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Introduction & Levy of Custom Duty



Think GST !
Think Vishal Sir...!!

BY
CA Vishal Bhattad



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		

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Importation & Exportation Procedure & transit & Transshipment of Goods



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1. Custom area means the area of custom station and includes any area:

- a. Where imported goods or export goods are ordinarily kept before clearance by Customs Authorities
- b. Where imported goods or export goods are ordinarily kept after clearance by Customs Authorities
- c. Where dutiable goods are kept for clearance
- d. All of the above

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

2. Custom Station means:

- a. Custom Port
- b. Custom Airport
- c. Land Custom Station
- d. All of the above

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

3. Custom Port also includes inland container depot. State true or false

- a. True
- b. False

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

4. Inland Container Depot is a Custom Station duly:

- a. Appointed by Central Board of Excise & Customs
- b. Licensed by Central Board of Excise & Customs
- c. Appointed by Central Board of Indirect Taxes & Customs
- d. Licensed by Central Board of Indirect Taxes & Customs

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

5. Movement from ICD to a Land Customs Station or Customs Airport is akin to Transshipment from one customs station to another customs station. State whether the statement is correct or not as per the law.

- a. Correct
- b. Incorrect

Ans:-(a) (b)

6. Choose the correct alternative from the following in context of ICD.

- i) It is created at a place where seashore is not available
 - ii) Facilities for processing of Import Manifest, Export Manifest, Bill of Entry, etc. are made available at the ICD itself
 - iii) They are created for the purpose of Loading/Unloading of Imported Goods only
 - iv) It has an independent existence at par with any other Customs Station
- a) i, ii & iv above
 - b) i & ii above
 - c) iii & iv above
 - d) All of the above

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

7. Container Freight Station is a place where only a part of the customs process mainly with the examination of goods is carried out, is set up with the main objective of:

- a. Decongesting the Land Customs Station
- b. Decongesting the Ports
- c. Decongesting the ICD's
- d. Decongesting the Customs Airport

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

8. Container Freight Station can carry out customs processes such as:

- a. Processing of Import Manifest & Export Manifest
- b. Processing of Bill of entry
- c. Examination of goods
- d. All of the above

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

9. As per the new policy guidelines, the customs related activities to be carried out at Air Freight Station are:

- a. Clearance of all import and export cargo
- b. Assessment and examination
- c. Payment of duties
- d. All of the above

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

10. Air Freight Station avoids congestion at main Airport besides expediting clearance of imported goods and minimizing handling operations at the Airport.

State whether the statement is true or false.

- a. True
- b. False

Ans: (a) (b)

11. Appointment of Boarding stations by --

- a. Principal Commissioner of Customs
- b. Commissioner of Customs
- c. Chief Commissioner of Customs
- d. a or b above

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

12. Entry in relation to goods means an entry made in:

- a. Bill of Entry
- b. Shipping Bill or Bill of Export
- c. Both of the above
- d. None of the above

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

13. Entry includes entry of goods in:

- a. Label of declaration (goods imported or exported by post)
- b. Bill of entry, shipping bill or bill of export
- c. Both of the above
- d. None of the above

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

14. In relation to Vessel, Person-in-charge is known as:

- a. Sailor of the ship/vessel

- b. Guard or person having the chief direction of the vessel
- c. Master of the Vessel
- d. Commander of the Vessel

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

15. which of the following person is included as a Person-in-Charge

- a. Master of the Vessel
- b. Commander or Pilot in charge of aircraft
- c. The Conductor, guard or any other person having the chief direction of the train
- d. All of the above

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

16. The driver or other person in-charge of vehicle is not included in the list of Person-in-charge as per the Customs Act, 1962. Identify the validity of this statement.

- a. Valid
- b. Invalid

Ans: (a) (b)

17. Any goods, the import or export of which is subject to any prohibition under the Customs Act or any other law for the time being in force, is known as:

- a. Restricted Goods
- b. Ineligible Goods
- c. Prohibited Goods
- d. Both a & c above

18. Mr. Robert wants to import maps and literature of India in which Indian external boundaries have been shown incorrectly. Whether Mr. Robert can import such goods?

- a. Yes, Mr. Robert can import such goods
- b. No, Mr. Robert can't import such goods as it is Illegal goods

- c. No, Mr. Robert can't import such goods as it is prohibited goods
- d. Yes, Mr. Robert can import such goods even if proper officer not given permission

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

19. Cipla Company wants to export some narcotic drugs to its branch in USA for which all the conditions specified have been fulfilled by Cipla Company. The officer rejected the shipping bill on the ground that narcotic drugs are prohibited goods. State whether the contention of custom officer is correct in law.

- a. Correct
- b. Incorrect

Ans: (a) (b)

Importation and Exportation

20. Select the appropriate alternative from the following in relation to modes used for importation or exportation of goods.

- i) Goods can be imported/exported by land/sea/air
- ii) Goods can be imported/exported through post
- iii) Goods can be imported by passenger as their baggage
- iv) Ship/aircraft stores which are considered to be imported/exported and charged to customs duty
- v) Motor Vehicle imported as baggage
 - a. All of the above
 - b. only i & ii above
 - c. i, ii, iii & iv above
 - d. i, iii & v above

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

Section 29: Arrival of Vessels and Aircraft in India

21. In case of first time or subsequent time of arrival of vessel/aircraft in India

from a place outside India, carrying goods or passenger, the person-in-charge may permit the vessel or aircraft to call or land at any place other than a customs port/airport. State whether the statement is true or false.

- a. True
- b. False
- c. True – if permitted by the Board

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

22. In which of the following case conveyance can call or land at any other place other than customs port/airport.

- a. accident
- b. bad weather
- c. some genuine unavoidable reason
- d. All of the above

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

23. Following are the consequences of failure on the part of the person in charge of the vessel to comply with the provisions of calling the vessel at any place other than customs port.

- a. Penalty u/s 112
- b. Confiscation of goods u/s 111
- c. Confiscation of conveyance u/s 115(1)
- d. All of the above

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

Section 30: Delivery of Arrival Manifest or Import General Manifest or Import Report

24. The document which contains the detailed information to customs about goods in the vessels/aircraft/ vehicle is called as

- a. Arrival manifest or Import General Manifest /Import Manifest
- b. Bill of entry

- c. Import Report
 - d. Both a & c above
- Ans:-(a) (b) (c) (d)

25. The person liable to submit Import Manifest is:

- a. Importer
- b. Exporter
- c. Person –in -charge of Conveyance
- d. Either a or b above

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

26. Mr. X is a master of vessel. The vessel coming to India from China What is the time limit within which Mr. X need to submit the import general manifest

- a. any time prior to the arrival of the vessel
- b. any time after to the arrival of the vessel
- c. within 12 hours after its arrival
- d. All of the above

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

27. Import Report is required to be delivered when goods are imported by a vehicle. The time limit to submit is:

- a. At any time before arrival of the vehicle at the customs station
- b. Within twelve hours before the arrival of the vehicle at the customs station
- c. Within twelve hours after the arrival of the vehicle at the customs station
- d. At any time after arrival of the vehicle at the customs station

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

28. Person in charge liable to the penalty for not submitting the Import General Manifest/Import Report within the given time limit is:

- a. ₹ 50000
- b. not more than ₹ 50000
- c. ₹ 50000 and above

- d. None of the above

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

29. from the following cargo which cargo need separate declaration should mention in Import General Manifest

- a. Gold
- b. arms
- c. Narcotics
- d. All of the above

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

Section 30A: Special Passenger and Crew Manifest

30. state weather following statement correct or incorrect Proper officer ask Mr. P master of vessel to submit passenger & crew manifest with import general manifest

- a. correct
- b. Incorrect

Ans:-(a) (b)

31. The person-in-charge of a conveyance that enters India from any place outside India or any other person shall deliver to the proper officer the arrival manifest of passenger or crew. The time limit for the same is:

- a. before arrival in case of vessel/aircraft / vehicle
- b. after arrival in case of vessel/aircraft/vehicle
- c. before arrival in case of vessel/aircraft & upon arrival in case vehicle
- d. upon arrival in case of vessel/aircraft/vehicle

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

Section 31: Imported goods not to be unloaded from vessels until entry inward granted

32. The master of the vessel shall not permit the unloading of any imported goods along with baggage

accompanying a passenger or a member of the crew, mail bags, animals except perishable & hazardous goods, until an order has been given by the proper officer granting entry inward to such vessel. Identify whether the statement is valid or invalid.

- a. Valid
 - b. Invalid
- Ans:-(a) (b)

33. which of the following goods allow to unloaded from vessel even master of vessel not receives entry inward

- a. Baggage of crew
- b. mail bags
- c. Animals
- d. All of the above

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

34. Mr. Ram imported some goods from USA. The vessel crosses the Indian territorial water on 25/02/2019. The master of the vessel submitted the IGM on 26/02/2019. The vessel reaches the customs port on 27/02/2019 and entry inward granted by the proper officer of customs on 28/02/2019. Identify the date on which imported goods can be unloaded from the vessel.

- a. 25/02/2019
- b. 26/02/2019
- c. 27/02/2019
- d. 28/02/2019

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

35. Import / Export goods are not to be unloaded or loaded except -----

- a. Importer/ Exporter itself
- b. Under supervision of proper Officer
- c. any authorized person
- d. no supervision is required

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

36. The condition for imported goods to be water borne is that it should be accompanied with:

- a. Bill of entry
- b. Shipping Bill
- c. Import Manifest or Import Report
- d. Boat note

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

Section 46: Entry of Goods on Importation

37. Bill of entry is an:

- a. Application by the importer of goods for assessment and clearance of goods form customs area
- b. Application by the exporter of goods for assessment and clearance of goods form customs area
- c. Application by the clearing and forwarding agent for assessment and clearance of goods form customs area on behalf of the importer
- d. Both a & c above

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

38. Generally the bill of entry shall be presented -----.

- a. Manually
- b. Electronically
- c. Either a or b above
- d. Both a & b above

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

39. Bill of entry can be presented for:

- a. Home Consumption
- b. Warehousing i.e. Into Bond
- c. Clearance from warehouse for Home Consumption i.e. Ex-bond
- d. All of the above

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

40. State the time limit of presentation of Bill of entry by an importer.

- a. Before arrival of the conveyance carrying the goods arrives at a customs station
- b. After arrival of the conveyance carrying the goods arrives at a customs station
- c. Before the end of the next day following the day (except holiday) on which the conveyance carrying the goods arrives at a customs station
- d. None of the above

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

41. In case of incomplete bill of entry, the proper officer may, pending the production of such information, permit him:

- a. To examine the goods in the presence of an officer of customs
- b. To deposit the goods in a public warehouse without warehousing the same i.e. warehousing without warehousing
- c. Either a or b above
- d. None of above

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

42. The importer who present a bill of entry shall ensure:

- a. The accuracy & completeness of the information given therein
- b. The authenticity and validity of any document supporting it
- c. Both a & b
- d. None of the above

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

43. An importer can file bill of entry prior to the expected arrival of vessel/aircraft/vehicle. State whether the statement is true or false.

- a. True
- b. False

Ans: (a) (b)

44. An importer can file bill of entry at any time----- prior to the expected arrival of the vessel or aircraft or vehicle by which the goods have been shipped for importation into India

- a. Not exceeding one month
- b. Not exceeding 30 days
- c. Exceeding 30 days
- d. Exceeding one month

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

45. Parag imported some goods from Russia which were shipped by vessel on 01-01-2019. The vessel crosses the territorial water on 07-01-2019 and the expected arrival of such vessel at the customs port will be 10-01-2019. Parag wants to file the prior bill of entry. Suggest the date for filing prior bill of entry by Parag as per the provisions of Customs law.

