

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

**PART II - PAPER VII**  
**CUSTOMS LAW, TARIFF AND PROCEDURE (WITHOUT BOOKS)**

Date: 04.09.2008

Maximum Marks: 150

Time: 1015 to 1315 Hours

Pass Marks: 100

**PLEASE CAREFULLY READ THE BELOWINDICATED NOTES:**

1. **Question No. 1 is compulsory.** Attempt **any four** from the remaining questions. All questions carry equal marks. Five questions are to be answered in all. Answers can be furnished either in Hindi or in English. Give reference of relevant Section / Rule / Notification etc., of Customs Act 1962, wherever applicable.

Q.1 Briefly explain **ANY SIX** of the following.

- (i) Provisional Assessment of imported and export goods.
- (ii) General Rules for the interpretation of the First Schedule to the Import Tariff of Customs Tariff Act 1975.
- (iii) Review and Revision.
- (iv) Smuggling and Illegal Import
- (v) GR Form, Self Declaration Form (S.D.F) and XOS Statement.
- (vi) Section, Rules and Regulations under the Customs Act 1962.
- (vii) Seizure and Confiscation under the Customs Act 1962.
- (viii) Anti-dumping duty and Safeguard duty.
- (ix) EPCG Scheme and DEPB Scheme.
- (x) VKGUY (Vishesh Krishi aur Gramind Udyog Yojana) and Served from India Scheme.
- (xi) Different types of Bill of Entry.
- (xii) Notified Goods and Specified Goods. ( 6 x 5 Marks)

- Q2. (a) Explain the relevant date for determining the rate of duty of imported goods? (10 Marks)
- (b) What is Tariff Value? If Tariff Value is notified for any commodity then what is the relevance of transaction value? State any two commodities for which Tariff Value is applicable now? (10 Marks)
- (c) Distinguish between Private bonded Ware House and Public Bonded Ware house? Under which category will an 100% EOU fall? (10 Marks)

- Q3. (i) Explain the provisions under the Customs Act 1962 relating to valuation of imported goods with specific reference to the Customs Valuation (Imported Goods) Rules 2007? (15 Marks)
- (ii) M/s ARICA-N has filed a Bill of Entry for the import of 80 MT of Betel Nut of ungarbled variety of Indonesian origin. The declared value of the goods was USD 250 / MT and the invoice produced was from a trader in Singapore. The NIDB database indicated that, in the previous two months, goods of same description and same country of origin were imported at other ports at a value of USD 550/MT, USD 575/MT and USD 590/MT. The quantity imported in each import was also commercially comparable. Draft a Show Cause Notice proposing to reject the declared value and proposing re-determination of the value. (15 Marks)
- Q.4 (a) Under what circumstances can goods be seized under the Customs Act 1962? How long can the seizure be maintained? How would you deal with such seized goods? (15 Marks)
- (b) An importer, M/s Fraudulent Co. Ltd., has filed a Bill of Entry for import of goods declared as furniture in CKD condition of value Rs.1,90,000/-. During the examination of the goods it is found that certain items which are 'Restricted' under the Foreign Trade Policy in vogue are concealed in the furniture. The value of restricted goods is found to be Rs.4,20,000/-. The quantity of the furniture is also found to be double the declared quantity. The importer subsequently requested for waiver of the show cause notice but asked for personal hearing. Write an adjudication order for the offence. Who is the proper officer to adjudicate the offence? (15 Marks)
- Q5. (a) Write brief notes on warehousing provisions under the Customs Act 1962. What is the period for which the goods can remain warehoused and who can extend the warehousing period? When is interest liable on such goods? What action can be taken if the goods are not removed before the expiry of warehousing period? (15 Marks)
- (b) Under what circumstances can goods entered for home consumption be stored in a warehouse pending clearance? (5 Marks)
- (c) An importer files a Bill of Entry for home consumption for clearance of certain goods imported by sea. The invoice value declared is Rs.2 lakh. Terms of invoice indicate FOB. The cost of transportation and insurance is not ascertainable. The BCD on these goods is 10% and Additional Duty (i.e CVD) leviable is 14%. Education Cess of 2% is applicable; as also 1% Higher Education Cess. Please calculate the total duty payable. (10 Marks)

Q6. Answer the following:

- (i) Difference between redemption fine and penalty. What factors will influence their quantum?
- (ii) Targeting and intervention in Risk Management System (RMS). What is PCA in RMS?
- (iii) Drawback on re-export of duty paid goods.
- (iv) Difference between inspection and examination of the goods.
- (v) Refund and Remission of duty. (5 x 6 Marks)

Q.7 (a) Draw the flow chart of Drawback shipping Bills in EDI system.  
(b) Differentiate between All Industry Rate (Rule 3 of Drawback Rules), Brand Rate (Rule 6) and Special Brand Rate (Rule 7) of Drawback.  
(c) What is XOS statement? What is its relevance for drawback Shipping Bills? Is there any minimum value limit under FEMA-1999 for reflecting a Shipping Bill in XOS? (3 x 10 Marks)

Q.8 (i) Arrange following events in the chronological order from the stage of arrival of ship to sailing of the ship:

Filing of EGM, Filing of IGM, Entry outwards, Entry inwards, Port Clearance, Sailing Report. (5 Marks)

- (ii) Write brief notes on provisions related to summoning of persons and search of premises and conveyances. (15 Marks)
- (iii) Write brief notes on provisions relating to arrest under the Customs Act. (10 Marks)