

GST MCQ are in QUESTION BANK--- CHAPTER WISE.....

CUSTOM MCQ'S

CHAPTER- 1 DEFINITION -----CUSTOM LAW

Q1. Beneficial owner means any person

(a) on whose behalf the goods are being imported or exported (b) who exercises effective control over the goods being imported or exported (c) (a) or (b) (d) None of the above

Ans. (C)

Q2. Person-in-charge means

(a) in relation to a vessel, the master of the vessel.
 (b) In relation to an aircraft, the commander or the pilot in charge of the aircraft.
 (c) In relation to a railway train, the conductor, guard or other person having the chief direction of the train.
 (d) In relation to any other conveyance, the driver or other person in charge of the conveyance
 (e) all of the above

Ans. (e) all of the above

Q3. The limit of exclusive economic zone of India, is _____ from the nearest point of the baseline.

(A) 200 nautical miles
 (B) 12 nautical miles
 (C) 24 nautical miles
 (D) 100 nautical miles

Ans. (A) 200 nautical miles

Q4. Exclusive economic zone extends to _____ (200/300) nautical miles from the base line of the coast. Beyond _____ (100/200) nautical miles is High Seas.

(a) 200, 200 (b) 300, 100 (c) 200, 100 (d) None of the above

Ans. (a) 200, 200

Q5. "Indian customs waters" means the [waters extending into the sea up to

(a) the limit of Exclusive Economic Zone (b) 24 NM from baseline (c) 12 NM from baseline (d) None of the above

Ans. (a) the limit of Exclusive Economic Zone

Q6. Fill up the blanks:

1x15=15

(i) Duties of customs including export covered in _____ .

Ans. (i) Entry No.83 of List I (Union List)

Q7. Exclusive Economic Zone extends to _____ from the base line of coast.

Ans. (ii) 200 nautical miles

Q8. Which of the following is a taxable event for imported goods?

- (A) Unloading of imported goods at the customs port
- (B) Date of entry into Indian territorial waters
- (C) Date of presentation of bill of entry
- (D) Date on which the goods cross the customs barrier

Ans. (D) Date on which the goods cross the customs barrier

Q9. State whether each of the following is correct or incorrect:

1x5=5

Taxable event in case of import of goods, under customs, is the date of entry into Indian Territorial Waters.

Ans. Incorrect;

Q10. Which of these is/are not an adjudicating authority under Customs Act, 1962? (a) Commissioner of Customs (b) Principal Commissioner of Customs (c) Commissioner (Appeals) (d) Assistant Commissioner of Customs (e) Tribunal

Ans. (c) Commissioner (Appeals) & (e) Tribunal

CHAPTER-2 & 3 -IMPORT PROCEDURE-TRANSPORTATION

Q1. Person-in-charge in the case of a vessel or an aircraft, deliver to the proper officer by presenting electronically prior to the arrival] of the vessel or the aircraft, as the case may be, and in the case of a vehicle, an import report withinafter its arrival in the customs station

- (a) an arrival manifest or import manifest, 12 hours
- (b) an arrival manifest or import manifest, 24 hours
- (c) import report, 12 hours
- (d) none of the above

Ans. (a) an arrival manifest or import manifest, 12 hours

Q2. an arrival manifest or import manifest or import report is not delivered to the proper officer within the time specified then penalty levied upto

- (a) 10,000
- (b) 50,000
- (c) 20,000
- (d) none of the above

Ans. (b) 50,000

Q3. The person-in-charge of a conveyance that enters India from any place outside India or any other person as may be specified by the Central Government by notification in the Official Gazette, shall deliver to the proper officer —

- (i) the passenger and crew arrival manifest before arrival in the case of an aircraft or a vessel and upon arrival in the case of a vehicle; and

- (ii),

in such form, containing such particulars, in such manner and within such time, as may be prescribed.

Ans. the passenger name record information of arriving passengers

Q4. Imported goods shall not be unloaded from, and export goods shall not be loaded on, any conveyance except under the supervision of

- (a) the proper officer
- (b) importer himself
- (c) any authorised person
- (d) None of the above

Ans. (a) the proper officer

Q5. Ship arrives at port on 6 October 2018 (Saturday). Bill of Entry filed on 12 October, 2018. Determine late charges

- (a) 25,000
- (b) 15,000
- (c) 10,000
- (d) none of the above

Ans. Bill of entry must be filed **within 1 day following the day** (excluding holidays) **on which the aircraft or vessel or vehicle** carrying the goods **arrives at a customs station. Hence it must be filed before end of 8 October 2018. Delay period = 4 days. Late charges = 5000 × 3 days + 10000 for 4th day = Rs 25,000**

Q6. Match the following:

	Column A	Column B
1.	White Colour BOE	Import Export Code
2.	IEC	Home consumption

Ans

	Column A	Column B
1.	White Colour BOE	Home consumption
2.	IEC	Import Export Code

Q7. State with reasons whether the following is true or false.