- a. After 10-01-2019
- b. After 01-01-2019
- c. Before 11-12-2018
- d. Not before 11-12-2018

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

Section 47: Clearance of goods for Home Consumption

46. Choose the correct alternative from the following An importer shall pay import duty-

- a. On the date of presentation of the bill of entry in case of self-assessment
- b. Within one day (excluding holidays) from the date on which the bill of entry is returned to him by the proper officer for payment of duty in case of assessment, reassessment or provisional assessment
- c. In case of deferred payment, from such due dates as may be specified by rules made in this behalf
- d. All of the above

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

47. The importer who fails to pay the duty within the time so specified, he shall be liable to pay interest at the rate of-----
----- on the amount of duty not paid or short paid till the date of its payment.
- a.18%
 - b.12%
 - c.15%
 - d.24%
- Ans:-(a) (b) (c) (d)

Section 48: Procedures in case of goods not cleared, warehoused or transshipped within thirty days after unloading

48. Within -----from the date of unloading goods should be cleared, warehoused or transshipped
- a. Within 5 days
 - b. Within 10 days
 - c. Within 15 days
 - d. Within 30 days
- Ans:-(a) (b) (c) (d)

49. What action can be taken by custodian if goods not cleared, warehoused or transshipped within given time
- a. sale
 - b. Destroy
 - c. barter
 - d. Exchange
- Ans:-(a) (b) (c) (d)

50. Which of the following goods can be sale by port trust authority even if 30days from unloading has not been completed
- a. Animal
 - b. Hazardous goods
 - c. arms and ammunition
 - d. all of the above
- Ans:-(a) (b) (c) (d)

51. Who will direct the sale of arms and ammunitions, if not cleared by importer?
- a. Government officer
 - b. Proper officer of customs
 - c. Proper officer of Defense
 - d. Central Government
- Ans:-(a) (b) (c) (d)

Section 150: Procedure for sale of goods and application of sale proceeds

52. The sale proceeds of imported goods by the custodian shall be directly paid to the owner of the goods. State true or false.
- a. True
 - b. False
- Ans:-(a) (b)

53. If it is not possible to pay the balance of sale proceeds to the owner of the goods within a period of six months or such further time as the commissioner may allow, from the date of sale of such goods, then such balance of sale proceeds shall be paid to:
- a. Consumer Welfare Fund
 - b. Central Government
 - c. Nominee / Legal representative of owner
 - d. State Government
- Ans:-(a) (b) (c) (d)

Section 49: Warehousing without Warehousing

54. Mr. A can store the goods in public warehouse under the provision of warehousing without warehousing for -----
- a. One year
 - b. Six months
 - c. One month
 - d. 30 days
- Ans:-(a) (b) (c) (d)

55. Principal Commissioner of Customs or Commissioner of Customs may extend the period of storage of goods stored in warehouse without warehousing provisions, for a further period:

- a. Not exceeding 180 days at a time
- b. Not exceeding 30 days at a time
- c. Not exceeding 60 days at a time
- d. Not exceeding 90 days at a time

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

Section 50: Entry of goods for exportation

56. The application by exporter to customs officer for clearance of goods for exportation is known as:

- a. Shipping Bill
- b. Bill of Export
- c. Bill of Lading
- d. Either a or b above

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

Section 51: Clearance of goods for exportation

57. The proper officer of customs may make an order permitting clearance and loading of goods for exportation. Such order is known as:

- a. Export Report order
- b. Let Export order
- c. Bill of export order
- d. Entry outward order

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

Section 39: Export goods not to be loaded on vessel until entry outward granted

58. Entry outward means general permission by customs authority to the master of vessels for allowing him to:

- a. load the cargo
- b. load passenger
- c. load mail bags
- d. All of the above

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

59. Which of the following goods master of vessel allow be loaded in vessel even if entry outward not granted by proper officer

- a. Baggage
- b. mail bags
- c. cargo
- d. both a & b

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

60. In which of the following conveyance Export goods not to be loaded until Entry-Out-wards granted

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

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

Section 53: Transit of certain goods without payment of duty

61. In case of transit of goods the conveyance changes.

State true or false

- a. True
- b. False

Ans:-(a) (b)

62. The records maintained in transit of goods remains same and the goods will have to be shown in the manifest as:

- a. Transit goods
- b. Bottom cargo
- c. Either a or b above
- d. Both a & b above

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

Section 54: Transshipment of certain goods without payment of duty

63. Where goods imported into a customs station are intended for transshipment, a ----- shall be presented to the proper officer in such

form or manner as may be prescribed

Fill in the blank

- a. Bill of export
- b. Bill of lading
- c. Shipping bill
- d. Bill of transshipment

Answers:-

1	A	11	D	21	C	31	C	41	C	51	D	61	B
2	D	12	C	22	D	32	B	42	C	52	B	62	D
3	A	13	B	23	D	33	D	43	A	53	B	63	D
4	C	14	C	24	A	34	D	44	B	54	D		
5	A	15	D	25	C	35	B	45	D	55	B		
6	A	16	B	26	A	36	D	46	D	56	D		
7	B	17	C	27	C	37	D	47	C	57	B		
8	C	18	C	28	B	38	B	48	D	58	A		
9	D	19	B	29	D	39	D	49	A	59	D		
10	A	20	C	30	A	40	C	50	D	60	A		

3

Date for Determination Rate & tariff value & Assessment



*Think GST
Think Vishal Sir..!*

Date for determination of Rate & Tariff Value

Section 15(1): for Imported Goods

1. Mr. Parekh imported readymade garments from China. The goods were dispatched by the supplier on 10/04/2018. The vessel crosses the territorial water on 14/04/2018 and reaches the customs station on 15/04/2018. The entry inward was granted by the customs officer on 16/04/2018 and bill of entry was filed by Mr. Parekh on 17/04/2018.

Which is the relevant date for determining the rate of duty and tariff value?

- a. 14/04/2018
- b. 15/04/2018
- c. 16/04/2018
- d. 17/04/2018

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

2. Following are the details of transaction of M/s Haldiram Ltd.

Particulars	Date of submission	Rate of Import Duty
Vessel crosses territorial water	25.06.2018	8%
Bill of entry – Into Bond	1.7.18	10%
Entry Inward granted on	7.7.18	12%
Ex-bond bill of entry	15.7.18	18%

Determine the rate of duty applicable in the given case:

- a. 10%
- b. 12%
- c. 18%
- d. 8%

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

3. Following transactions are available from the books of Mr. Vijay in relation to import of goods by vessel.

Particulars	Date of submission	Rate of Import Duty
Vessel crosses territorial water	20.04.2018	18%
Bill of entry	1.5.18	10%
Entry Inward granted on	5.5.18	12%
Import Manifest	3.5.18	8%

Identify the rate of duty applicable in case of Mr. Vijay.

- a. 18%
- b. 10%
- c. 12%
- d. 8%

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

4. Calculate the amount of customs duty payable by the M/s Jupiter Ltd. from the following transactions.

Imported machineries from Japan on 11/3/18 – ₹ 500000/- & duty rate on that date was – 10%

Goods arrived at the Indian Customs Airport on – 22/03/18, rate changes to – 12.5%

Bill of entry presented by M/s Jupiter Ltd. on 20/03/18 & duty rate on that date was – 15%

- a. ₹ 50000
- b. ₹ 62500
- c. ₹ 75000
- d. ₹ 500000

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

Section 16(1): For Export Goods

5. Punjab Sweets exported its products valuing ₹ 2500000 but not u/s 50 on 5.5.18, the rate of duty was 8%. The proper officer granted Let export order on 12.5.18 when rate was 10%. The shipping bill was filed on 8.5.18, duty rate on that date changes to 12.5%. The export duty was paid on 15.5.18 by Punjab Sweets when the rate 12%. Identify the rate of duty applicable to Punjab Sweets.

- a.8%
- b.10%
- c.12.5%
- d.12%

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

6. Mr. Sitaraman exported goods worth ₹ 10 lakhs to Canada by a vessel. The details of related transactions are as follows:

Particulars	Date of Submission	Rate of export duty
Shipping Bill	1.1.18	10%
Entry outward granted	5.1.18	12%
Let export order	8.1.18	18%
Ship crosses the territorial water	10.1.18	12.5

Calculate the amount of export duty payable by Mr. Sitaraman.

- a. ₹ 180000
- b. ₹ 100000
- c. ₹ 120000

d. ₹ 125000

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

Assessment

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

Assessment means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum payable, if any, under this Act or under the Customs Tariff Act, 1975 or under any other law for the time being in force and includes provisional assessment, self-assessment, re-assessment but does not include any assessment in which duty assessed is nil.

- a. True
- b. False

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

Section 17: Self-assessment & Re-assessment

8. Re-assessment of duty is done by the proper officer of customs if:

- a. Duty is not paid
- b. Assessment not done correctly
- c. Self-assessment not done correctly
- d. Duty is paid under protest

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

9. If importer/exporter does not confirm his acceptance on re-assessment, then proper officer of customs shall pass a ----- on the re-assessment.

Fill in the blank

- a. Show Cause Notice
- b. Demand Order
- c. Standing Order
- d. Speaking Order

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

10. The proper officer of customs shall pass a speaking order, if the importer/exporter does not confirm his acceptance on re-assessment, within:

- a. One month from the date of re-assessment of bill of entry or shipping bill, as the case may be
- b. 30 days from the date of re-assessment of bill of entry or shipping bill, as the case may be
- c. 15 days from the date of re-assessment of bill of entry or shipping bill, as the case may be
- d. 60 days from the date of re-assessment of bill of entry or shipping bill, as the case may be

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

Section 18: Provisional Assessment

11. Choose the correct alternative in the context of provisional assessment.

Provisional Assessment can be done in:

- i. Where the importer or exporter is unable to make self-assessment under sub-section (1) of section 17 and makes a request in writing to the proper officer for assessment
- ii. Where the proper officer deems it necessary to subject any imported goods or export goods to any chemical or other test
- iii. Where the importer or exporter has produced all the necessary documents and furnished full information but the proper officer deems it necessary to make further enquiry
- iv. Where necessary documents have not been produced or information has not been furnished and the

proper officer deems it necessary to make further enquiry

- a. i & iv above
- b. ii & iii above
- c. Only i, ii & iv above
- d. i, ii, iii, iv

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

12. The importer or exporter shall be liable to pay interest, on any amount payable to Central Government when finally assessed or re-assessed duty amount is more than duty provisionally paid, at the rate of:

- a. 24% p.a.
- b. 15% p.a.
- c. 18% p.a.
- d. 12% p.a.

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

13. If the finally assessed duty or re-assessed duty is less than duty provisionally paid, then the importer or exporter is entitled to refund along with interest on such unrefunded amount, if the amount is not paid within three months from the date of final or re-assessment of duty. The interest rate in such case shall be:

- a. 6% p.a.
- b. 10% p.a.
- c. 5% p.a.
- d. 12% p.a.

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

14. Raghav Industries paid duty on imported goods under provisional assessment. The details are as follows:

Particulars	Date	Amount
Goods imported from Dubai	1-10-18	₹ 10 Lakhs

Provisional duty paid @ 12%	10-10-18	₹ 1.2 Lakhs
Finally assessed duty @ 18%	5-2-19	₹ 1.8 Lakhs

Calculate the amount of interest payable by Raghav Industries on final assessment, if they make the final payment on 10-2-19.

- a. ₹ 3033
- b. ₹ 3280
- c. ₹ 9838
- d. ₹ 3008

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

Custom Finalisation of Provisional Assessment (Regulation, 2018)

15. If any importer or exporter or his authorized representative or customs broker contravenes any provision of Custom Finalisation of Provisional Assessment regulation or abets such contravention, or fails to comply with any provision of these regulations, he shall be liable to penalty which may extend to:

- a. One lakh rupees
- b. One lakh & fifty thousand rupees
- c. Fifty thousand rupees
- d. Ten thousand rupees

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

Section 19: Determination of duty where goods consist of articles liable to different rates of duty

16. Mr. Salman imported a shaving kit which includes razor, foam cream & shaving brush. The rate of duty is 18%, 12% & 5% respectively mentioned separately on each of the above items.

