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Introduction & Levy of Custom Duty



Think GST !
Think Vishal Sir...!!

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1. Charging section of custom duty.

- a. Section 5
- b. Section 7
- c. Section 9
- d. Section 12

Ans:- (a) (b) (c) (d)

2. Customs duty shall be levied at such rates as may be prescribed under Customs Tariff Act, 1975, or any other law in force on goods:

- a. Imported into India by any person other than Government
- b. Exported from India by any person other than Government
- c. Imported into or exported from India by government
- d. All of the above

Ans: (a) (b) (c) (d)

3. The basic condition for levy of Customs Duty is:

- a. There must be import or export of goods
- b. There must be import or export of services
- c. There must be import or export of goods or services or both
- d. All of the above

Ans: (a) (b) (c) (d)

4. Importation of goods by Government also treated at par with other imported goods. State whether the statement is true or false.

- a. True
- b. False

Ans: (a) (b) (c) (d)

5. As per Customs Act, 1962, Goods includes

- a. Vessels, Aircraft & Vehicles
- b. Stores, Baggage, Currency and Negotiable Instrument
- c. Any other kind of movable property

d. All of the above

Ans: (a) (b) (c) (d)

6. As per Customs Act, 1962, Conveyance includes:

- a. Vessel
- b. Aircraft
- c. Vehicle including railway vehicle
- d. All of the above

Ans: (a) (b) (c) (d)

7. When a foreign ship coming into India for unloading of cargo then duty is payable on:

- a. Only on cargo unloaded in India
- b. Cargo including ship (as goods includes ship)
- c. On value of vessel
- d. None of above

Ans: (a) (b) (c) (d)

8. Jet Airways of India has purchase aircraft from a foreign shipping company for transportation of goods or passenger within India. State whether such aircraft are liable to duty under Customs Act, 1962.

- a. Not liable to duty as aircraft merely imported for carriage of goods or passenger within India
- b. Liable to duty as aircraft is covered in the definition of goods
- c. Duty is payable only if Aircraft use for carriage of goods or passenger outside India
- d. None of the above

Ans: (a) (b) (c) (d)

9. As per Customs Act, 1962, Store means goods for use in a Vessels or Aircraft & it includes fuel and spare parts and other article of equipment for

immediate fitting. State whether the statement is correct or not as per the law.

- a. Correct
- b. Incorrect

Ans: (a) (b)

10. As per section 2(3) of Customs Act, 1962, Baggage includes:-

- a. Unaccompanied baggage
- b. But does not include Motor Vehicles
- c. Both a & b
- d. None of the above

Ans: (a) (b) (c) (d)

11. Baggage means luggage or personal belongings of:

- a. Passenger
- b. Member of the crew
- c. Both a & b above
- d. None of above

Ans: (a) (b) (c) (d)

12. The limit to ensure check over the free inflow or outflow of paper money has been set at:

- a. ₹ 50000
- b. ₹ 10000
- c. ₹ 25000
- d. ₹ 100000

Ans: (a) (b) (c) (d)

13. As per Customs Act, 1962, the term "India" includes:

- a. Territorial water upto 12 nautical miles
- b. Territorial water upto 24 nautical miles

c. Contiguous Zone

d. Indian Exclusive Economic Zone

Ans: (a) (b) (c) (d)

14. India includes the surface of sea in the territorial water but does not include the air space above and the ground at the bottom of the sea. Identify the correctness of this statement.