The conveyances are not allowed to leave India without written permission from customs authorities.

Ans. True – as per sec 42 The person-in-charge of a conveyance which has brought any imported goods or has loaded any export goods at a customs station shall not cause or permit the conveyance to depart from that customs station until a written order to that effect has been given by the proper officer.

Q8. Bills of entry can be submitted..... days prior to expected date of arrival of vessel.

Ans. 30 days

Q9. [The importer shall pay the import duty -

- (a) on the date of presentation of the bill of entry in the case of
- (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 the case of
- (c) in the case ofunder the proviso to sub-section (1), from such due date as may be specified by rules made in this behalf,
- (i) (a) self-assessment, (b) assessment, reassessment or provisional assessment (c) deferred payment
- (ii) (a) self-assessment, (b) deferred payment (c) assessment, reassessment or provisional assessment
- (iii) (a) deferred payment, (b) assessment, reassessment or provisional assessment (c) self-assessment
- (iv) none of the above

Ans. (i) (a) self-assessment, (b) assessment, reassessment or provisional assessment (c) deferred payment

Q10. Determine due date in case of deferred payment of duty for goods for BOE returned for payment from 1st to 15th day of a month

- (a) 16th of that month (b) 1st of next month (c) last day of month (d) none of the above

Ans. (a) 16th of that month

Q11. Importer paying custom duty of Or more per bill of entry, shall pay custom duty electronically

- (a) 10,000 (a) 50,000 (a) 1,00,000 (d) none of the above

Ans. (a) 10,000

Q12. goods may pending clearance or removal, as the case may be, be permitted to be stored in a public warehouse under section 49 for a period not exceeding

- (a) 30 days (b) 45 days (c) 90 days (d) none of the above

Ans. (a) 30 days

Q13. Every deposit made towards duty, interest, penalty, fee using authorised mode of payment shall, be credited to (a) the electronic cash ledger (b) the electronic credit ledger (c) the electronic liability ledger (d) none of the above

Ans. (a) the electronic cash ledger

CHAPTER- 4----- GOODS IN TRANSIT

Q1. where any goods imported in a conveyance and mentioned in the....., as the case may be, as for transit in the same conveyance to any place outside India or to any customs station, the proper officer may allow the goods and the conveyance to transit without payment of duty

Ans. arrival manifest, import manifest] or the import report

Q2. Where any goods imported into a customs station are intended for transshipment,shall be presented to the proper officer in [such form and manner as may be prescribed]

Ans. a bill of transshipment

Chapter- 5----- Basic concepts-CUSTOM ACT 1962

Q1. Which section of the Customs Act, 1962 provides for levy of Customs duty on import and export of goods? (a) Section 3 (b) Section 12 (c) Section 14 (d) Section 28 (e) Section 17

Ans. (b) Section 12

Q2. Basic Customs duty is levied under section _____ of the Customs Act

Ans. Section 12

Q3. Goods as specified in Annexure (e.g Computer), manufactured in India and exported to country other than Nepal & Bhutan and reimported into India for repairs or for reconditioning within years from the date of exportation will be exempt from custom duty, if re-exported within..... year/years

(a) 10 and 1. (b) 7 and 1. (c) 10 and 3. (d) 7 and 3.

Ans. (b) 7 and 1.

Q4. Mr. A manufactured and exported goods worth Rs 10,00,000 to Mr. B of UK on 1st January, 2018 and availed duty drawback of Rs 16,000. Mr. A imported the same goods on 8th February, 2018. What will be the customs duty payable by Mr. A, if rate of basic customs duty is 10% and goods are exempt from IGST and GST cess?

(a) 16,000 (b) 1,00,000 (c) 1,10,000 (d) 1,26,000

Ans. (a) 16,000

Q5. Mr. X exported goods of Rs 1 lakh under bond without payment of IGST of Rs 12,000 but after paying Export duty @ 8%. The said goods are rejected and returned within 3 months. Import duty @ 10%, Social welfare surcharge @ 10%. On re-import, Mr. X liable to pay

(a) get refund of Rs 8000, Pay Rs 12,000, (b) get refund of Rs 8000, Pay Rs 11,000, (c) get refund of Rs 8000, Pay Rs 23,000, (d) Pay Rs 12,000

Ans. (a) get refund of Rs 8000, Pay Rs 12,000

Q6. Value of imported goods Rs 900. BCD – 10%, SWS – 10%, IGST – Nil. Calculate Duty payable

(a) Nil (b) 99 (c) 180 (d) none of the above

Ans. (a) Nil, since amount is less than Rs 100

Q7. an application for refund of export duty is made before the expiry offrom the date on which the proper officer makes an order for the clearance of the goods

(a) 6 months, (b) 12 months, (c) 18 months, (d) 24 months

Ans. (a) 6 months

Q8. A machine was originally imported from Japan at ₹250 lakh in July, 20XX on payment of all duties of customs. The said machine was exported (sent-back) to supplier for repairs in December, 20XX and re-imported without any re-manufacturing or re-processing in October next year after repairs. Since the machine was under warranty period, the repairs were carried out free of cost.

