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## Custom Tariff Act 1975,- Types of Duty under Customs



Think GST !  
Think Vishal Sir...!!

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

Alcoholic liquor for human consumption is out of the scope of GST, hence, import of alcoholic liquor for human consumption is not subject to levy of additional duty i.e. ACD 3(1).

- a. True  
b. False

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

2. Additional duty i.e. ACD 3(1) is levied to countervail the effect of----- on imported goods

Fill in the blank

- a. Central Sales Tax  
b. Service Tax  
c. Value Added Tax  
d. Excise Duty

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

3. For the purpose of valuation under ACD 3(1), the value of imported article shall be the aggregate of:

- a. Transaction value u/s 14 (1) or Tariff value u/s 14(2) and Basic Customs Duty u/s 12  
b. Countervailing duty referred to in section 9  
c. Duty referred to in sub-section (3) & (5)  
d. All of the above

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

4. For the purpose of valuation under ACD 3(1), the value of imported article shall not include:

- a. Transaction value or Tariff value [section 14]  
b. Basic Customs Duty [section 12]  
c. Social welfare surcharge on above  
d. Safeguard duty [section 8B and 8C]

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

5. If any article is imported into India on which it is required to declare on the package thereof the retail sale price of such article under the provisions of the "Legal Metrology Act, 2009" or the rules made thereunder or under any other law for the time being in force, the value of the imported article shall be deemed to be:

- a. the retail sale price  
b. the retail sale price less abatement if any  
c. Transaction value  
d. Tariff value less abatement

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

6. Mr. Paresh imported some article on which retail sale price is required to be declared under "Legal Metrology Act, 2009" and for the like article produced or manufactured in India, Central Government has fixed a tariff value, the value of imported article shall be deemed to be such:

- a. Retail sale price  
b. Retail sale price less abatement if any  
c. Transaction value  
d. Tariff value

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

7. Additional Customs Duty i.e. ACD 3(3) is levied to countervail the effect of Excise duty on:

- a. Alcoholic liquor for human consumption  
b. Raw Cotton  
c. Manufactured Material  
d. Raw Material

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

8. ----- is levied to countervail the effect of excise duty on raw material

- a. ACD 3(1)  
b. ACD 3(5)

c. CVD 3(5)

d. ACD 3(3)

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

9. ACD 3(5) shall be levied to countervail the effect of:

- a. Excise duty on raw material
- b. Excise duty on goods manufactured in India
- c. Sales tax or VAT
- d. Central Sales Tax

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

10. ACD 3(5) shall be levied on any imported article only if duty of ACD 3(1) or 3(3) levied on such article. State whether the statement is true or false.

- a. True
- b. False

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

11. ACD 3(5) shall be levied on any imported article to countervail the effect of Sales tax or VAT at the rate:

- a. not exceeding four percent
- b. exceeding four percent
- c. not exceeding one percent
- d. exceeding one percent

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

12. For calculating the additional duty u/s 3(5), which of the following duty/duties are not included in it? Choose the correct alternative.

- 1. duty referred to in sub-section (5), (7) & (9) of section 3
- 2. countervailing duty referred to in section 9
- 3. safeguard duty referred to in sections 8B & 8C
- 4. anti-dumping duty referred to in section 9A
- 5. duty referred to in sub-section (1) & (3) of section 3
  - a. 1, 2, 3, 4, 5,
  - b. only 1, 2 & 3 above

c. only 2, 3 & 4 above

d. only 1, 2, 3 & 4 above

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

13. Which of the following duties or taxes included for the calculation of duty referred to in section 3(5)?

- a. Basic Customs Duty u/s 12
- b. ACD 3(1) or 3(3)
- c. Transaction value or Tariff value
- d. All of the above

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

14. Maximum tax rate that can be levied u/s ACD 3(7) on any imported article in addition to other duties & taxes shall be:

- a. Eighteen percent
- b. Twenty eight percent
- c. Forty percent
- d. Twenty percent

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

15. While calculating the integrated tax under sub-section (7) on any imported article, following shall be excluded:

- a. tax referred to in sub-section (7) of section 3
- b. cess referred to in sub-section (9) of section 3
- c. duty referred to in sub-section, (1), (3) & (5) of section 3
- d. Both a & b above

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

16. Mr. Ajay imported sewing machines from Japan and warehoused such goods by filing into bond bill of entry. When the goods were in warehouse Mr. Ajay sold it to Mr. Vijay for ₹ 10 lakhs. The imported values of such goods were as follows:

