

DEPARTMENTAL EXAMINATION OF THE INDIAN REVENUE SERVICE (CUSTOMS AND CENTRAL EXCISE) GROUP 'A' PROBATIONERS – SEPTEMBER, 2007

PART-I PAPER-I
CENTRAL EXCISE LAW, TARIFF AND PROCEDURE (WITHOUT BOOKS)

Date: 20.09.2007

Maximum Marks: 150

Time: 1015 to 1315 hours

Pass Marks: 100

NOTE:

- a) All Questions carry equal marks.
- b) Answer all Questions
- c) Candidates may reply either in Hindi or in English
- d) Short Notes should not normally exceed 100 words

Q.1 (a) Differentiate the determination of assessable value under Section 4 and Section 4A.

- (b) A manufacturer of P&P Medicines which come under the Drugs (Price Control) Order, 1995 and are notified under Notification No. 2/2005-CE(NT) dated 07.01.2005 as being eligible for abatement as a percentage of retail sale price to the extent of 42.5%, claims quantity discount of 25% of the assessable value. The quantity discount is being passed on to the wholesale dealer in the form of 25 free strips of 10 tablets each for every purchase of 100 strips. All the strips bear the retail sale price. Justify the reasons for allowing/disallowing such an abatement.

Q.2 Write short notes on **any five** of the following:

- (i) Unjust enrichment under Section 11B.
- (ii) Legal provisions under which an assessee can, even though he is guilty of evasion of duty, avoid issuance of a show cause notice.
- (iii) Legal provisions under which special audit can be ordered by the Commissioner of Central Excise.
- (iv) Manner of payment of duty under Central Excise Rules, 2002.
- (v) Procedure and facilities for large tax payers under Central Excise Rules, 2002 and CENVAT Credit Rules, 2004.
- (vi) Confiscation and penalty under Central Excise Act, 1944 and Central Excise Rules, 2002.
- (vii) Export under claim for rebate of duty on excisable goods used in the manufacture of export goods.

Q.3 Elucidate on **any five** matters given below:

- (i) Refund of CENVAT Credit under the CENVAT Credit Rules, 2004
- (ii) Obligations of manufacturer of dutiable and exempted goods and provider of exempted and taxable services under CENVAT Credit Rules, 2004
- (iii) Significance of Rule 10A under Valuation Rules, 2000
- (iv) Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001
- (v) Components of 15 digit based registration number
- (vi) Principles of Adjudication
- (vii) Legal provisions of review of CESTAT orders under the Central Excise Act, 1944

- Q.4 (a) A manufacturer of excisable goods uses the services of a goods transport operator for the transport of the input raw materials and capital goods as well as for the transport of finished goods. He pays service tax on the services rendered by the transporter. He has claimed CENVAT Credit of the service tax paid on the transport of inputs as well as finished products. Explain in terms of the CENVAT Credit Rules, 2004 whether the credit on the transport services on both inward and outward transport claimed by the manufacturer is in order.
- (b) Briefly explain the procedure for filing appeals by the assesses as well as the Department against Orders-in-Original.

Q.5 Briefly explain the scheme of small scale exemptions in the Central Excise.

Q.6 Give the classification and rate of duty of any four of the items listed below. Explain in each case the reasons for the same in terms of the Section/Chapter Notes for the classification and specify the Notification and Serial No., if any, for the rate of duty.

- (i) Recombined butter
- (ii) Pan Masala containing Tobacco
- (iii) Sarees of 100% cotton and weighing 100 grams per sq. metre.
- (iv) Fully automatic laundry machine with a dry linen capacity of 8 kgs.
- (v) Motorcycles with reciprocating internal combustion piston engine of a cylinder capacity of 300cc.
- (vi) Prefabricated building.