However, the fair cost of repairs carried out (including cost of material ₹ 6 lakh) would have been ₹ 9 lakh. Actual insurance and freight charges (to and fro) were ₹ 3 lakh. The rate of basic customs duty is 10% and integrated tax is

12%. Ignore GST compensation cess. Compute the amount of customs duty payable (if any) on re-import of the machine after repairs. The ownership of the machine has not been changed during the period. Note: The importer intends to avail exemption, if any, with regard to re-importation of goods which had been exported for repairs abroad.

(a) BCD – 1,20,000, SWS – 12000, IGST – 1,59,840 (b) BCD – 1,00,000, SWS – 10000, IGST – 1,59,840 (c) BCD – 1,10,000, SWS – 11000, IGST – 1,59,840 (d) BCD – 1,30,000, IGST – 1,59,840

Ans. (a) BCD – 1,20,000, SWS – 12000, IGST – 1,59,840

Chapter- 6 -----Types of duties-----The Customs Tariff Act, 1975

Q1. The Safeguard duty imposed shall be in force for a period of _____ from the date of its imposition and can be extended with the total period of levy not exceeding ____ .

(A) 4 years, 10 years, (B) 3 years, 5 years (C) 1 year, 5 years (D) 5 years, 10 years

Ans. (A) 4 years, 10 years

Q2. Anti-dumping duty payable by a SEZ in respect of an import is

(A) Nil

(B) 5% of the customs duty (C) 7.5% of the customs duty (D) 10% of the customs duty

Ans. (A) Nil

Note - No anti-dumping duty is payable by a SEZ, as they are exempted from the same

Q3. Fill up the blank:

Review by the Government relating to levy of _____ duty is called New Shipping Review.

Ans. Anti dumping duty

Q4. State with reasons whether the following are True' or 'False':

2x5=10

Countervailing Duty (CVD) is payable on Assessable Value + Basic Custom Duty + Anti Dumping Duty.

Ans. False Countervailing Duty (CVD) is not payable on Anti -Dumping Duty. It is payable on Assessable Value plus Basic Custom Duty.

Q5. Margin of dumping means the difference between _____ and _____.

(a) export price and its normal value; (b) import price and its normal value; (a) export price and CIF value; (d) None of the above

Ans. (a) export price and its normal value

Q6. Assessable Value (A.V.) =Rs. 1 lakh

(1) BCD- 10%

(2) IGST-12%

(3) SOCIAL WELFARE SURCHARGE @ 10%

Calculate total duty

(a) 11,000 (b) 13,320, (c) 24,320 (d) none of the above

Ans. (c) 24,320

Q7. Assessable Value (A.V.) =Rs. 1 lakh

(1) BCD- 10%

(2) IGST-12%

(3) SOCIAL WELFARE SURCHARGE @ 10%

Suppose in above case goods are in warehouse and sold at

Case 1 – 1,10,000, Case 2 – 1,15,000. Calculate duty

(a) 11,000, 24800 (b) 13,320, 24800 (c) 24,320, 24800 (d) none of the above

Ans. (c) 24,320, 24800

Note – For detailed solution refer – Custom Summary – Duties of Custom chapter

Q8. Determine the customs duty payable under the Customs Tariff Act, 1975 including the safeguard duty of 30% under section 8B of the said Act with the following details available on hand:

Assessable value (including landing charges) of Sodium Nitrite imported from a developing country from 26th February, 2017 to 25th February, 2018 (both days inclusive)	30,00,000
Share of imports of Sodium Nitrite from the developing country against total imports of Sodium Nitrite to India	4%
Basic custom duty	10%

<i>Integrated tax under section 3(7) of the Customs Tariff Act, 1975.</i>	<i>18%</i>
<i>Social welfare surcharge</i>	<i>10%</i>
<i>Note: Ignore GST compensation cess</i>	

(a) 19,91,400 (b) 19,90,000 (c) 19,91,000 (d) None of the above

Ans. (a) 19,91,400

Note – For detailed solution refer – Custom Summary – Duties of Custom chapter

Q9. *With reference to the Customs Tariff Act, 1975, discuss the validity of the imposition of customs duties in the following cases:-*

(a) Both countervailing duty and anti-dumping duty have been imposed on an article to compensate for the same situation of dumping

(b) Countervailing duty has been levied on an article for the reason that the same is exempt from duty borne by a like article when meant for consumption in the country of origin.