State the rate of duty applicable on such import by Mr. Salman

- a. 18% on complete kit
- b. 5% on complete kit
- c. Each item will be charged separately with their respective rate of duty
- d. Either a or c above

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

17. Mr. Vishal provided coaching service through video lectures on pen drive along with books in a kit. He exported his services to Dubai and wants to know the duty rate to be imposed on export service. Tariff rate on coaching service is 18% and on books the rates are nil. But the exporter does not have any evidence to produce before the officer for different rates. The service of Mr. Vishal will be chargeable at the rate of:

- a. 18%
- b. Nil rate
- c. 0%
- d. 18% on pen drive value & nil rate on books value

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

18. Any accessories supplied with main article which satisfy the condition of Accessories (condition) rule, 1963 are chargeable to duty at the:

- a. Rate of that accessories
- b. Same rate as that of the main article
- c. Highest of the two rates
- d. Either a or b above

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

Project Imports

19. Which of the following projects are considered as eligible projects for the purpose of Project Import?

- Industrial Plants
- Power projects

Project for oil or mineral exploration

Mining Projects

Irrigation projects

Other projects as specified by C.G.

- a. All of the above except iii & iv
- b. Only iii, iv & vi above

c. Only ii, v & vi above

d. i, ii, iii, iv, v, vi

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

Answer:-

1	D	11	D
2	C	12	B
3	C	13	A
4	B	14	B
5	D	15	D
6	A	16	C
7	B	17	A
8	C	18	B
9	D	19	D
10	C		

4

Custom Tariff Act 1975,- Types of Duty under Customs



Think GST !
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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. Paresb imported some article on which retail sale price is required to be declared under "Legal Metrology Act, of USA" 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. ----- 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)

8. 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)

9. 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)

10. 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)

11. 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)

12. 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)

13. 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)

14. 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)

15. 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)

16. 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)

17. 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)

18. 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)

19. 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)

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

Cost of transportation = ₹ 15000

Cost of Insurance = ₹ 5000

BCD rate = 12%,

Social welfare surcharge = 10%

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. ₹ 30,02,400
- b. ₹ 29,76,000
- c. ₹ 31,27,500
- d. ₹ 29,78,400

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

ii. Determine the Assessable value or CIF value.

- a. ₹25000000
- b. ₹24800000
- c. ₹25020000
- d. ₹24820000

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

iii. Calculate the GST value

- a. ₹ 8639306
- b. ₹ 8723373
- c. ₹ 8633706
- d. ₹ 8636706

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

21. CIF value = ₹ 15,00,000

Cost of transportation = ₹ 50,000

Cost of insurance = ₹ 20,000

ACD 3(1) = 12%,

ACD 3(5) = 4%

SWS =10%

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
- d. ₹ 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)

1	B	11	D	20(i)	A
2	D	12	D	(ii)	C
3	A	13	C	(iii)	B
4	D	14	D	21 (i)	D
5	B	15	A	(ii)	B
6	D	16	D	(iii)	D
7	D	17	A	(iv)	A
8	C	18	C	(v)	C
9	B	19	D	(vi)	A
10	A				

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5

Valuation



Think GST !
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1. Duties of customs on imported goods or export goods can be:

- a. Specific duty
- b. Ad-valorem duty
- c. Either a & b above
- d. None of the above

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

2. Ad-valorem duty means:

- a. Duty levied on quantity
- b. Duty levied on the basis of value
- c. Both of the above
- d. None of the above

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

3. For the purpose of Customs Tariff Act, 1975, or any other law for the time being in force, the value of imported goods and export goods shall be:

- a. Tariff value
- b. MRP based value
- c. Transaction value
- d. any of the above

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

4. As per section 14(1) of Customs Act, transaction value means:

- a. Price paid to the seller of imported goods
- b. Price paid by the buyer of export goods
- c. Both a & b above
- d. Price actually paid or payable for goods

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

5. In case of imported goods, transaction value also includes:

- a. Commission and brokerage
- b. Cost of transportation at the place of importation
- c. Landing charges at the Indian port
- d. Only b & c above

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

6. State whether the following statement is true or false

As per section 14(1) of Customs Act, 1962, transaction value means price actually paid or payable for the goods when sold for export to India or export from India for delivery at the time and place of importation or exportation as the case may be where buyer and seller are not related and price may or may not be the sole consideration

- a. True
- b. False

Ans: (a) (b)

7. The value of imported goods shall not include:

- a. Cost of freight & insurance upto place of importation
- b. Landing Charges
- c. Cost of transport at or beyond the place of importation
- d. Both b & c above

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

Conversion dates for foreign exchange rate

8. In case of imported goods, the conversion from foreign currency to Indian currency shall be done with reference to the rate of exchange prevalent on the date of:

- a. Filing bill of entry for clearance from warehouse for home consumption u/s 68
- b. Filing bill of entry for home consumption u/s 46
- c. Filing bill of entry warehousing u/s 46
- d. Either b or c above

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

9. Mr. Vinod imported mobile from US worth \$ 850 on 1/1/19, and presented the bill of entry for warehousing on 5/1/19. Later on he file the bill of entry clearance for home consumption on 15/1/19. The exchange rates for \$ available on various dates are as follows:

Date	Rate by RBI (₹)	Rate by CBIC (₹)
1/1/19	60.00/\$	59.50/\$
5/1/19	61.20/\$	62.00/\$
15/1/19	60.35/\$	60.60/\$

Calculate the value of imported mobile.

- ₹ 50575
- ₹52700
- ₹ 52700
- ₹52020

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

10. The exchange rate prevalent on the date of filing ----- shall be considered for conversion of value of export goods in case of goods exported by vehicle.

- Bill of entry
- Bill of lading
- Shipping bill
- Bill of export

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

11. Arnav Industries exported readymade garments for ₹ 50,00,000 through vessel. The exchange rate at the time of:-

- Contract made for Export: ₹1= ₹ 215.
- Date of filling shipping bill : ₹1=₹ 221
- Date of let export order: ₹1=₹ 211

The RBI rate were constant as ₹ 220 State the exchange rates which shall be considered for conversion of value into Indian currency.

- ₹ 215
- ₹ 211
- ₹ 221

d. ₹ 220

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

12. Which of the following agency/agencies can notify the exchange rates?

- Central Board of Indirect Taxes & Customs
- The Reserve Bank of India
- Foreign Exchange Dealers' Association of India
- All of the above

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

13. For the purpose of valuation under customs laws, rate of exchange notified by ----- shall be taken for conversion.

- Central Board of Direct Taxes
- Central Board of Excise and Customs
- Central Board of Indirect Taxes and Customs
- Reserve Bank of India

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

Section 14(2) Tariff Value

14. The tariff values for any class of imported goods or export goods may be fixed by:

- Central Board of Indirect Taxes and Customs
- Central Board of Excise and Customs
- Central Board of Direct Taxes
- None of above

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

15. The board has fixes tariff value for goods imported by Mr. Rohan but he filed the bill of entry on the basis of transaction value. The customs officer rejected the bill of entry of Mr. Rohan on the contention that transaction value cannot be accepted for those goods for which board had given tariff

value. State whose contention is valid as per the provision of law.

- a. contention of Officer is invalid
- b. contention of Officer is valid
- c. contention of Mr. Rohan is valid
- d. Both a & c of the above

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

16. Platinum Ltd. imported some goods from Canada. The tariff value notified for such goods by the board was ₹ 527000 and the transaction value was ₹520000. State the value to be taken by Platinum Ltd. for the purpose of customs valuation.

- a. ₹ 527000
- b. ₹ 520000
- c. Either a or b above
- d. None of the above

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

17. Identify the transaction value in the following case

List price of the imported goods was ₹ 1000/-, quantity discount offered by the supplier was ₹ 100/- and price payable to the supplier was ₹ 900/- and cash discount ₹ 100/- if payment is made within 30 days. Mr. Raj made payment on 29th days.

- a. ₹ 1000
- b. ₹ 900
- c. ₹ 800
- d. Either b or c above

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

18. Mr. Avdesh enters into contract with the supplier of USA to purchase goods after 4 months. The contract price was ₹ 800000. Due to recession in international market the price of the goods reduced to ₹ 650000. The special discount offered by the seller to Mr. Avdesh was ₹ 50000. Such special discount is not offered generally to all

the buyers. Identify the transaction value to be declared by Mr. Avdesh in his bill of entry.

- a. ₹ 800000
- b. ₹ 750000
- c. ₹ 650000
- d. ₹ 600000

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

Rule 10: Adjustment in Transaction value

19. The value of imported goods shall be the transaction value adjusted in accordance with:

- a. Rule 12
- b. Rule 10
- c. Rule 3
- d. Rule 4

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

20. Adjustments in transaction value as per rule 10 includes:

- i. Free assistance by the buyer in the form goods or services
- ii. Moulds and dies supplied at reduced cost by the buyer
- iii. Buying commission paid to local agent
- iv. Engineering and design work undertaken in India
- v. Transport charges paid as a condition of sale by the buyer on behalf of the seller.

Choose the correct alternative

- a. i, ii, iii
- b. All of the above except (iv) Above
- c. All of the above except (iii) Above
- d. All of the above except (iii) & (iv) above

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

21. Rule 10(2) includes adjustment in Transaction Value for:

- a. Cost of transport & cost of insurance
- b. Cost of insurance & landing charges
- c. Cost of transport, cost of insurance & landing charges
- d. Cost of transport & landing charges

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

22. Mr. Bahubali imported crude oil from Iraq in huge containers. The containers were returned to the supplier by Mr. Bahubali as he executes a bond for re-export of such containers within the extended time of eight months. The cost of imported crude is ₹ 50 lakhs which includes the cost of container which is ₹ 50 thousand. Calculate the transaction value.

- a. ₹ 50 lakhs
- b. ₹ 50.50 lakhs
- c. ₹ 49.50 lakhs
- d. ₹ 0.50 lakhs

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

23. Which of the following is not included in transaction value?

- i. Commission paid to canalizing agent
- ii. Buying commission paid to local agent
- iii. Cost of container which is non-returnable
- iv. Engineering and art work undertaken in India
- v. Dividend distributed by the seller to the buyer

- a. i, ii, iii
- b. ii, iv & v above
- c. ii, iii & iv above
- d. i & iii above

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

24. As per rule 10(1)(c), royalty & licence fees paid in relation to imported goods shall be included in the transaction value even though such royalty or fees is not actually paid or payable.

State whether the above given statement is correct in the eyes of law.

- a. Correct
- b. Incorrect

Ans: (a) (b)

25. The value of goods and services provided by the buyer to the seller which are incorporated in imported goods shall be included in the transaction value only if such goods or services are supplied free of cost and not at reduced cost.

State whether the statement is true or false

- a. True
- b. False

Ans: (a) (b)

26. Suzuki Ltd. from Japan sold automobiles to Maruti Ltd. India worth ₹ 50 crores. Maruti Ltd. paid indirectly ₹ 5 crores to Suzuki Ltd. for knowhow as a condition of sale. Such payment is made for process to be carried out in India after importation of automobiles. State whether such additional payment for knowhow to be used in India made by Maruti Ltd. be includible in transaction value or not.

