,000

Rate of tax as specified in the rate schedule.

14. Hegde caterers Udipi furnished following details from which compute service tax payable :
  - a) Gross receipts from PPC Canteen ₹ 2,64,000.
  - b) Bills of outdoor catering ₹ 14,12,000 (big functions)



- c) Bills for door delivery for small functions ₹ 80,000.
- d) Bills for food supplied to tour parties ₹ 1,15,000.
- e) Bills for school/college trips (bill including tax) ₹ 30,000.
- f) School trip bill amount not received (from above) ₹ 3,000.
- g) Food transportation expenses ₹ 95,000.
- h) Bus/train fare paid to coocks ₹ 6,000.
- i) Interest paid on loan borrowed ₹ 1,00,000.
- j) Advance received for catering ₹ 50,000.
- k) Amount charged for loss/breakage of utensils ₹ 21,000.

15. Manipal printers imported 10IBM computers from USA and a latest news printer from Germany and furnishes the following information :

- a) Price per computer is \$ 500 and printer € 5,000
- b) Packing charges per computer \$ 10 and printer € 100.
- c) Air transportation charges up to Bajpe airport for computers \$ 500 and for printer € 250 up to New Mangalore port.
- d) Transit insurance premium \$ 500 for computers and € 150 for printer.
- e) Brokerage paid to agent of exporters \$ 175 and € 125 for printer.
- f) Lorry freight for transporting computers and printer to Manipal ₹ 3,000 and ₹ 2,000 respectively.
- g) Rate of exchange 1 \$ = ₹ 80 and 1 € = ₹ 96.
- h) BCD @ 10%.
- i) Rate of excise duty on such goods produced in India 10%.



j) SAD @ 4% and education cess at 3%.

Compute assessable value and the customs duty payable including education cess for :

a) Computers and

b) Printer.

16. From the following information supplied by a company, compute the assessable value of the excisable goods, excise duty payable and CENVAT credit available according to Central Excise Act of 1944.

a) Manufactured 12,000 colour TV sets.

b) Retail price of the TV is ₹ 15,000 that includes excise duty.

c) Sold 8,000 TV sets to whole salers. Discount allowed is 20% on retail price. TV sets sold in retail 2,000.

d) Balance of 2000 sets not removed form the factory.

e) Company purchased inputs for manufacturing of TV ₹ 2 crore including the basic excise duty of ₹ 40,00,000.

f) The closing stock of inputs ₹ 50,00,000.

g) The company is liable to pay excise duty at 10% and rate of abatement is 33%.

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