(c) Definitive anti-dumping duty has been levied on articles imported from a member country of World Trade Organization as a determination has been made in the prescribed manner that import of such article into India threatens material injury to the indigenous industry.

Ans.

(a) Not valid. As per section 9B of the Customs Tariff Act, 1975, no article shall be subjected to both countervailing and anti-dumping duties to compensate for the same situation of dumping or export subsidization.

(b) Not valid. As per section 9B of the Customs Tariff Act, 1975, countervailing or anti - dumping duties shall not be levied by reasons of exemption of such articles from duties or taxes borne by the like articles when meant for consumption in the country of origin or exportation or by reasons of refund of such duties or taxes.

(c) Valid. As per section 9B of the Customs Tariff Act, 1975, no definitive countervailing duty or anti-dumping duty shall be levied on the import into India of any article from a member country of the World Trade Organisation or from a country with whom Government of India has a most favoured nation agreement, unless a determination has been made in the prescribed manner that import of such article into India causes or threatens material injury to any established industry in India or materially retards the establishment of any industry in India.

Chapter- 7-----VALUATION IN CUSTOMS

Q1. Assessable value of goods for customs purposes is

- (A) Actual Value
- (B) Deemed Value
- (C) Standard Value
- (D) Actual Value plus adjustment in Rule 10

Ans. (D) Actual Value plus adjustment in Rule 10

Q2. Transaction value of goods, means,

- (a) the price actually paid or payable (b) 110% of cost (c) value of identical goods in similar situation (d) None of the above

Ans. (a) the price actually paid or payable

Q3. Which of the following are related person

- (i) they are officers or directors of one another's businesses;
- (ii) they are legally recognised partners in business;
- (iii) they are employer and employee;
- (iv) any person directly or indirectly owns, controls or holds five per cent or more of the outstanding voting stock or shares of both of them
- (v) all of the above

Ans. (v) all of the above

Q4. In determining the transaction value, there shall be added to the price actually paid or payable for the imported goods,

- (a) commissions and brokerage, except buying commissions
- (b) following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost
 - (i) materials, components, parts; (ii) tools, dies, moulds and similar items used in the production of the imported goods; (iii) materials consumed in the production of the imported goods; (iv) engineering, development, art work, design work, and plans and sketches undertaken elsewhere than in India and necessary for the production of the imported goods;
- (c) royalties and licence fees related to the imported goods
- (d) The value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues, directly or indirectly, to the seller
- (e) all other payments actually made or to be made as a condition of sale of the imported goods, by the buyer to the seller,
- (f) all of the above

Ans. (f) all of the above

Q5. Dismantling charges for removing the second hand plant at suppliers place and shipping to Indian importer is Value under Customs Valuation.

Ans. Includible

Q 6. The value of imported goods *shall not include* the following costs, provided that they are *distinguished from the price of the goods*:

charges for construction, erection, assembly, maintenance or technical assistance undertaken after importation on imported goods such as industrial plant, machinery or equipment:

the cost of transport after importation

duties and taxes in India

- (d) all of the above

Ans. (d) all of the above

Q 7. Where the insurance amount is not available, for ascertaining the assessable value for customs duty, the percentage of FOB value to be taken is:

(A) 1 (B) 1.125 (C) 1.5 (D) 2

Ans. (B) 1.125

Q8. Goods which are same in all respects, including physical quantity is known as

(A) Similar Goods (B) Identical Goods (C) Alike Goods (D) Indistinguishable Goods

Ans. (B) Identical Goods

Q9. State whether each of the following statement is correct or incorrect: 1×5=5

Buying commission is always includible in customs valuation.

Ans. Incorrect

Q10. An importer imported some goods @ 4,10,000 on CIF. Following Euro rates on the date of presentation of BOE (Bill of Entry) is given. What is the exchange rate for customs valuation?