- a. Includible
- b. Not includible

Ans: (a) (b)

27. Value of imported goods means transaction value and includes:

- a. Cost of transport
- b. Cost of insurance till clearance
- c. Cost of transport, loading, unloading and handling charges associated with the delivery of

imported goods and cost of insurance, upto the place of importation

d. Both a & b above

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

28. Transaction value includes cost of transport, loading unloading and handling charges incurred for delivery of imported goods at the Custom station. State true or false

a. True

b. False

Ans:- (a) (b)

29. Charges incurred for delivery of goods to the place of importation such as loading and handling charges incurred at the shall be includible in the transaction value.

a. Load port

b. Indian port

c. Local port

d. Both a & b above

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

30. Ajanta Ltd. imported wrist watches from USA for ₹ 15 lakhs. The cost of transport through vessel is not ascertainable but the sum of free on board value of the goods and the cost of insurance is ₹ 15.35 lakhs. Calculate the cost of transport in case of Ajanta Ltd.

a. ₹ 2.5 lakhs

b. ₹ 3 lakhs

c. ₹ 3.07 lakhs

d. ₹ 2.56 lakhs

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

31. If cost of transport, loading unloading & handling charges is not ascertainable, then such cost shall be:

a. Nil

b. 20% of FOB value of goods

c. 20% of FAS value of goods

d. 20% of CIF value of goods

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

32. Cost of insurance shall be..... where actual amount of insurance is not ascertainable but the sum of free on board value of the goods and the cost referred to clause (a) of rule 10(2) is ascertainable

Fill in the blank

a. 20% of FOB cum transport value of goods

b. 1.125% of FOB value of goods

c. 20% of FOB value of goods

d. 1.125% of FOB cum transport value of goods

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

33. In case of import of goods by sea route, FOB cum transport value is ₹ 20 lakhs, where actual cost of transport & cost of insurance is ₹ 1.5 lakh & ₹ 0.5 respectively. The cost of insurance includible in transaction value is:

a. Actual cost i.e. ₹ 0.5 lakh

b. 1.125% of FOB i.e. ₹ 0.208 lakh

c. 1.125% of FOB cum transport i.e. ₹ 0.225 lakh

d. 20% of FOB cum transport i.e. ₹ 4 lakhs

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

34. Costs related to transshipment of goods from port to ICD, port to port, CFS to ICD or port to airport & vice versa within India will be from transaction value

Fill in the blank

a. included

b. excluded

Ans:- (a) (b)

35. The cost of transport referred to in clause (a) of rule 10(2) includes:

a. Ship demurrage charges of normal vessels

- b. Ship demurrage charges of vessels from which goods are not cleared with 30 days
- c. Ship demurrage charges of chartered vessels
- d. All of the above

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

36. Mr. Kumar imported storage tanks from China. The goods were loaded on big mother vessels. Due to non-availability of berth on Mumbai port Mr. Kumar brought the goods on the dock by small boats. State whether Mr. Kumar can include such cost incurred on small boats in his transaction value (T.V.).

- a. Yes, such cost is includible in T.V.
- b. No, such cost is excludible from T.V.
- c. No, such cost is includible subject to some condition
- d. Yes, such cost is includible in T.V. with the prior permission of the proper officer

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

Rule 3: Transaction Value

37. Rathi Brothers imported books from UK for £ 2000 with the condition that such books should not be sold on shops other than authorized shops of the seller. Rathi Brothers filed bill of entry by declaring transaction value (T.V.) but the officer rejected their T.V. State whether the officer can do so

- a. Yes, the officer can reject the T.V. on the basis of rule 10(1)
- b. Yes, the officer can reject the T.V. on the basis of rule 3(2)
- c. No, the officer cannot do so
- d. No, the officer has to accept the T.V. as the parties are not related to each other

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

38. The conditions of rule 3(2) for acceptance of T.V. are:

- a. There is no restriction as to disposition or use of goods subject to some exceptions
- b. The buyer & seller are not related
- c. Both of the above
- d. None of the above

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

39. Mr. Daruwala imported wine from Singapore and filed his bill of entry by declaring the transaction value. The restriction imposed by the seller is that the buyer should not sale those goods in Wardha District as the supply of wine is prohibited by law in Wardha. Is the transaction value of Mr. Daruwala, acceptable?

- a. Acceptable as no condition of sale is imposed by the seller
- b. Acceptable as restriction is imposed by law
- c. Not acceptable as restriction is imposed by the seller
- d. Not acceptable as restriction is related to disposition of the goods

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

40. In case of sale of goods to a related party, transaction value is accepted where:

- a. the relationship does not influence the price
- b. the declared value of the goods closely approximates to the transaction value of identical or similar goods to unrelated buyer in India
- c. the declared value of the goods closely approximates to the deductive or computed value for identical or similar goods
- d. All of the above

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

41. Rio Ltd. USA holds 61% share in Jio Ltd. India. Rio Ltd. supplied some goods to Jio Ltd. through vessel at ₹ 45 lakhs on FOB basis. The identical goods were sold to an unrelated party Trio Ltd. India at ₹ 42 lakhs on FAS basis. The officer can:

- a. Accept the transaction value as relationship did not influence the price
- b. Reject the transaction value as buyer and seller are related
- c. Reject the transaction value as sale to unrelated buyer is at lower price
- d. Both b & c above

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

42. Mr. Devgan an importer from Bangalore imported Product "P" from Singapore. The aircraft carrying the goods reaches Nagpur Airport first and from there goods are transhipped to Bangalore airport. Determine the assessable value of the imported goods from the following particulars:

Particulars	US \$
Price of "P" at exporter's factory	3000
Freight from factory of the exporter to load airport	170
Loading and handling charges at the load airport	220
Transport charges from Nagpur airport to Bangalore airport	150
Freight from load airport to India	375

Though the aircraft arrived on 15.04.2018, the bill of entry for home consumption was presented by Mr. Devgan on 10.04.2018. The exchange rates notified by board on 15.04.2018

was ₹ 62 per US \$ and on 10.04.2018 was ₹ 60 per US \$.

- a. ₹ 225900
- b. ₹ 237188
- c. ₹ 235795
- d. ₹ 228188

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

Rule 2 : Identical & Similar Goods

43. In the context of imported goods, "Identical goods" means goods which are same in respect of:

- a. Physical characteristics of imported goods
- b. Quality of imported goods
- c. Reputation of imported goods
- d. All of the above

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

44. Identical goods must be same in all respect including quality, color, use, characteristics etc., even minor differences are not allowed although such differences does not affect the price of the goods being valued.

State true or false

- a. True
- b. False

Ans: (a) (b)

45. For the purpose of valuation rules, in case of identical or similar goods, choose the correct alternative from the following:

- a. Produced in the same country in which goods being valued were produced
- b. Produced by the same manufacturer or producer
- c. Produced by different manufacturer or producer,

- where no such goods were available from same person
- d. All of the above

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

Rule 4 /Rule 5 : Transaction value of Identical or Similar goods

46. The customs officer found more than one transaction value in case of goods imported by Sagar Industries Ltd., while applying the valuation rules. State which of the transaction value to be considered by the officer for computation of custom duty.
- highest of such values
 - average of all such values
 - lowest of all such values
 - identical or similar value

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

47. Mr. Batliwala, the dealer in dry fruits ordered some dry fruits, the details of which are as follows:

Date of import	Quantity	Value Declared (₹)	Country of Export
Jan. 2019	500 M.T.	20000 per M.T.	Dubai
Mar. 2019	450 M.T.	20500 per M.T.	Dubai

Import of similar goods by some other dealers were also found by the officer, which are as follows:

Date of import	Quantity	Value Declared (₹)	Country of Export
Dec. 2018	100 M.T.	30000 per M.T.	Egypt
Oct. 2018	210 M.T.	25500 per M.T.	Saudi Arabia

The officer rejected the transaction value declared by Mr. Batliwala. The action taken by the officer is:

- Valid, as the value declared by other importer is greater than that of Mr. Batliwala
- Valid, as value of similar goods is available
- Invalid, as the value of similar goods is not available for same quantity and also the country of origin are not the same
- Both a & b above

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

48. Mr. Raj an importer has import 1000 M.T. of oil from Dubai at ₹ 3.5 lakhs. The customs officer finds GST that at the time of importation of this consignment, there were following imports of oil from Dubai:

Quantity	Unit price (₹)
500 M.T.	10 lakhs
800 M.T.	8.5 lakhs
950 M.T.	6 lakhs
1100 M.T.	5.5 lakhs

If an officer wants to reject the transaction value declared by the importer then which of the price is to be considered by the officer for the calculation of customs duty.

- ₹ 3.5 lakhs
- ₹ 6 lakhs
- ₹ 5.5 lakhs
- ₹ 8.5 lakhs

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

Rule 7: Deductive Value

49. If the imported goods are sold in India for which value of similar or identical goods is not available at or about the same time, then the value shall be based on the earliest date after importation but before the expiry of:
- thirty days after such importation

- b. sixty days after such importation
- c. ninety days after such importation
- d. ninety days before such importation

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

50. Compute the deductive value from the following details

Particulars	Amount
Sale price of imported goods in India	10000
Profit included in sale price	1500
Commission paid to the local agent	200
Import duty paid	350
Insurance charges	100
Cost of transport	120
General expenses such as storage charges	150

The value of imported goods shall be:

- a. 8500
- b. 7580
- c. 8150
- d. 8000

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

51. For the purpose of deductive value, unit price is the price at which greatest aggregate quantity sold to person who are:

- a. related to the sellers in India
- b. importer
- c. not related to the sellers in India
- d. All of the above

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

Rule 8: Computed Value

52. Computed value of imported goods is the sum of:

- i. The cost of materials and fabrication or other processing done on imported goods
- ii. The amount of profit and other expenses incurred in the country of exportation
- iii. The cost of transport upto the place of importation
- iv. The cost of Insurance upto the place of importation
- v. The landing charges at the place of importation

Choose the correct alternative from the following:

- a. i, iii, & v only
- b. i, ii, & v only
- c. i, ii, iii, iv & v
- d. i, ii, iii & iv only

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

53. Determine the computed value of Microwave imported by Mr. Kunal from an exporter in Japan on the basis of following information:

Particulars	US \$
Raw material price	2500
Processing charges	500
Other expenses	150
Usual Profit	250
Cost of Transport	100
Landing charges	70

The vessel arrived on 1.4.18 but the bill of entry filed by Mr. Kunal on 25.3.18. Insurances is not ascertainable. The exchange rates are as follows:

Rates given by	25.3.18	1.4.18
RBI	₹ 55 per \$	₹ 57 per \$
CBIC	₹ 58 per \$	₹ 60 per \$

- a. ₹ 207060
- b. ₹ 214200
- c. ₹ 203000
- d. ₹ 205219

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

Rule 9: Residual Method

54. Mr. Vasu imported iron bars from Egypt but the value cannot be determined under rules 4 to 8 of customs valuation rules, then value of such imported goods shall be determined using
- a. Residual Method
 - b. Reasonable means
 - c. Either a or b above
 - d. None of above

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

55. Where transaction value is not acceptable under rule 3 then officer can directly apply rule 9 for determining the transaction value of an importer.

State true or false

- a. True
- b. False

Ans: (a) (b)

Customs Valuation (Determination of value of export goods) Rule, 2007

56. In case of export, goods of like kind and quality which perform same function and are commercially interchangeable must not be produced by the different person.

- a. True
- b. False

Ans: (a) (b)

57. The adjustment factors which are to be considered by the proper officer for determining the value of export goods includes:

- a. Differences in date of exportation
- b. Differences in quantity level

- c. Differences in quality, composition & design
- d. All of the above

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

58. The proper officer can also make adjustments for differences in value of export goods for domestic freight, insurance charges as well as landing charges depending on the place of exportation

- a. True
- b. False

Ans: (a) (b)

59. Social welfare surcharge is applicable @ 10% on the amount of assessable value and basic custom duty.

- a. True
- b. False

Ans: (a) (b)

60. Social welfare surcharge is levied at the rate of:

- a. 10% of assessable value + basic custom duty
- b. 10% of basic custom duty + additional custom duty
- c. 10% of basic custom duty
- d. 10% of assessable value

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

61. Calculate the export duty from the following details

- i. FOB value of goods : US \$ 50,000
- ii. Shipping bill presented on 11-02-18
- iii. Let export order given by the proper officer on 15-02-18
- iv. Exchange rates & duty rates notified by CBIC are as follows:

Date	Rate of exchange	Rate of duty
11-02-18	₹ 60 per \$	10%
15-02-18	₹ 62 per \$	12%

a. ₹ 3,00,000

b. ₹ 3,10,000

c. ₹ 3,60,000

d. ₹ 3,72,000

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

Answers:-

1	c	11	c	21	a	31	b	41	a	51	c	61	c
2	b	12	d	22	c	32	d	42	d	52	d		
3	d	13	c	23	b	33	a	43	d	53	d		
4	d	14	a	24	b	34	b	44	b	54	c		
5	a	15	b	25	b	35	c	45	d	55	b		
6	b	16	a	26	a	36	a	46	c	56	b		
7	d	17	c	27	c	37	b	47	c	57	d		
8	d	18	b	28	b	38	c	48	c	58	b		
9	c	19	b	29	a	39	b	49	c	59	b		
10	d	20	d	30	c	40	d	50	b	60	c		

6

Concession under customs or Exception to Sec 12



Think GST !
Think Vishal Sir...!!



