

DEPARTMENTAL EXAMINATION OF THE INDIAN REVENUE SERVICE (CUSTOMS AND CENTRAL EXCISE) GROUP 'A' PROBATIONERS – MAY, 2008

PART II - PAPER VIII
CUSTOMS LAW, TARIFF AND PROCEDURE (WITH BOOKS)

Date: 12.05.2008

Maximum Marks: 150

Time: 1430 to 1730 Hours

Pass Marks: 100

NOTE: Attempt **ANY FIVE** questions. All questions carry equal marks. You can reply either in Hindi or in English.

Q.1. Explain **ANY FIVE** of the following:

- (a) Compounding of offence
- (b) Application for Advance Ruling
- (c) Clearance of consignments of imported food articles
- (d) Examination norms for courier consignments
- (e) Valuation and disposal of seized confiscated and time expired goods
- (f) Transshipment procedure between two Customs Airports

Q.2. Classify the following items under Customs Tariff and indicate the rates of duty (Customs Duty, Additional Duty and other levies on importation). Explain in each case how the classification was arrived at and the rules applied. Also indicate the ITC requirements.

- (a) Polished Cubic Zirconia
- (b) Digital Still Image Video Camera
- (c) White Portland Cement
- (d) Boric Acid (for retail sale)
- (e) ELISA KIT (Imported by post for personal use)

Q.3. State the violations in the following. What action Customs can take against the person responsible?

- (i) One carton box stuffed with 'live star tortoises' checked in as baggage by a passenger proceeding to Kuala Lumpur.
- (ii) A consignment of "Red Sanders" stuffed in a container for which shipping bill was filed declaring as textiles for export to Japan.
- (iii) 2000 nos. of 'memory sticks' brought in his baggage by a passenger arrived from Dubai at Mumbai International Airport which was not declared to the Customs, value of which is Rs. 10 lakhs.

- (iv) A consignment of scheduled drug imported at Tuticorin Port for which bill of entry was filed, by an importer.
- (v) A person caught with 3 kgs. of brown sugar while attempting to hand over to a person in charge of a boat anchored at Calicut coast.

Q.4 Write short notes on **ANY FIVE** of the following:

- (i) Waiver of interest on customs on warehoused goods
- (ii) Intellectual Property Rights
- (iii) Valuation of second hand machinery
- (iv) Supplementary drawback claims
- (v) Clearance of livestock and livestock products
- (vi) RMS and ACP

Q.5 A consignment of goods arrived from London at the UB section of a Custom House. The detailed inventory of the same is as below:

Sl. No.	Item Description	Quantity	Assessable value in Rs.
1	Used house hold articles		20,000
2	Used tool boxes		20,000
3	Used Sofa Set	1	15,000
4	Colour TV	1	20,000
5	Colour TV	1	20,000
6	Washing Machine	1	7000
7	Microwave Oven	1	6000
8	Music System	1	5000
9	Split Air Conditioner	1	20,000
10	Split Air Conditioner	1	20,000
11	DVD Player	1	2500
12	Cooking Range	1	5500
13	Domestic Refrigerator 291 L	1	9000
14	Laptop Computer	1	30,000
15	Personal Computer	1	12,000
16	Personal Computer	1	12,000
	TOTAL: 2,24,000 (Rupees two lakhs twenty four thousand only)		

Calculate the duty liability of the following. Quote authority and relevant notifications.

- (a) Passenger under Transfer of Residence

- (b) Indian Passenger returning after a stay of 365 days abroad and termination of his work (commonly termed as Mini TR)
- (c) Indian Passenger returning after 6 months stay abroad

Q.6 What are the different types of shipping bills? State the various stages of shipping bills movement till EGM is filed. Whether conversion of shipping bills filed under one scheme to another is permissible? If so, furnish details. What is the monitoring mechanism available for realization of export proceeds?

Q.7 An importer X filed a Bill of Entry declaring the goods as 'Rough Ophthalmic Blanks' claiming concessional rate of duty under Customs Notification No. 21/2002, as amended. The total quantity declared was 10,000 Nos. and the value declared was US \$ 20,000 CIF. On examination, the goods were found to be "spectacle lens" numbering 20,000. The goods were seized. Further investigations revealed that the suppliers have originally raised an invoice for the goods with the description "spectacle lens" and the quantity mentioned was 20,000 Nos. and the value as US \$ 50,000 CIF. The same importer had previously declared 4 such consignments adopting the same modus operandi. Out of the said 4 consignments, 2 consignments fall within six months period of import and the other two fall over six months period. In all the 5 consignments, duty evaded has to be recovered and penal action taken against the importer. Draft a SCN covering all aspects.