(A) Inter Bank closing Rate `63.50 per Euro

(B) RBI rate 1 Euro = ` 63.75

(C) Exchange rate notified by CBEC - 1 Euro = `64.05

(D) Rate at which bank has ready payment from importer 1 Euro = ` 64.20

Ans. (C) Exchange rate notified by CBEC - 1 Euro = `64.05

Q11. Under Section 14 of the Customs Act 1962, the transaction value shall be calculated with reference to the rate of exchange as in force on the date on which: (a) Date of Invoice (b) the date of issuance of the Bill of lading (c) Date of filing IGM (d) Date of filing the Bill of Entry (e) Date of Assessment of Bill of Entry

Ans. (d) Date of filing the Bill of Entry

Q12. A material was imported by air at CIF price of 5,000 US\$. Freight paid was 1,500 US\$ and insurance cost was 500 US\$. The banker realized the payment from importer at the exchange rate of Rs. 61 per dollar. Central Board of Excise and Customs notified the exchange rate as Rs. 60 per US\$. Find the value of the material for the purpose of levying duty.

(a) 2,46,000 (b) 2,40,000 (c) 2,50,000 (d) none of the above

Ans. (a) 2,46,000

Q13. From the particulars given below, find out the assessable value of the imported goods under the Customs Act, 1962:

	US \$
Cost of the machine at the factory of the exporter	10,000
Transport charges from the factory of exporter to the port for shipment	500
Handling charges paid for loading the machine in the ship	50
Buying commission paid by the importer	50
Freight charges from exporting country to India	1,000
Exchange rate to be considered: 1\$ = Rs. 60	
Actual insurance charges paid are not ascertainable	

(a) 7,00,121 (b) 7,00,000 (c) 7,50,000 (d) None of the above

Ans. (a) 7,00,121

Q14. Compute export duty from the following data:

FOB price of goods: US \$ 1,00,000.

Shipping bill presented electronically on 26.04.20XX.

(iii) Proper officer passed order permitting clearance and loading of goods for export (Let Export Order) on 04.05.20XX.

(iv) Rate of exchange and rate of export duty are as under:

	Rate of Exchange	Rate of Export Duty
On 26.04.20XX	1 US \$ = Rs. 55	10%
On 04.05.20XX	1 US \$ = Rs. 56	8%

(v) Rate of exchange is notified for export by Central Board of Excise and Customs.

(Make suitable assumptions wherever required)

(a) 4,40,000 (b) 4,00,000 (c) 4,50,000 (d) None of the above

Ans. (a) 4,40,000

Q15. Compute the total duty and integrated tax payable under the Customs Law on an imported equipment based on the following information:

(i) Assessable value of the imported equipment US \$ 10,100

(ii) Date of bill of entry is 25.4.20XX. Basic customs duty on this date is 10% and exchange rate notified by the Central Board of Excise and Customs is US \$ 1 = Rs. 65.

(iii) Date of entry inwards is 21.4.20XX. Basic customs duty on this date is 20% and exchange rate notified by the Central Board of Excise and Customs is US \$ 1 = Rs. 60.

(iv) Integrated tax payable under section 3(7) of the Customs Tariff Act, 1975: 12%

(v) SOCIAL WELFARE SURCHARGE @ 10%

Make suitable assumptions where required and show the relevant workings and round off your answer to the nearest rupee.

Note: Ignore GST Compensation Cess.

(a) 1,59,661 (b) 1,60,000 (c) 1,00,000 (d) none of the above

Ans. (a) 1,59,661

Q16. From the following particulars, calculate total customs duty and integrated tax payable:

Date of presentation of bill of entry: 20.6.20XX [Rate of BCD 20%; Inter-bank exchange rate: Rs. 61.60 and rate notified by CBEC Rs. 62].

(ii) Date of arrival of aircraft in India: 30.6.20XX [Rate of BCD 10%; Inter-bank exchange rate: Rs. 61.80 and rate notified by CBEC Rs. 63.00].

(iii) Rate of Integrated tax leviable under section 3(7) of the Customs Tariff Act: 12%. Ignore GST Compensation Cess.

(iv) CIF value 2,000 US Dollars; Air freight 500 US Dollars, Insurance cost 100 US Dollars [Landing charges not ascertainable].

(v) SOCIAL WELFARE SURCHARGE @ 10%

(a) 26,840 (b) 26,000 (c) 30,000 (d) None of the above

Ans. (a) 26,840

Q17. An importer from Cochin imports goods from an exporter in US. The vessel carrying the goods reaches Mumbai port first and from there goods are transhipped to Cochin port.