Section 13: Duty on Pilfered Goods

1. In the context of Customs Act, 1962, the term "pilfer" means:

- a. to steal
- b. petty theft
- c. both a & b above
- d. none of the above

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

2. The duty is not payable by the importer in case of pilfered goods only if any goods are pilfered:

- a. after unloading thereof
- b. after unloading thereof but before order of clearance by proper officer for deposit in warehouse or home consumption
- c. after clearance of order by proper officer
- d. before unloading thereof

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

3. In case, goods are pilfered when they are in the custody of Port authority and officer does not pass any order for clearance of such goods either for home consumption or deposit in warehouse, then the duty liability of such pilfered goods is on:

- a. Importer
- b. Person in charge
- c. Either a or b above
- d. Port Authority or Custodian

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

4. The relevant date for duty payable on pilfered goods is the date of:

- a. filing of bill of entry
- b. order of clearance
- c. filing of Import General Manifest or Report
- d. granting entry inward

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

5. Mr. Maganlal imported crockeries from Korea on 10.04.2018 of ₹ 10 lakhs. The master of vessel filed import manifest on 12.04.2018 and entry inward granted on 13.04.2018. Mr. Maganlal filed bill of entry for home consumption on 14.04.2018 when he found that goods of ₹ 2 lakhs were pilfered. The order of clearance for home consumption was granted on 15.04.2018 only for goods worth ₹ 8 lakhs. The duty rates on various dates are as below:

Date	Exchange Rate
12.04.2018	10%
13.04.2018	12%
14.04.2018	8%
15.04.2018	12.5%

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

i. The importer is liable to pay duty on goods worth ₹:

- a. 2 lakhs
- b. 10 lakhs
- c. 8 lakhs
- d. 10 lakhs if pilfered goods were restored by the custodian otherwise on 8 lakhs only

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

ii. The rate of duty applicable on goods cleared for home consumption by Mr. Maganlal is:

- a. 10%
- b. 12%
- c. 8%
- d. 12.5%

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

iii. The liability to pay duty on pilfered goods if not restored to the importer is on:

- a. Mr. Maganlal
- b. Port Trust Authority
- c. Either a or b above
- d. Neither a nor b above

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

iv. The rate of duty applicable on pilfered goods is:

- a.10%
- b.12%
- c.8%
- d.12.5%

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

v. Calculate the import duty payable on pilfered goods by the custodian or port trust authority.

- a. 1 lakhs
- b. 0.20 lakhs
- c. 0.80 lakhs
- d. 0.16 lakhs

6. If the pilfered goods are restored to the importer then importer is liable to pay duty at the rate prevailing on the date of:

- a. filing bill of entry by the importer
- b. filing import manifest or report by the person-in-charge
- c. restoration by the port authority to the importer
- d. order of clearance by the proper officer

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

Section 22: Abatement of Duty on damaged or deteriorated goods

7. The abatement of duty on damaged or deteriorated goods can be granted by:

- a. Assistant Commissioner
- b. Deputy Commissioner
- c. Joint Commissioner
- d. a or b above

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

8. Abatement of duty can be granted on any imported goods that had been damaged or deteriorated at any time:

- a. after the unloading of goods in India
- b. before the unloading of goods in India
- c. during the unloading of goods in India

d. b or c above

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

9. The abatement in case of any imported goods other than warehoused goods is available if such goods are deteriorated at any time after the unloading thereof in India but before their examination u/s 17

State true or false

- a. True
- b. False

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

10. If any warehoused goods had been damaged at any time before clearance for home consumption, the abatement is available only if such damaged is:

- a. on account of any accident
- b. due to willful act, negligence or default of owner, his employee or agent
- c. not due to willful act, negligence or default of owner, his employee or agent
- d. Both a and c above

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

11. Mr. Purohit imported some goods from Germany the value of which is ₹ 10 lakhs and duty is payable at the rate of 20%. Some goods has been damaged before the order of clearance for home consumption has been granted by the proper officer. The value of goods after damages is ₹ 8 lakhs. Calculate the duty payable by Mr. Purohit at the time of clearance of goods for home consumption.

- a. ₹ 2 lakhs
- b. ₹ 1.6 lakhs
- c. ₹ 0.40 lakhs
- d. ₹ 0.50 lakhs

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

Section 23: Remission of duty on lost, destroyed or abandoned goods

12. Remission of duty can be granted by Assistant Commissioner on any imported goods that are:

- a. lost or stolen
- b. lost or destroyed
- c. pilfered
- d. Either a or b above

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

13. An importer can relinquish his rights on any imported goods at any time after such goods has been cleared for home consumption or deposit in warehouse

State true or false

- a. True
- b. False

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

14. The owner of imported goods Mr. Atul wants to abandon his title on imported goods regarding which an offence appears to have been committed under the Act other than Customs Act. The officer does not allow Mr. Atul to abandon his rights on such goods. State whether the action taken by the officer is correct in law.

- a. Correct
- b. Incorrect

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

15. On relinquishment of title on any imported goods, the importer shall thereon.

- a. be liable to duty
- b. be liable to duty at reduced rate
- c. not be liable to duty
- d. be eligible for refund

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

16. M/s Fortuner Ltd. an oil dealer imported edible oil from Saudi Arab. The quantity imported was 10000 liters whereas, only 9500 liters of oil was found at the time of unloading

at the customs port. The concession can be granted to M/s Fortuner Ltd. for 500 liters of oil under:

- a. Section 13: Pilfered goods
- b. Section 22: Abatement of duty on damaged or deteriorated goods
- c. Section 23: Remission of duty on lost, destroyed or abandoned goods
- d. None of above

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

Section 24: Power to make rules for denaturing or mutilation of goods

17. is having the power to make rules for denaturing or mutilation of goods.

- a. Central Board of Indirect Taxes and Customs
- b. Central Board of Excise and Customs
- c. Central Government
- d. State Government

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

18. On any denatured or mutilated goods duty shall be chargeable at the rate:

- a. of original goods
- b. as if such goods are imported in denatured or mutilated form
- c. Separately notified by CG
- d. None of above

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

Section 21: Derelict, Jetsam, Flotsam & Wreck

19. Mr. Arjun found an abandoned ship along with some goods in high seas. He brought that ship along with him while returning to India. The custom officer imposed duty on such ship as if they are imported into India but Mr. Arjun denies paying the duty on the ground that it was available freely in the high seas. State whether the contention of Mr. Arjun is correct in law

- a. Correct

b. Incorrect:- as all derelict, jetsam, flotsam & wreck goods brought into India are treated as imported goods and liable to duty unless proved otherwise

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

Section 20: Re-importation of Goods

20. The exported goods which are re-imported into India for repairs are not liable to any import duty on such re-importation even though such goods are re-exported after 13 months from the date of re-importation

State true or false

- a. True
- b. False

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

21. The re-imported goods in India which were exported earlier are liable to duty and subject to all conditions & restrictions as goods of are liable on importation

- a. identical nature

- b. similar nature
- c. Either a or b above
- d. like kind and value

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

Answers :-

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

7

Warehouse



Think GST !
Think Vishal Sir...!!



1. The power to license public warehouses lies with:

- a. Principal Commissioner of Customs
- b. Commissioner of Customs
- c. Assistant / Deputy Commissioner of Customs
- d. Principal Commissioner of Customs or Commissioner of Customs

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

2. Any licensed public warehouses can be used for depositing..... goods

- a. duty free
- b. dutiable
- c. exempt
- d. import

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

3. In a licensed private warehouse, dutiable goods imported by or on behalf of may be deposited.

- a. Importer
- b. Exporter
- c. Either a or b above
- d. Licensee

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

4. The licensed public warehouses wherein dutiable goods may be deposited shall be caused to be locked by the proper officer and no person shall enter without the permission of proper officer
State true or false

- a. True
- b. False

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

5. Which of the following goods has been notified by the Board to be deposited in the licensed Special Warehouses?

- a. Gold, silver, other precious & semi-precious metals
- b. goods to be supplied to duty free shops in customs area
- c. Goods to be supplied to foreign privileged person

d. All of the above

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

6. If license granted to any warehouse has been cancelled then the goods deposited in such warehouse shall be removed to another warehouse or be cleared for home consumption within..... from the date of serving order on the licensee

- a. ten days
- b. thirty days
- c. fifteen days or such extended period as the officer may allow
- d. seven days or such extended period as the officer may allow

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

7. In case of bill of entry for warehousing, the importer has to execute a bond equal to the sum of the amount of duty assessed on such imported goods

- a. twice
- b. thrice
- c. either a or b above
- d. five times

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

8. Mr. Raj imported goods worth ₹ 20 lakhs on which duty is payable at the rate of 10%. Determine the amount of bond to be executed by Mr. Raj if he wants to file bill of entry for warehousing u/s 46 and assessed duty u/s 17 or 18.

- a. ₹ 2 lakhs
- b. ₹ 4 lakhs
- c. ₹ 6 lakhs
- d. ₹ 8 lakhs

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

9. In case of multiple sales in high sea, the transaction value under rule 4 of Customs Valuation Rules shall be:

- a. The price paid by the first buyer

- b. The average price paid by all the buyers involved in high sea sale
- c. The price paid by the last buyer
- d. The highest price paid by any of the buyer

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

10. The period of warehouse available for any Capital goods which are intended to be used in any 100% EOU/ EHTP/ STP or any warehouse wherein manufacture or other operations have been permitted u/s 65 shall be:

- a. 1 year from the date of warehousing order
- b. 3 years from the date of warehousing order
- c. Till there clearance from warehouse
- d. Ninety days from the date of warehousing order

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

11. Mr. George imported some goods not being capital goods, which are intended to be used in 100% Electronic Hardware & Technology Park. Mr. George filed a bill of entry for warehousing u/s 46 and wants to know the time limit of warehousing period available to goods imported by him. Kindly guide Mr. George as per the provision of law.

- a. 3 years from the date of warehousing order
- b. till there clearance from warehouse
- c. 1 year from the date of warehousing order
- d. No such period specified

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

12. The period of warehousing is..... from the date of warehousing order for any imported goods which are not intended to be used in 100% EOU/ EHTP/ STP

- a. 180 days

- b. 6 months
- c. 365 days
- d. 1 year

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

13. The period of warehousing as mentioned in section 61 cannot be extended by the Principal Commissioner or Commissioner of customs even though sufficient cause being shown by the importer.

Identify the correctness of the above statement

- a. Correct
- b. Incorrect

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

14. The Assistant Commissioner or Deputy Commissioner of Customs may extend the period of warehousing for imported goods by not more than one year at a time.

State true or false

- a. True
- b. False

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

15. If any warehoused goods other than goods intended to be used in 100% EOU /EHTP/ STP, remains in warehouse for a period more than from the date of order of warehousing, importer shall be liable to pay interest at the rate of on the amount of duty payable at the time of clearance of goods.