- a. Correct
- b. Incorrect

Ans: (a) (b)

15. Territorial water of India extends upto:

- a. 24 nautical miles into the sea from the appropriate base line
- b. 24 nautical miles
- c. 12 nautical miles into the sea from the appropriate base line
- d. 12 nautical miles

Ans: (a) (b) (c) (d)

16. The goods are said to be imported into India or exported from India only when it crosses:

- a. territorial water
- b. High seas
- c. Contiguous Zone
- d. Indian Exclusive Economic Zone

Ans: (a) (b) (c) (d)

17. As per Customs Act, 1962, the term "Import" with its grammatical variation and cognate expression means:

- a. Purchase from foreign country
- b. Supplier is located outside India
- c. Bringing into India from a place within India

d. Bringing into India from a place outside India

Ans: (a) (b) (c) (d)

18. In case of import of goods, taxable event occurs when:

- a. Goods crosses the territorial water
- b. Goods crosses the customs barrier
- c. Goods goods have been dispatched by the supplier
- d. Goods become the part of land mass of India

Ans: (a) (b) (c) (d)

19. An importer can use warehousing facility if:

- a. He does not have sufficient storage space, or
- b. He does not want to block his money by paying the entire duty on imported goods, or
- c. Both a & b above
- d. None of the above

Ans: (a) (b) (c) (d)

20. Taxable event in case of warehoused goods arises when:

- a. Into bond bill of entry is filed
- b. Ex bond bill of entry is filed
- c. Goods deposited in warehouse for storage
- d. All of the above

Ans: (a) (b) (c) (d)

21. When goods are deposited in the warehouse, the revenue for the government is safeguarded by the importer by executing a bond which is equal to:

- a. Sum of the amount of duty payable by him
- b. Double the amount of duty payable by him

c. Thrice the amount of duty assessed on the goods at the time of import

d. No such bond is required

Ans: (a) (b) (c) (d)

22. As per sec 2(26), Importer in relation to any goods at any time between their importation and the time when they are cleared for home consumption includes:

- a. Owner
- b. Beneficial owner
- c. Any person holding himself out to be the importer
- d. All of the above

Ans: (a) (b) (c) (d)

23. Mr. Alex of Mumbai has import goods from USA. When the goods were on high sea he sale those goods to Mr. Peter of Mumbai. Mr. Peter clears the goods from Customs Barrier by filing Into Bond bill of entry. Identify the importer in the given case.

- a. Mr. Alex
- b. Mr. Peter
- c. Both Mr. Alex & Mr. Peter
- d. None of above as high seas sale is not treated as import

Ans: (a) (b) (c) (d)

24. M/s Saturn Ltd. has import sewing machines from Japan. Mr. Arjun a clearing & forwarding agent. Who clears the goods on behalf of M/s Saturn Ltd. from custom port by filing the bill of entry for home consumption by using the Import Export Code of M/s Saturn Ltd. Identify the importer.

- a. M/s Saturn Ltd.
- b. Mr. Arjun

c. Either a or b above

d. both a & b above

Ans: (a) (b) (c) (d)

25. The water extending into the sea up to the limit of contiguous zone of India, continental Shelf, Exclusive economic zone and other Maritime zone includes any bay, gulf, harbor, creek or tidal river is known as:

a. Territorial water

b. Custom water

c. Indian Customs water

d. High Seas

Ans: (a) (b) (c) (d)

26. State whether the following statement is true or false.

If an officer of customs has reason to believe that any person in India or within the Indian customs water has committed an offence punishable u/s 132 or 133 or 135 or 135A or 136, he may arrest such person informing him of the grounds for such arrest.

a. True

b. False

Ans: (a) (b)

27. The term Export with its grammatical variation & cognate expression means:

a. Supply of goods to a recipient located outside India

b. Supply beyond territorial water

c. Both a & b above

d. Taking out of India to a place outside India

Ans: (a) (b) (c) (d)

28. The process of Export is said to be completed when the goods:

a. Reached the destination port

b. Crosses the Indian Port

c. Crosses the Indian Territorial water

d. Crosses the Indian Customs Water

Ans: (a) (b) (c) (d)

29. In relation to any goods a beneficial owner can also be treated as exporter. State true or false

a. True

b. False

Ans: (a) (b)

Answers:-

1	D	11	C	21	C
2	D	12	B	22	D
3	A	13	A	23	B
4	A	14	B	24	A
5	D	15	C	25	C
6	D	16	A	26	A
7	A	17	D	27	D
8	B	18	B	28	C
9	B	19	C	29	a
10	c	20	b		