Determine the assessable value of the imported goods under the Customs Act, 1962 from the following particulars:

S.No.	Particulars	Amount
(i)	Cost of the machine at the factory of the exporter	US \$ 20,000
(ii)	Transport charges from the factory of exporter to the port for shipment	US \$ 1,000
(iii)	Handling charges paid for loading the machine in the ship	US \$ 100
(iv)	Buying commission paid by the importer	US \$ 100
(v)	Freight charges from exporting country to India	US \$ 2,000
(vi)	Actual insurance charges paid are not ascertainable	---
(vii)	Charges for design and engineering work undertaken for the machine in US	US \$ 5,000
(viii)	Unloading and handling charges paid at the place of importation	₹ 1,500

(ix)	Transport charges from Mumbai to Cochin port	₹ 25,000
(x)	Exchange rate to be considered: 1\$ = ₹ 60	

(a) 17,03,618 (b) 17,03,000 (c) 17,03,100 (d) None of the above

Ans. (a) 17,03,618

Q18. Determine the assessable value of imported goods in the following cases:

Case I

Particulars	US \$
FOB value	1,000

service. Also

Freight, loading, unloading and handling charges associated with the delivery of the imported goods to the place of importation	Not known
Insurance charges	10

Case II

Particulars	US \$
FOB value plus insurance charges	1,010
Freight, loading, unloading and handling charges associated with the delivery of the imported goods to the place of importation	Not known

Case III

Particulars	US \$
FOB value	1,000
Sea freight, loading, unloading and handling charges associated with the delivery of the imported goods to the place of	60
Insurance charges	Not known

Case IV

Particulars	US \$
FOB value plus sea freight and loading, unloading and handling charges associated with the delivery of the imported goods to the place of importation	1,060
Insurance charges	Not known

Case V

Particulars	US \$
FOB value	1,000
Air freight, loading, unloading and handling charges associated with the delivery of the imported goods to the place of importation	250
Insurance charges	10

(a) case I - 1,210, Case II - 1,212. Case III - 1,071, Case IV - 1,072, Case V - 1,210

(b) case I - 1,210, Case II - 1,200. Case III - 1,071, Case IV - 1,072, Case V - 1,210

(c) case I - 1,210, Case II - 1,212. Case III - 1,001, Case IV - 1,000, Case V - 1,210

(d) case I - 1,200, Case II - 1,212. Case III - 1,001, Case IV - 1,070, Case V - 1,210

Ans. (a) case I - 1,210, Case II - 1,212. Case III - 1,071, Case IV - 1,072, Case V - 1,210

Q19. The importer or exporter shall be liable to pay interest, on any amount payable to the Central Government, consequent to the final assessment order [or re-assessment order] at the rate..... from the..... in which the duty is provisionally assessed till thethereof.

- (a) 15%, first day of the month, date of payment, (b) 18%, first day of the month, date of payment
(c) 15%, first day of the month, date of final assessment (d) None of the above

Ans. (a) 15%, first day of the month, date of payment

Q20. State with reasons, whether the following statements are true or false (Answers without reasoning will not receive any credit) :

- (a) Customs officer should pass an adjudication order in all situations where an assessment is done more than the claim of importer/exporter.

Ans. False – as per sec 17, Where any re-assessment done is contrary to the self-assessment done by the importer or exporter and in cases other than those where the importer or exporter, as the case may be, confirms his acceptance of the said re-assessment in writing, the proper officer shall pass a speaking order on the re-assessment, within fifteen days from the date of re-assessment of the bill of entry or the shipping bill, as the case may be.

Q21. if any refundable amount on final assessment is not refunded withinfrom the date of assessment of duty finally, [or re-assessment of duty, as the case may be,] there shall be paid an interest on such unrefunded amount at rate till the date of refund of such amount

- (a) 3 months, 6%, (b) 3 months, 9%, (c) 6 months, 6% (d) None of the above

Ans. (a) 3 months, 6%

Chapter- 8-----WAREHOUSING

Q1. No interest is payable, if warehousing goods stored less than _____ days.

Ans. 90 days

Q2. In case of imports other than imports by EOU the imported goods can be kept in Customs bonded ware-house for..... days without paying any interest.

Ans. 90 days

Chapter- 9-----Duty Drawback

Q1. Where any drawback has been paid to the claimant erroneously or it becomes otherwise recoverable under this Act or the rules made thereunder, the claimant shall, within a period ofmonths from the date of demand, pay in addition to the said amount of drawback, interest at the rate.....

(a) 2, 15% (b) 3, 18% (c) 1, 24% (d) 6, 15%

Ans. (a) 2, 15%

Q2. Where any drawback payable to a claimant under section 74 or section 75 is not paid within a [period of [..... month] from the date of filing a claim for payment of such drawback, there shall be paid to that claimant in addition to the amount of drawback, interest at the rate from the date after the expiry of the said [period of [..... month] till the date of payment of such drawback

(a) 1,1, 6% (b) 3, 3, 12% (c) 1, 3, 9% (d) none of the above

Ans. (a) 1,1, 6%

Q3. Answer the following with reference to the provisions of the Customs Act, 1962 and rules made thereunder:

(1) Mr. A filed a claim for payment of duty drawback amounting to ₹ 50,000 on 30.07.20XX. However, the amount was received on 28.10.20XX. You are required to calculate the amount of interest payable to Mr. A on the amount of duty drawback claimed.

