V Semester B.Com. Examination, November/December 2014  
(Semester Scheme)  (Fresh)  
(2014-15 and Onwards)  
COMMERCE (Paper – II)  
5.6 : Business Taxation – I (Elective – I)  
Time: 3 Hours  
Max. Marks: 100  

Instruction: Answer should be written completely either in English or Kannada.

SECTION – A  

Answer any 10 sub-questions. Each sub-question carries two marks.  

(2x10 = 20)

1. a) Expand BCD and SAD.  
b) Define Broker as per Central Excise Act.  
c) What is CST?  
d) Expand TIN and NCCD.  
e) State any two features of CST.  
f) State various kinds of customs duty.  
g) What is central excise duty?  
h) What do you mean by zero rated sales?  
i) Mention any four goods Exempted from VAT.  
j) Define registered dealer as per CST Act.  
k) From the following information calculate assessable value  
FOB = 8000 UK pounds  
BCD = 10%  
Exchange rate notified by CBE and C Rs. 56 = 1 pound  
Exchange rate announced by RBI Rs. 55 = 1 pound  
l) From the following information calculate Total Excise duty payable  
MRP of a product = Rs. 10,000  
Rebate allowed = 10%  
BED = 10%
SECTION – B

Answer **any 4** questions of the following. **Each** question carries **8** marks. \((8 \times 4 = 32\)

2. Explain the various types of central excise duty.

3. Write the features of VAT.

4. ABC Ltd. imported goods from USA at a cost of US Dollars 19,000 FOB. The other details are as follows.
   a) Transit Insurance 1,900 Dollar
   b) Commission to local agent Rs. 5,800
   c) Sea freight charges 5,500 Dollar
   d) Packing charges 4,300 Dollar
   e) Design and development charges of 5,000 dollars were paid to consultancy firm in USA.
   f) Rate of exchange notified by CBE and C Rs. 58 = 1 Dollar
   g) Rate of exchange announced by importer bank Rs. 59 = 1 Dollar
   Compute Assessable value of the imported goods.

5. From the following calculate taxable turnover and CST payable of a dealer under CST Act.
   i) Gross turnover ₹ 15,00,000
   ii) Exports to USA ₹ 6,00,000
   iii) Freight (shown separately) ₹ 80,000
   iv) Cash discount ₹ 20,000
   v) Installation charges (shown separately) ₹ 50,000
   vi) Goods return within six months ₹ 20,000
   vii) CST is 2% included in GTO
   viii) Trade discount ₹ 1,00,000

6. Determine the assessable value for the purpose of Excise duty from the following information.
   cum. duty selling price including of sales tax at 3% is Rs. 28,000.
   Rate of Excise duty is 10%
   Freight Rs. 6,000
   Insurance on freight Rs. 1,000
   Insurance (not shown separately) Rs. 500
SECTION – C

Answer any three of the following questions. Each question carries 16 marks. (16x3=48)

7. A company imported a machine from USA of CIF price is 3,300 Dollar (S. From the following information determine the assessable value and customs duty payable.

i) Freight from America to Indian airport 330 Dollar (S

ii) Insurance 75 Dollar (S

iii) Design and development charges paid to consultancy firm in USA 1000 Dollar (S

iv) The company also spent an amount of Rs. 6,600 in India for installation of Machine.

v) Exchange rate as notified by CBE and C is Rs. 58.50 = 1 Dollar

vi) BCD payable is 13%

vii) Special CVD 4%

viii) Education cess 3%

ix) CVD payable 10%

8. From the following information furnished by a dealer in Tamil Nadu. Compute the amount of Tax payable under CST Act. The sales tax rate is 14%.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Inter State sale with form ‘C’ (₹)</th>
<th>Inter State sale without form ‘C’ (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross turnover</td>
<td>16,00,000</td>
<td>7,00,000</td>
</tr>
<tr>
<td>Gross sales including the following</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packing charges</td>
<td>3,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Design charges</td>
<td>1,500</td>
<td>800</td>
</tr>
<tr>
<td>Trade discount</td>
<td>800</td>
<td>300</td>
</tr>
<tr>
<td>Exports</td>
<td>2,40,000</td>
<td></td>
</tr>
</tbody>
</table>
Freight (shown separately) 2,000 700
Freight (not shown separately) 18,000 13,000
Goods returned within 3 months 1,500 1,200
Installation expenses (shown separately) 5,600 5,100
Goods rejected within 8 months 3,000 1,600
Sale outside States 9,000 8,000
Commission for additional sales 3,500 1,500
Excise duty 1,50,000 50,000
Goods worth ₹ 70,000 were sold within the State (included in GTO 7,00,000)

9. The following goods are manufactured and sold by Mr. Narayana.

<table>
<thead>
<tr>
<th>Items</th>
<th>No. of units sold</th>
<th>Rate per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>3000</td>
<td>18</td>
</tr>
<tr>
<td>B</td>
<td>6000</td>
<td>23</td>
</tr>
<tr>
<td>C</td>
<td>400</td>
<td>38</td>
</tr>
<tr>
<td>D</td>
<td>700</td>
<td>28</td>
</tr>
</tbody>
</table>

The other information are
a) All goods are given 18% rebate
b) Company purchased inputs of ₹ 1,70,000 and paid tax @ 12%.
c) All goods are levied with 16% BED
d) Company purchased Machinery of ₹ 5,00,000 on which tax paid was ₹ 25,000

Calculate net excise duty payable.

10. From the following information compute taxable turnover of a dealer of Bangalore under VAT.
Rate of VAT is 12.5%

Gross turnover ₹ 23,00,000
Sale of students note book in Karnataka ₹ 50,000
Sale in course of Exports ₹ 8,00,000
Sale of shares and debentures ₹ 3,00,000
Goods returned within 3 months ₹ 75,000
Sale in M.P. ₹ 50,000
Trade discount ₹ 1,00,000
Cash discount ₹ 40,000
Sale against ‘C’ form ₹ 2,00,000
Sale in Kerala ₹ 10,000