

**DEPARTMENTAL EXAMINATION OF THE INDIAN REVENUE SERVICE (CUSTOMS
AND CENTRAL EXCISE) GROUP 'A' PROBATIONERS - APRIL-MAY, 2009**

PART-I PAPER-III
SERVICE TAX LAW AND PROCEDURES (WITH BOOKS)

Date: 24.04.2009

Maximum Marks: 150

Time: 1015 to 1315 hours

Pass Marks: 100

NOTE:- In all you have to answer **SIX** questions. **Question no. 1 is Compulsory.**
Answer **ANY FIVE** questions out of the remaining Questions. All questions
carry equal marks. You can answer either in Hindi or in English.

- Q.1 (a) Under what authority Service Tax is levied? [25]
- (b) Who can make e-payment? E-payment is compulsory from which date?
- (c) What is the periodicity of Service Tax Return? Under what authority?
- (d) What is the relevant date for Service Tax Refund matter? Under what authority refund is made?
- (e) A taxable service is introduced w.e.f 10.09.04. If the service in question has been rendered prior to 10.09.04 and payment has been received after 10.09.04, shall it be taxable? Under what authority?
- (f) If the service tax case adjudication order passed by any officer below the rank of Commissioner is found to be not legal and proper, what are the provisions of law for remedial action?
- (g) Who can file their return through electronic media?
- (h) If any person collecting service tax in excess of the amount payable or collecting service tax on non-taxable services, what is the authority of law for payment of the amount to the credit of Central Government, collected as service tax?
- (i) Who can apply for Centralized Registration? Who is competent to issue centralized registration?
- (j) What is the rate of service tax w.e.f 11.05.07 and effective from 24.02.09?

- Q.2 (a) What are the provisions for classification of taxable services? [25]
- (b) Explain differences between (i) "Mandap Keeper Service" and "Convention service"; (ii) "Pandal or Shamiana Services" and "Outdoor Catering Services".
- (c) "Business Auxiliary Service" has been expanded effective from 10.09.04. What were the provisions prior to 10.09.04? Explain the new items that were included effective from 10.09.04. What do you mean by "Commission Agent" under the category of "Business Auxiliary Service"? [25]
- Q.3 (a) What are the provisions for exemption to Small Service Providers? What do you mean by "Threshold limit"? What are the conditions for availing the small service provider exemptions? To whom these exemptions are not applicable?
- (b) What is meant by "Input Service Distributor"? What are the procedures to be followed to obtain Registration as "Input Service Distributor"?
- (c) What is meant by "Input Services"? Is input service tax credit available on Mobile Phones provided to the employees of the assessee? [25]
- Q.4 (a) Define "Intellectual Property Right" and "Intellectual Property Service". Will there be any service in case of permanent transfer of IPR? In a case of transfer or use of IPR where cess is paid under Section-3 of the Research and Development Cess Act'1986, how the service tax and education cess would be computed?
- (b) Under what provisions, interest for delayed payment of service tax is payable? What is the present applicable rate of interest, give your answer quoting the relevant notification. As per statute what is the minimum and maximum rate of interest that can be notified? [25]
- Q.5 Discuss the reverse charge mechanism referring to Rule-2(1)(d)(iv) of Service Tax Rules, 1994, Notification no.36/2004-ST, dated 31.12.2004, insertion of explanation to Section-65(105) w.e.f 16.06.05, Section-66A and Taxation of

Services (Provided from Outside India and Received in India) Rules'2006. Give your opinion regarding effective date of levy of service tax under reverse charge mechanism.

[25]

- Q.6 (a) What are the provisions for issue of Show Cause Cum Demand Notice in case of short payment or non-payment of service tax? Explain "relevant date" in the matter of limitation of period of demand. Explain relevant CBEC Circular regarding Power of Adjudication. Who would issue the respective notice where classification done on the basis of Power of Adjudication?
- (b) What are the penal provisions under Service Tax? In what situation there would be penalty of 25% of the service tax and education cess evaded? Can Penalty under Section-76 & 78 be imposed simultaneously? Under what situations waiver of issue of Show Cause Notice is permitted?

[25]

- Q.7 What is meant by "Value of Taxable Service"? Explain with reference to Section-67 of the Finance Act'94 and Service Tax (Determination of Value) Rules'2006. Can there be any deduction for re-imbursable expenses? If so explain the provisions. Is there any exemption for value of goods and materials accompanying the service? Mention the notification and conditions for such exemption. Explain the history of statute to show difference of statute prior and after 18.04.06.

[25]

- Q.8 (a) In case of taxable service provided by a goods transport agency, the receiver of service is liable for payment of Service Tax. Explain with reference to Rule 2(1)(d)(v) who are the persons liable for payment of Service Tax. What is the relevant exemption in this respect?
- (b) In case of Business Auxiliary Service of the distribution of mutual fund and in case of sponsorship service the recipient of services are liable for payment of Service Tax. Explain the relevant Rule to define the persons liable to pay Service Tax.

[25]

- Q.9 (a) What are the provisions for provisional assessment of Service Tax and give details of the procedure referring to the relevant Rule.
- (b) What is the provision for submission of Revised Returns?
- (c) What are the provisions for Refund of CENVAT Credit in case of export of output service?
- (d) What are the conditions for distribution of Credit by input service distributor?

[25]

Q.10. Please write short notes on the following: -

- (a) Power of revision by Committee of Chief Commissioners.
- (b) Penal provisions under CENVAT Credit Rules 2004.
- (c) Best judgment assessment.
- (d) ST 3 Returns.
- (e) Body Corporate.