(2) Mr. X was erroneously refunded a sum of ₹ 20,000 in excess of actual drawback on 20.06.20XX. A demand for recovery of the same was issued by the Department on 28.08.20XX. Mr. X returned the erroneous refund to the Department on 20.10.20XX. You are required to calculate the amount of interest chargeable from Mr. X. P

(a) 485, 1003 (b) 400, 1000 (c) 500, 1000 (d) none of the above

Ans. (a) 485, 1003

Q4. What is the time limit for re-exportation of goods as such u/s 74?

(a) 2 years (b) 3 years (c) 3years 6 months (d) none of the above

Ans. (a) 2 years

Q5. What is the rate of duty drawback if the goods are exported without use?

(a) 98% (b) 100% (c) 90% (d) none of the above

Ans. (a) 98%

Q6. Is duty drawback allowed on re-export of wearing apparel without use?

(a) yes (b) No (c) partially (d) none of the above

Ans. (a) yes

Q7. Calculate the amount of duty drawback allowable under section 74 of the Customs Act 1962 in following cases:

(a) Salman imported a motor car for his personal use and paid Rs. 5,00,000 as import duty. The car is re-exported after 6 months and 20 days.

(b) Nisha imported wearing apparel and paid Rs. 50000 as import duty. As she did not like the apparel, these are re-exported after 20 days.

(c) Super Tech Ltd. Imported 10 computer systems paying customs duty of Rs. 50 lakh. Due to some technical problems, the computer systems were returned to foreign supplier after 2 months without using them at all.

(i) (a) 4,40,000 (b) No drawback (c) 49 lakh

(ii) (a) 4,00,000 (b) 49,000 (c) 49 lakh

(iii) (a) 4,40,000 (b) 49,000 (c) 49 lakh (

(iv) none of the above

Ans. (i) (a) 4,40,000 (b) No drawback (c) 49 lakh

Ans

Amount of duty drawback

Period of personal use = 6 months and 20 days i.e 3 quarters

DDB admissible [5lac—4%*3*5lac]= 440000

No drawback admissible on wearing apparel

Drawback= 98% of 50 lakh = 49 lakh

Q8. Determine the rate of drawback if period between **date of clearance for home consumption and the date when the goods are place under Customs Control for export** Not more than 3 months

(a) 95% (b) 85% (c) 75% (d) 70 (e) 65% (f) 60%

Ans. (a) 95%

Q9. Determine the rate of drawback if period between **date of clearance for home consumption and the date when the goods are place under Customs Control for export** More than 3 months but Not, more than 6 months

(a) 95% (b) 85% (c) 75% (d) 70 (e) 65% (f) 60%

Ans. (b) 85%

Q10. Determine the rate of drawback if period between **date of clearance for home consumption and the date when the goods are place under Customs Control for export** More than 6 months but not more than 9 months

(a) 95% (b) 85% (c) 75% (d) 70 (e) 65% (f) 60%

Ans. (c) 75%

Q11. Determine the rate of drawback if period between **date of clearance for home consumption and the date when the goods are place under Customs Control for export** More than 9 months but not more than 12 months

(a) 95% (b) 85% (c) 75% (d) 70 (e) 65% (f) 60%

Ans. (d) 70

Q12. Determine the rate of drawback if period between **date of clearance for home consumption and the date when the goods are place under Customs Control for export** More than 12 months but not more than 15 months

(a) 95% (b) 85% (c) 75% (d) 70 (e) 65% (f) 60%

Ans. (e) 65%

Q13. Determine the rate of drawback if period between **date of clearance for home consumption and the date when the goods are place under Customs Control for export** More than 15 months but not more than 18 months

(a) 95% (b) 85% (c) 75% (d) 70 (e) 65% (f) 60%

Ans. (f) 60%

Q14. Fill up the blanks:

(a) Recovery of tax from buyer _____ (is/is not) and essential condition for levy of indirect taxes.

Q15. (b) Duty drawback rate shall not exceed _____ per cent of market price of export goods.

Ans. (a) Is not (b) 33

Q16. Duty drawback rate shall not exceed _____per cent of market price of export goods.

Ans. 33%

Q17. _____is the rebate of excise duty and customs duty paid on inputs used in exported final products under section 75 of Customs Act.

Ans. Duty Drawback

Q18. Ascertain whether the exporter is entitled to duty drawback in the following independent cases and if yes, what is the quantum of such duty drawback?