- a. 60 days : 12% p.a.
- b. 1 year : 18% p.a.
- c. 90 days :15% p.a.
- d. 1 year : 15% p.a.

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

16. Pratibha Industries imported metal sheets from Australia for ₹ 20 lakhs. The proper officer issued order for clearance

of goods for warehousing for a period of 1 year on 1.1.18. On 30.9.18 100% exemption has been granted to metal sheets from custom duty in India. Pratibha Industries cleared goods for home consumption on 31.12.18. State at which rate Pratibha Industries is liable to pay interest on goods remained in warehouse.

- a. 18% p.a. on duty payable at the time of clearance for home consumption
- b. 15% p.a. on duty payable at the time of clearance for home consumption
- c. No interest is payable as goods are exempt at the time of clearance for home consumption
- d. 12% p.a. on duty payable at the time of clearance for home consumption

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

17. Star Industries imported music instruments from Russia for ₹ 10 lakhs. The proper officer issued order for clearance of goods for warehousing on 1.1.19. Star Industries cleared goods for home consumption on 31.12.19 by paying custom duty @ 10%.

Calculate the interest payable by Star Industries as per warehousing provisions.

- a. ₹ 15000
- b. ₹ 18000
- c. ₹ 13562
- d. ₹ 11301

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

18. An owner of warehoused goods has following rights to deal with those goods except:

- a. Inspect or sort the goods
- b. Show the goods for sale
- c. Carry out necessary treatment on containers to prevent loss or deterioration or damage to the goods

d. All of the above

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

19. If any importer imported goods for carrying out manufacturing or other processes in warehouse, then the waste generated out of such manufacturing process shall be remitted from duty if:

- a. Resultant product is fully exported
- b. Such waste product is fully destroyed or duty has been paid on such waste as if it is imported in that form
- c. Resultant product is fully cleared for home consumption in India
- d. Both a & b above

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

20. If the resultant product emerged out of manufacturing process carried out in warehouse, is fully cleared for home consumption then the warehoused goods contained in waste or refusal shall be liable to duty at the rate applicable to:

- a. Original imported goods
- b. Waste product
- c. Resultant product
- d. Either b or c above

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

21. Mr. Ketan imported Spare parts of machinery and warehoused those goods. As per the provisions of customs law, Mr. Ketan can relinquish his title on such warehoused goods upon payment of:

- a. Import duty
- b. Warehousing interest
- c. Penalties if any payable
- d. All of the above

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

22. Solitaire Pvt. Ltd. cleared its goods stored in warehouse for home consumption before completion of 90 days by presenting ex-bond bill of entry, but failed to pay the import duty within 2 days of return of assessed bill of entry by the officer. State the implication of delay in payment of import duty by Solitaire Pvt. Ltd.

- a. Interest is payable @ 15% on the amount of duty
- b. No interest will be payable as goods removed from warehouse before 90 days
- c. Interest is payable @ 18% on the amount of duty
- d. only warehousing interest is payable

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

23. The power to remit duty in case of volatile warehoused goods found to be deficient in quantity due to natural loss, lies with:

- a. Principal Commissioner/ Commissioner of customs
- b. Assistant/ Deputy Commissioner of customs
- c. Chief Commissioner of customs
- d. Joint Commissioner of customs

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

24. Kesoram Rayon deposited his imported goods in customs warehouse but failed to clear those goods from the warehouse before the expiry of warehousing period. The rate of duty applicable to Kesoram Rayon will be the rate in force on the date of:

- a. Presentation of bill of entry for warehousing

- b. Deemed removal i.e. the date on which the warehousing period expires
- c. Presentation of bill of entry for home consumption
- d. Either b or c above

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

25. Mr. Gujral imported certain goods in Jan 2019. An into bond bill of entry was presented on 10th Jan, 2019. Assessable value was \$ 15,00,000. The order permitting the deposit of goods in warehouse for two months was issued on 15th Jan, 2019. Mr. Gujral failed to clear the imported goods before the expiry of warehousing period i.e. upto 14th March, 2019. Mr. Gujral did not obtain any extension of time as well. Mr. Gujral cleared the goods on 30th April, 2019.

Date	10.1.19	15.1.19	14.3.19	30.4.19
Basic Customs Duty	10%	8%	18%	Exempt

Identify the rate of duty applicable on clearance of goods by Mr. Gujral

- a. 10%
- b. 8%
- c. 18%
- d. Exempt

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

Answer:-

1	d	11	b	21	c
2	b	12	d	22	b
3	d	13	b	23	b
4	b	14	b	24	b
5	d	15	c	25	c
6	d	16	c		
7	b	17	d		
8	c	18	d		
9	c	19	d		
10	c	20	a		

8

Input Tax Credit



Think GST !
Think Vishal Sir...!!



Section 16:-

1. Whether definition of Inputs includes capital goods.

- a. Yes
- b. No
- c. Certain capital goods only
- d. None of the above

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

2. Is it mandatory to capitalize the capital goods in books of Accounts?

- a. Yes
- b. No
- c. Optional
- d. None of the above

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

3. Whether credit on inputs should be availed based on receipt of documents or receipt of goods

- a. Receipt of goods
- b. Receipt of Documents
- c. Both a and b
- d. Either receipt of documents or Receipt of goods

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

4. Whether the recipient can claim ITC on the basis of revised invoices.

- a) Yes
- b) No
- c)
- d)

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

5. Whether Input tax credit on Inputs and Capital Goods is allowed in one installment?

- a. Yes
- b. No
- c. Maybe
- d. None of the above

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

6. Input tax credit is available only when the purchase made is used in _____

- a. The course or furtherance of business
- b. Other than business expenses
- c. Both (a) and (b)
- d. None of the above

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

7. What are the prior conditions to claim input tax credit?

- a) Tax invoice or debit note should be available
- b) The person should have received the goods/services
- c) Tax charged on the purchases has been deposited/paid to the government by the supplier
- d) All of the above

Ans:-

8. Can the taxable person under Composition Scheme claim input tax credit

- a. Yes
- b. No
- c. Only in some cases
- d. Can't say

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

9. Mr. A, non-resident taxable person bought goods from USA for the trade fair to be organized in Pune. At the customs, he paid IGST. Will he get the credit of the IGST paid?

- a. Yes
- b. No
- c. Maybe
- d. Yes, with permission of Customs

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

10. Whether credit on capital goods can be taken immediately on receipt of the goods?

- a. Yes
- b. No
- c. After usage of such capital asset
- d. The time when asset is capitalized in books

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

11. ITC avoids the _____

- a. Cascading effect
- b. Compliance burden
- c. Working capital usage
- d. Difficulty in operating business

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

12. Which of the following are covered in the definition of input tax?

- i. Tax paid under RCM
- ii. IGST on imports
- iii. Taxes on composition levy
- iv. CGST

Mark the correct option:

- a. (i) & (ii)
- b. (i), (ii) & (iv)
- c. (i), (ii) & (iii)
- d. All of the above

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

13. If the person makes export supplies or supplies to SEZ, will he be eligible to avail the ITC?

- a. Yes, if he supplies under Bond / LUT
- b. Yes, if he doesn't supply under Bond / LUT
- c. Yes, he can avail ITC in any situation
- d. None of the above

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

Q.14. ITC is eligible only when it is-----

- a) Credited to the electronic cash ledger
- b) Credited to the electronic credit ledger
- c) Booked in the books of account

d) All of the above

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

15. The input tax credit on purchase invoice dated 2nd May 2017 was omitted to be taken. The accountant realized this mistake on 1st November 2018. Can he now claim the credit?

- a. Yes
- b. No
- c. Yes, with permission of Jurisdictional officer
- d. Maybe

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

16. Comment: Supply of goods can be spread over a period of time, it is not necessary that all elements should be supplied at the same time

- a. Correct
- b. Incorrect
- c. Partially correct
- d. None of the above

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

17. Mr. A placed an order with Mr. B of 20,000 pcs on 1st January 2017 and the same order is to be received on last day of every month i.e. 2,000 pcs per month shall be received in next 10 months. When can Mr. A can avail ITC?

- a. 28th February, 2017
- b. 31st October, 2017
- c. 31st March, 2017
- d. Proportionately with receipt of every instalment

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

18. If the goods are received in lots/installment, -----

- (a) 50% ITC can be taken on receipt of 1st installment and balance 50% on receipt of last installment.
- (b) ITC can be availed upon receipt of last installment.
- (c) 100% ITC can be taken on receipt of 1st installment.
- (d) Proportionate ITC can be availed on receipt of each lot/installment.

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

19. Mr. A placed an order with Mr. B in April 2018. He has received the invoice and both of them has duly filed the return along with the necessary tax payment. But the goods were received in May 2018. When can Mr. A claim the credit?

- a. April 2018
- b. May 2018
- c. September 2018
- d. Either (a) or (b)

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

20. Which of the following statement is correct?

- a) If purchaser fails to pay value along with tax amount to supplier within 180 days, then the ITC amount along with interest should be added to his output tax liability.

b) If purchaser fails to pay value along with tax amount to supplier within 180 days, then the ITC amount along with interest should be reversed from the electronic ledger.

c) If purchaser fails to pay taxable value to supplier within 180 days, then the ITC amount should be added to his output tax liability.

d) If purchaser fails to pay the tax amount to supplier within 180 days, then the ITC amount should be added to his output tax liability.

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

21. In which of the following situations, taxpayer needs to reverse the credit already taken?

(a) If payment is not made to the supplier within 45 days from the date of invoice

(b) If payment is not made to the supplier within 90 days from the date of invoice

(c) If payment is not made to the supplier within 180 days from the date of invoice

(d) None of the above

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

22. In case supplier has deposited the taxes but the receiver has not received the documents, is receiver entitled to avail credit?

a. Yes, it will be auto populated in recipient monthly returns

b. No as one of the conditions of 16(2) is not fulfilled

c. Yes, if the receiver can prove later that documents are received subsequently

d. None of the above

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

23. Mr. A purchased goods from Mr. B on 1st May, 2018 and fulfilled all the conditions for availing the ITC. He availed the credit in the May Month i.e. in its GSTR – 3B which was filed on 15th June, 2018. He made the payment to Mr. B on 31st December, 2018. Answer the following questions.

Can recipient claim the credit even if he has not made the payment to supplier within 180 days?

a. Yes

b. No

c. Irrelevant question

d. None of the above

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

24. In question 23, at what interest rate Mr. A need to repay the credit wrongly availed?

a. 18% p.m.

b. 12% p.m.

c. 18% p.a.

d. 12% p.a.

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

25. In question 23, after making the payment on 31st December 2018, can Mr. A reclaim input tax credit?

- a. Yes
- b. No
- c. Maybe
- d. Not allowed

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

26. In question 23, is there any time limit for re-availing the credit?

- a. One month
- b. One year
- c. 180 days
- d. No time limit

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

27. Can the recipient avail the Input tax credit for the part payment of the amount to the supplier within one hundred and eighty days?

- a. Yes, on full tax amount and partly value amount
- b. No, he can't until full amount is paid to supplier
- c. Yes, but proportionately to the extent of value and tax paid
- d. Not applicable is eligible to claim refund in respect of exports of goods

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

28. What should be the treatment of tax element in a capital asset?

- a. Capitalize the tax element and claim depreciation
- b. Claim the ITC at first instance
- c. Either (a) or (b)
- d. Both (a) and (b)

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

29. A person has a single GST registration in respect of two different trade names. Can he set off input tax credit from one trade name against the output tax liability of the other?