Transaction value section 14(1) - ₹ 7

lakhs BCD @ 10% on above - ₹ 70000

ACD 3(1) on above - ₹ 77000

Integrated Tax u/s 3(7) - ₹ 126000

Calculate the value of such goods for the purpose of section 3(7) of Customs Act

- a. ₹ 1000000
- b. ₹ 847000
- c. ₹ 973000
- d. ₹ 700000

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

17. In case of sale of imported goods from warehouse before clearance or export, the value of such imported article under sub-section (7) of section 3 shall be:

- a. value determined u/s 3(8)
- b. transaction value of such goods
- c. retail sale price of such imported goods
- d. higher of a or b above

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

18. State whether the following statement is true or false

Imported articles are also liable to GST compensation cess in India in addition to other duties and taxes

- a. True
- b. False

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

19. Transaction value for the purpose calculating ACD on warehouse sale before clearance for home consumption or export, where only part of the warehoused goods has sold for more than once, shall be:

- a. the transaction value of first of such transaction
- b. the transaction value which is higher of such transaction
- c. the transaction value of last of such transaction
- d. none of the above

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

20. Mr. Sanjay imported goods from Nepal valuing ₹ 10,50,000 which is inclusive of all duties & taxes. Mr. Sanjay deposited such goods in warehouse. While the goods were in warehouse Mr. Sanjay sold them to Mr. Ajay for ₹ 11,75,000 who in turn sold these goods to Mr. Vinay for ₹ 12,35,000 and such goods were further sold by Mr. Vinay to Mr. Pranay for ₹ 12,25,000.

Determine the value of such imported goods

- a. ₹ 1050000
- b. ₹ 1175000
- c. ₹ 1235000
- d. ₹ 1225000

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

21. FOB price of imported goods = \$ 4,00,000

Cost of transportation = ₹ 15000

Cost of Insurance = ₹ 5000

BCD rate = 12%, ACD 3(1) rate = 10%, and GST on like article in India = 28%

The exchange rate notified by RBI = 1\$ = ₹ 62, CBIC rate = 1\$ = ₹ 62.50

Answer the following with respect to above

i. Calculate Basic Custom Duty

- a. ₹ 3002400
- b. ₹ 2976000
- c. ₹ 3127500
- d. ₹ 2978400

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

ii. Calculate Additional Custom Duty payable in ₹:

- a. 2919000
- b. 2832264
- c. 2779840
- d. 2777600

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

iii. Determine the Assessable value or CIF value.

- a. ₹ 25000000

b. ₹24800000

1c. ₹25020000

d. ₹24820000

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

iv. Calculate the GST value

a. ₹ 8639306

b. ₹ 8723373

c. ₹ 8633706

d. ₹ 8636706

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

22. CIF value = ₹ 15,00,000

Cost of transportation = ₹ 50,000

Cost of insurance = ₹ 20,000

BCD @ 10%, ACD 3(7) @ 18%, ACD 3(9) @ 18%

Answer the following questions on the basis of the above given information

i. Determine the amount of assessable value.

a. ₹ 1570000

b. ₹ 1550000

c. ₹ 1520000

d. ₹ 1500000

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

ii. Determine the amount of Basic custom duty payable

a. ₹ 157000

b. ₹ 150000

c. ₹ 152000

₹ 155000

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

iii. Calculate the amount of duty payable under ACD 3(1).

a. ₹ 198000

b. ₹ 227964

c. ₹ 207240

d. ₹ 199800

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

iv. What will be the amount of duty payable under ACD 3(5).

a. ₹ 74592

b. ₹ 85107

c. ₹ 77370

d. ₹ 73920

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

v. IGST payable under ACD 3(7) is:

a. ₹ 345946

b. ₹ 362090

c. ₹ 349091

d. ₹ 365381

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

vi. IGST payable under ACD 3(9) is:

a. ₹ 349091

b. ₹ 362090

c. ₹ 411927

d. ₹ 365381

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

A

1	b	11	a	21(i)	a
2	d	12	d	(ii)	b
3	a	13	d	(iii)	c
4	d	14	c	(iv)	b
5	b	15	d	22(i)	d
6	d	16	a	(ii)	b
7	d	17	d	(iii)	d
8	d	18	a	(iv)	a
9	c	19	c	(v)	c
10	b	20	d	(vi)	a