- a. Yes
- b. No
- c. Maybe
- d. None of the above

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

30. In which of the following conditions the input tax credit will be available?

- (a) Capital goods used for making exempted goods
- (b) Capital goods used for exclusively non-business (personal) purpose
- (c) Depreciation has been claimed on tax component of capital goods
- (d) None of the above

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

SECTION 17

31. Input tax credit is not available in respect of _____.

- (a) services on which tax has been paid under

composition levy

- (b) free samples
- (c) goods used for personal consumption
- (d) all of the above

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

32. Which of the following Input Tax credit (ITC) is not available to the tax payer:-

- (a) ITC on Goods purchased for resale
- (b) ITC on Goods used for providing taxable services
- (c) ITC on Goods used in making supplies out of India
- (d) ITC on purchase of Motor vehicle for use by director

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

33. ITC of motor vehicles used for _____ is allowed.

- (a) Transportation of goods
- (b) Transportation of passengers
- (c) Imparting training on driving
- (d) All of the above

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

34. ITC on motor vehicles on its leasing, renting or hire is not allowed except _____

- a. When used for making outward supply of same category of goods or services
- b. When used for making outward supply of different category of goods or services
- c. When making outward sale of such motor vehicles
- d. None of the above

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

35. ITC is blocked in case of construction, repairs, -----, -----, ----- except plant & machinery -----

- a) Renovation, alteration, re-construction of immovable property, on own account
- b) Renovation, maintenance, re-construction of immovable property, on others account
- c) Renovation, alteration, re-construction of immovable property, on his principals account
- d) Re-construction, alteration, re-construction of immovable property, on his own account

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

36. Mr. A, a practicing Chartered Accountant purchased 3 laptops each having tax elements of Rs.40,000 in his firm name. two laptops he utilized in his office whereas one laptop he gifted to his sister. What is the amount of ineligible ITC?

- a. Rs.40,000
- b. Rs.50,000
- c. Rs.75,000
- d. Rs. 80,000

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

37. In which of the following cases, input tax credit is not allowed?

- (a) Packing material used in a factory
- (b) Goods used for providing services during warranty period
- (c) Inputs used for quality control check
- (d) Confectionery items for consumption of employees working in the factory

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

38. GST Authorities raised Mr. A's place of business and found that tax has been evaded. The proceedings under section 73 were started and Mr. A was made liable to pay a tax of Rs. 2 crore along with the interest and penalty. For which of the following amounts Mr. A can claim ITC?

- a. Rs. 2 crore
- b. Rs. 2 crore and interest paid separately
- c. Rs. 2 crore, interest and penalty paid separately
- d. No ITC shall be allowed

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

39. Mr. A purchased goods from Mr. B a composition dealer worth Rs.2,00,000. Since Mr. B was trader so he was supposed to pay only 1% of his turnover as his tax. The item so purchased was otherwise taxable at 12%. What is the amount of credit which Mr. A is eligible to take?

- a. Rs. 2,000
- b. Rs. 24,000
- c. Rs. 1,000
- d. Not eligible to claim credit

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

40. ABC Pvt. Ltd. is engaged in making Chocolates. The company on Diwali, distributed the same chocolates to its employees. Can the company claim ITC in respect to the inputs used in making such gifts?

- a. Yes
- b. No
- c. Maybe
- d. Company's discretion

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

41. ITC shall be allowed in which of the following options

- i. Excavators
 - ii. Road rollers
 - iii. Tippers
 - iv. Dumpers
- Tick the correct option.
- a. (i) & (ii)
 - b. (iii) & (iv)
 - c. (i), (ii) & (iii)
 - d. (i), (ii), (iii) & (iv)

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

42. ITC in respect to pipelines laid outside the factory & towers fixed to earth by foundation or structural

support including foundation & structural support are ----- for the ITC.

- a) Eligible
- b) Not eligible
- c) Eligible, with permission of Jurisdictional officer
- d) None of the above

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

43. Situations:

- i. Health insurance of factory employees [Not notified by Government]
- ii. Composite service used for installation of plant and machinery
- iii. Purchase of car used by director for the business meetings only

Comment on the eligibility of the credit in below mentioned cases.

- a. Not eligible, eligible, not eligible
- b. Not eligible, not eligible, not eligible
- c. Eligible, not eligible and not eligible
- d. Eligible, eligible and not eligible

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

44. Inputs are procured by Mr. A for his business and the same are being utilized in manufacturing of exempted as well as taxable goods. What should be follow?

- a. Full ITC to be claimed
- b. Proportionate ITC to be claimed
- c. Rule 42 should be applied
- d. Rule 43 should be applied

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

45. Mr. Z trades in certain items which are exempt and supplies certain items to SEZ which are zero-rated. He wants to understand which of the following will be included in computation of taxable supplies for purpose of availing input tax credit?

- a. Zero-rated supplies
- b. Exempt supplies
- c. Both i.e., Zero-rated and exempt supplies
- d. None of the above

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

46. Mr. Jolly, lawyer is registered in Delhi. He has income of Rs. 32,00,000 from legal services. Also, he has given a commercial land on rent for which he is charging Rs. 5,00,000 per month. He has also extended loan of Rs. 1 crore for which he received interest amounting to Rs. 12,00,000 annually. What will be the value of exempt supply for the purpose of reversal of input tax credit under rule 42?

- (a) Rs. 44,00,000
- (b) Rs. 12,00,000
- (c) Rs. 32,00,000
- (d) Rs. 60,00,000

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

47 Compute the value of 'exempted supply' for purpose of section 17(2) of the CGST Act, 2017 from the following details: (i) Value of alcoholic liquor for human consumption: ₹ 1,50,000 (ii) Value of architect services supplied: ₹2,00,000 (iii) Securities of face value of ₹ 1,00,000 sold for ₹ 95,000

- (a) ₹ 1,50,000
- (b) ₹ 2,50,000
- (c) ₹ 2,45,000
- (d) ₹ 1,50,950

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

48. "Credit of ITC may be availed for making zero rated supplies, even if such supply is an exempted supply." – Comment

- a. Correct
- b. Incorrect
- c. Partially correct
- d. None of the above

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

49. Krishna Motors is a car dealer selling cars of an international car company. It also provides maintenance and repair services of the cars sold by it as also of other cars. Determine the amount of input tax credit available with the help of the following information regarding expenses incurred by it during the course of its business operations:

Cars purchased from the manufacturer for making further supply of such cars [Two of such cars are destroyed in accidents while being used for test drive by potential customers. GST paid on their purchase is ₹ 1,00,000]	20,00,000
Works contract services availed for constructing a car shed in its premises	50,000

- (a) ₹ 19,00,000
- (b) ₹ 21,10,000
- (c) ₹ 19,50,000
- (d) ₹ 20,50,000

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

50. (i) A software professional providing technical consultancy buys a motorcycle for use of his employee.

(ii) A motor driving school buys a car for being used in imparting motor driving training.

(iii) A flying school imports an aircraft for use in its training activity.

(iv) A manufacturer buys a small truck for the purpose of transporting its inputs and finished goods. Input tax credit cannot be taken on:

- (a) (iii)
- (b) (i), (ii), (iii), (iv)
- (c) (i)
- (d) (i), (iii)

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

51. Kamlesh hires a works contractor for repairing his factory building on a lumpsum payment of ₹ 11,80,000. He debits half of the expenditure in the profit and loss account and the remaining half in the building account. Assuming the rate of GST to be 18%, Kamlesh can take input tax credit of:

- (a) ₹ 90,000
- (b) ₹ 1,06,200
- (c) ₹ 2,12,400
- (d) Nil

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

52. Input tax Credit is available on all supplies which are used or intended to be used in the course or furtherance of business. Input tax credit will be available under which of the following situations?

- (a) GST paid on motor vehicle used in the course and furtherance of business.
- (b) GST paid on club membership fees.
- (c) GST paid on goods or services or both used for personnel consumption.
- (d) IGST @18% paid on inputs purchased from a vendor in Bangalore where the supplier is registered in Rajasthan.

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

53. For banking companies using inputs and input services partly for taxable supplies and partly for exempt supplies, which of the statement is true?

- (a) ITC shall be compulsorily restricted to credit attributable to taxable supplies including zero rated supplies
- (b) 50% of eligible ITC on inputs, capital goods, and input service shall be mandatorily taken in a month and the rest shall lapse.
- (c) Banking company can choose to exercise either option (a) or option (b)
- (d) None of the above

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

54. Bank on 1st April 2018 has a credit of Rs. 150,000. It during the month of April supplied certain exempted services & some taxable services. What is the eligible amount of credit?

- a) ₹ 150,000
- b) ₹ 75,000
- c) ₹ 100,000
- d) None of the above

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

55 Calculate the amount of eligible ITC?

Particulars	Amount(₹)
Purchase of mobile phones for employees to be used for business purposes	20,000
Taxes paid on telephone expenses	5,000
Taxes paid on security services availed by registered person for his factory	18,000

Motor vehicle purchased for employees to be used for personal as well as business purposes	1,50,000
Motor vehicle purchased for transportation of goods within the factory of registered person	2,00,000
Taxes paid on food expenses incurred by registered person for his employees	2,000
Rent-a-cab facility given to employees as it is obligatory for the employer to provide it under an applicable law The service has been notified by the Government.	36,000
Taxes paid on purchase of cement and other material for renovation of the office room (not capitalised)	16,000

- (a) Rs. 2,95,000
 (b) Rs. 4,47,000
 (c) Rs. 2,43,000
 (d) Rs. 2,59,000

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

SECTION 18

56. True or false – “In case of switching from taxable to exempt transactions or from Regular to composition scheme, ITC is fully restricted.”

- a. Correct
 b. Incorrect
 c. Partially correct
 d. None of the above

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

57. An assessee obtains new registration. It can avail credit on inputs lying in stock. What is the time limit for the taking said credit?

- a. 1 year from the date of invoice
 b. 3 years from the date of registration
 c. 1 years from the date of registration
 d. None of the above

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

58. An assessee obtains new registration, voluntary registration, change of scheme from composition to regular scheme and from exempted goods/ services to taxable goods/services. It can avail credit on inputs lying in stock. What is the time limit for taking said credit?

- (a) 1 year from the date of invoice
 (b) 3 years from the date of invoice
 (c) years from the date of invoice
 (d) None of the above

Ans. (a) (b) (c) (d)

59. Can the unutilized input tax credit be transferred in case of change in constitution of business?

- a. Not possible
 b. No, it will be exhausted
 c. Yes, it will be transferred only if there is provision for transfer of liabilities
 d. It will be transferred only if it is shown in books of Account of transferor

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

60. In case of Compulsory registration, input tax credit can be availed on

- a. stocks held on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act, provided application for registration is filed within 30 days from the due date
 b. stocks held on the day immediately preceding the date of grant of registration under the provisions of this Act.
 c. stocks held on the day immediately preceding the date of application of registration under the provisions of this Act.
 d. None of the above

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

61. In case of Voluntary registration input tax credit can be availed

- (a) on stocks held on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act
 (b) on stocks held on the day immediately preceding the date of grant of registration under the provisions of this Act.
 (c) on stocks held on the day immediately preceding the date of application of registration under the provisions of this Act.
 (d) None of the above

Ans. (a) (b) (c) (d)

62. In case of supply of plant & machinery on which ITC is taken, tax to be paid on is

- a. Amount equal to ITC availed less 5% for every quarter or part thereof
 b. Tax on transaction value
 c. Higher of above two
 d. Lower of above two

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

63. Is Input tax to be paid in case of switchover from taxable to exempt supplies

- (a) Yes, equivalent to the credit in respect of inputs held in stock (including semi-finished and finished goods) and on capital goods held in stock
 (b) No
 (c) Yes, full credit
 (d) No, should be debited to electronic credit ledger

Ans. (a) (b) (c) (d)

64. Is Input tax to be reversed in case of supply of capital goods

- (a) Yes fully
- (b) No
- (c) Yes, to extent of credit taken as reduced by prescribed percentage or tax on transaction value whichever is higher
- (d) Yes, to the extent of transaction value of such goods

Ans. (a) (b) (c) (d)

65. What will happen to the rest of credit carried forward in respect of a regular dealer switching over to composition stream under GST, after adjusting to the inputs held in stock?

- a) Carry forward the rest of the credit
- b) Credit kept in abeyance till the taxable opts for normal scheme once again
- c) Credit lapses
- d) Electronic credit ledger will freeze with the credit available

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

66. Mr. Natwarlal, a registered person under GST, was the proprietor of M/s. Spiceton Restaurant. He died and left behind his wife and son on 15-Aug-2018.

His son wants to continue the business of the deceased father.

The GST consultant of M/s. Spiceton Restaurant, gave the following advices to the son, how the son could continue the business of his deceased father.

Which of the following option is correct in accordance with the provisions of GST law-

- (a) The son should get himself registered under the name and style M/s. Spiceton Restaurant, under his own PAN and file Form ITC-02.
- (b) The son can get the authorized signatory changed by approaching to the Proper Officer and can continue the same business.
- (c) The son should close the old firm and start new business under different name.
- (d) The son should do the business as his mother as the new proprietor of the M/s. Spiceton Restaurant, and son should act as a Manager.

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

SECTION 19

67. Is ITC available in case goods are sent for job work and received within the specified time limit?

- a. Yes
- b. No
- c. Maybe
- d. Yes, with prior permission of the Jurisdictional officer

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

68. Is principal entitled to take ITC even when the principal has not received the goods and directly sent to job worker by the vendor?

- a. Yes
- b. No
- c. Maybe
- d. None of the above

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

69. The time limit beyond which if goods are not returned, the capital goods sent for job work shall be treated as supply

- a. One year
- b. Five years
- c. Three Years
- d. Seven years

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

70. When the goods are sent from one job worker to another, the challan may be issued by:

- a. Only by the Principal
- b. Only by Job worker sending goods to another job worker
- c. By any one of the above two

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

71. The details of challans in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another during a quarter shall be included in FORM ?

- a. Form GST ITC-03
- b. Form GST ITC-04
- c. Form GSTR-2
- d. None of Above

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

SECTION 20

72. In case of ISD whether distributor and recipient should have same PAN

- (a) Yes
- (b) No
- (c) Yes, if in same state and different in other state
- (d) None of the above

Ans. (a) (b) (c) (d)

73. If credit applicable to more than one recipient, then it shall be distributed

- a. Equally
- b. On Pro rata basis to the aggregate turnover of such recipients
- c. Proportionately
- d. As per Adhoc Ratio

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

74. What are the areas in respect of which an ISD cannot distribute the Input tax Credit availed?

- a) ITC paid on inputs (Raw material or capital goods)
- b) To Outsourced manufacturers or service providers
- c) both (a) and (b)
- d) none of the above

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

75. Who is considered as Input Service Distributor under GST?

- a) Head office
- b) Senior Most branch
- c) Majority of branches
- d) none of the above

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

76. The ISD Mechanism is based on the concept of ----

- a) Distributing the credit on common invoices pertaining to Input Services
- b) Distribution of goods (inputs or capital goods) among the branches
- c) both (a) and (b)
- d) none of the above

Ans:-

(a) (b) (c) (d)

77. Is Input Service Distributor Invoice a valid document for taking the ITC?

- a) Yes
- b) No
- c) Maybe
- d) None of the above

Ans:-

(a) (b) (c) (d)

78. What type of registration is required to be taken by an Input service Distributor?

- a) IGST Registration
- b) SGST Registration
- c) SGST and CGST Registration
- d) ISD Registration

Ans:-

(a) (b) (c) (d)

79. What is the threshold limit for registration of ISD under GST?

- a) InR 10 Lakhs
- b) InR 20 Lakhs
- c) InR 1 crore
- d) none of the above

Ans:-

(a) (b) (c) (d)

80. The due date to file GSTR-6 (Return for Input Service Distributor) is:

- (a) 10th of the next month
- (b) 13th of the next month
- (c) 18th of the next month
- (d) 20th of the next month.

Ans:-

(a) (b) (c) (d)

81. The Head Office of XYZ Ltd. is registered as Input Service Distributor in Delhi. Its Branch Office in Mumbai is engaged in the supply of readymade garments. The Head Office received an invoice from Software Solutions (P) Ltd. registered in Delhi for software maintenance service. However, the software is used in Branch Office in Mumbai. Tax invoice indicates amount as CGST: Rs. 25,000/- and SGST: Rs. 25,000/-. Calculate the amount of tax to be distributed by Head Office to its Branch Office.

- (a) IGST: Rs. 25,000/-
- (b) CGST: Rs. 25,000/-; SGST: Rs. 25,000/-
- (c) CGST: Rs. 25,000/-
- (d) IGST: Rs. 50,000/-

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

82. Metrowalk (P) Ltd. has four units registered in Mumbai, Gurgaon, Kolkata and Punjab with its Head Office registered as ISD in Delhi. Due to some dispute with one of the common customers of Gurgaon and Punjab Branch, the Delhi Head Office took legal services of a lawyer whose consultation fee was Rs. 2,00,000/-. Since the legal advice was usable by all units, the Delhi ISD office wants to distribute the credit to all its four units.

As a consultant of Metrowalk (P) Ltd., advice what is the best course of action?

- (a) Delhi unit should pay tax on legal services obtaining separate registration as a normal tax payer. The credit of said tax should be distributed to Gurgaon and Punjab Branch equally.
- (b) Delhi unit should pay tax on legal services with its ISD registration. The credit of said tax should be distributed to Gurgaon and Punjab Branch equally.
- (c) Delhi unit should pay tax on legal services with its ISD registration. The credit of said tax should be distributed to all units in the ratio of their turnover.
- (d) Delhi unit should pay tax on legal services obtaining separate registration as a normal tax payer. The credit of said tax should be distributed to all units in the ratio of their turnover.

Ans:-

(a) (b) (c) (d)

83. BTW Pvt. Ltd. has following units: A: Factory in Noida, Uttar Pradesh; closed from 2017-18 onwards, no turnover. B: Factory in Ghaziabad, Uttar Pradesh; turnover of ₹ 54 crores in 2017-18; C: Service centre in Faridabad, Haryana; turnover of ₹ 2 crore in 2017-18; D: Service centre in New Delhi; turnover of ₹ 4 crores in 2017-18; The company's corporate office functions as an input service distributor. It has to distribute input tax credit of ₹ 18 lakh for April, 2018. Of this, an invoice involving tax of ₹ 6 lakh pertains to technical consultancy for Faridabad unit. Input tax credit will be distributed as:

- (a) ₹ 3,00,000 to Noida Factory, ₹ 9,00,000 to Ghaziabad factory, ₹3,00,000 to Faridabad service centre and ₹ 3,00,000 to New Delhi service centre.
- (b) ₹ 10,80,000 to Ghaziabad factory, ₹ 6,40,000 to Faridabad service centre and ₹ 80,000 to New Delhi service centre.
- (c) ₹ 10,80,000 to Ghaziabad factory, ₹ 40,000 to Faridabad service centre and ₹ 80,000 to New Delhi service centre.
- (d) ₹ 16,20,000 to Ghaziabad factory, ₹ 60,000 to Faridabad service centre and ₹ 1,20,000 to New Delhi service centre.

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

84.. A taxable person has made following supplies in January, 2018 –

Sales within the State – ₹ 2,00,000.

Exports out of India – ₹ 60,000.

Supplies to SEZ located within the State – ₹ 40,000.

He does not intend to clear goods under Letter of Undertaking (LUT) or bond. The input tax credit available to him during January, 2018 – IGST – Nil.

CGST – ₹10,000. SGST – ₹20,000.

There is no opening balance in his electronic cash ledger or electronic credit ledger. Tax rates are – SGST – 9%, CGST – 9%, IGST – 18%. How much amount is payable by him in cash?

- (a) CGST – ₹ 8,000 SGST – Nil
- (b) CGST – ₹ 11,600 SGST – ₹ 1,600
- (c) CGST – ₹ 8,000, SGST – Nil, IGST – ₹ 5,200
- (d) CGST – ₹ 8,000 SGST – Nil, IGST – ₹ 16,000

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

ICAI BGM :-

85. When the goods are sent from one job worker to another, the challan issued by the principal:

- (a) may be endorsed by the job worker sending goods to another job worker
- (b) may be endorsed by the Job worker receiving the goods
- (c) cannot be endorsed as such

Ans. (a) (b) (c) (d)

86. ITC can be taken on goods if goods not received by registered person but

- (a) By his agent on his direction
- (b) By the job worker on his instruction
- (c) By any other person on his direction
- (d) Any of above

Ans. (a) (b) (c) (d)

87. Maximum time limit for availing ITC is

- (a) The date of filing of annual return
- (b) Due date of filing return u/s 39 for the month of September
- (c) Earliest of above two

(d) Later of above two.

Ans. (a) (b) (c) (d)

88. ITC can be claimed by a registered person for

- (a) Taxable supplies for business purpose
- (b) Taxable supplies for non-business purpose
- (c) Exempted supplies
- (d) Non-taxable supplies
- (e) All of above

Ans. (a) (b) (c) (d)

89. ITC on motor vehicle can be claimed by

- (a) Any registered person
- (b) Registered person engaged in same line of business
- (c) Any registered person engaged in exempted supply
- (d) Any of above

Ans. (a) (b) (c) (d) (e)

90. Person registered under composite scheme can avail ITC on

- (a) Supply of taxable goods/services
- (b) Receipt of goods/services on specified time period
- (c) Payment to suppliers
- (d) None of above

Ans. (a) (b) (c) (d)

91. ITC can be claimed on goods/services for personal use if

- (a) Payment to supplier has been made
- (b) Return being filed
- (c) All of above
- (d) No ITC can be claimed

Ans. (a) (b) (c) (d)

92. ITC on works contract service can be availed only if

- (a) Engaged in same line of business
- (b) Service related to movable property
- (c) Service related to immovable property
- (d) All of above

Ans. (a) (b) (c) (d)

93. On sale, demerger, transfer, amalgamation, transferee is allowed to utilize ITC which is

- (a) Unavailed in transferor books
- (b) Unutilized in e-ledger of transferor
- (c) Total ITC available to transferor
- (d) None of above

Ans. (a) (b) (c) (d)

94. The principal can avail ITC on goods sent to job-worker which relates to

- (a) Inputs
- (b) Capital goods
- (c) Inputs/capital goods directly sent to job-worker
- (d) All of above.

Ans. (a) (b) (c) (d)

95. ITC cannot be availed by a person if

- (a) ITC relates to tax paid on goods received by agent
- (b) ITC relates to tax paid in pursuance of any demand
- (c) ITC related to previous month inputs
- (d) None of above

Ans. (a) (b) (c) (d)

96. The details of inward supply furnished by the registered taxable person shall be matched with

- (a) Corresponding details of outward supply furnished by the corresponding taxable person.
- (b) Additional duty of customs paid under section 3(5) of the Customs Tariff Act, 1975
- (c) Tax payment made by Supplier
- (d) All the above

Ans. (a) (b) (c) (d)

Answer:-

1	b	11	a	21	c	31	d	41	b	51	a	61	b	71	b	81	d	91	d
2	a	12	b	22	b	32	d	42	b	52	d	62	c	72	a	82	d	92	a
3	c	13	c	23	b	33	d	43	a	53	c	63	a	73	b	83	c	93	b
4	a	14	a	24	c	34	a	44	c	54	b	64	c	74	c	84	d	94	d
5	a	15	b	25	a	35	a	45	a	55	a	65	c	75	a	85	a	95	b
6	a	16	a	26	d	36	a	46	c	56	a	66	a	76	a	86	d	96	a
7	d	17	b	27	c	37	d	47	c	57	a	67	a	77	a	87	c		
8	b	18	b	28	c	38	d	48	a	58	a	68	a	78	d	88	a		
9	a	19	b	29	a	39	d	49	a	59	c	69	c	79	d	89	b		
10	a	20	a	30	d	40	b	50	c	60	a	70	c	80	b	90	d		