- (i) FOB value of goods exported is ₹ 50,000. Rate of duty drawback on such export of goods is 1%.
- (ii) FOB value of 2,000 kgs goods exported is ₹ 2,00,000. Rate of duty drawback on such export is ₹ 30 per kg. Market price of goods is ₹ 50,000 (in wholesale market).
- (iii) Hema Ltd. has exported goods worth ₹ 80,000 (FOB value). Rate of duty drawback on such exports of goods is 0.8%.

Answer

- (i) As per Rule 8(1) of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, no amount of drawback shall be allowed if the rate of drawback is less than 1% of the FOB value, except where the amount of drawback per

~~shipment exceeds ₹ 500. Further,~~ as per section 76(1)(c) of the Customs Act, 1962 drawback is not allowed where the drawback due in respect of any goods is less than ₹ 50. In the given case, drawback due is ₹ 500 (1% of FOB value) which is more than ₹ 50, duty drawback shall be allowed.

- (ii) Section 76(1)(b) of the Customs Act, 1962 inter alia provides that no drawback shall be allowed in respect of any goods, the market price of which is less than the amount of drawback due thereon. In this case, the market price of the goods is ₹ 50,000, which is less than the amount of duty drawback, i.e. 2,000 kgs x ₹ 30 = ₹ 60,000. Hence, no drawback shall be allowed.
- (iii) ~~As per rule 8(1) of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, no amount of drawback is allowed if the rate of drawback is less than 1% of the FOB value, except where the amount of drawback per shipment exceeds ₹ 500. Further,~~ as per section 76(1) (c) of the Customs Act, 1962, drawback is not allowed where the drawback due in respect of any goods is less than ₹ 50. In the given case, though the rate of duty drawback is less than 1%, duty drawback shall be allowed as the amount of drawback is ₹ 640 (0.8% of ₹ 80,000) which is more than ₹ 50.

Chapter- 10-----BAGGAGE Sec 77 to 81

Q1. The effective rate of duty shall be _____ on baggage.

Ans. 38.5%

Q2. General Free Allowance (GFA) under Customs Act is _____ (allowed/not allowed) on unaccompanied baggage; GFA is _____ (allowed/not allowed) on alcoholic liquor or wines up to two litres.

(a) not allowed, allowed, (b) not allowed, not allowed, (c) allowed, not allowed (d) None of the above

Ans. (a) not allowed, allowed

Q3. Fill in the blanks :

(a) A passenger returning to India after stay in Germany for one week is entitled to bring goods up to Rs..... without payment of any Customs duty.

Ans. 50000

Q4. Laptop Computer (Note Book Computer) brought as baggage by person above 18 years of age (is/is not) fully exempt from customs duty.

Ans – is

Q5. Where a person of Indian origin stays abroad for 36 months and returns to India on 21-1-2019 for having residence in India, the GFA for used household articles (Baggage) is

(A) ` 1 lakh

(B) ` 3 lakhs

(C) ` 5 lakhs

(D) None of the above

Ans. (C) ` 5 lakhs

Note - The GFA is linked to the period for which the person has stayed abroad. If the same exceeds 2 years, the GFA is ` 5 lakhs for transfer of residence.

CHAPTER- 11 -----DEMAND & REFUND

Q1. What is the time limit prescribed under the Customs Act, 2016 as on date for issuance of demand notice U/s 28 of the Customs Act, 1962 in cases where fraud, suppression of facts, willful mis-statement is not involved?. (a) Six months (b) One year (c) Two Years (d) Three Years (e) Five years

Ans. (c) Two Years

Q2. State with reasons, whether the following statements are true or false (Answers without reasoning will not receive any credit) :

(a) Customs duty is not paid by an importer and it was found that such non-payment was on account of fraud committed by him. In such case, there is no time limit for issue of show cause notice demanding duty and penalty.

Ans. False – as per sec 28(4) Where any duty has not been [levied or not paid or has been short-levied or short-paid] or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of, –

(a) collusion; or

(b) any wilful mis-statement; or

(c) suppression of facts,

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within 5 years from the relevant date, serve notice on the person chargeable with duty or interest which has not been [so levied or not paid] or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

Q3. Before issuing notice, the proper officer shall hold pre-notice consultation with the person chargeable with duty Where any [duty has not been levied or not paid or has been short-levied or short-paid] or erroneously refunded

(a) for any reason other than the reasons of collusion or any wilful mis-statement or suppression of facts

(b) for the reasons of collusion or any wilful mis-statement or suppression of facts

(c) both of the above (d) none of the above

Ans. (a) for any reason other than the reasons of collusion or any wilful mis-statement or suppression of facts

Q4. The consultation process provided in pre-notice consultation shall be concluded withinfrom the date of communication of grounds.

(a) 60 days (b) 30 days (c) 90 days (d) None of the above

Ans. (a) 60 days

Q5. A notice was issued on ground of evasion of duty due to fraud for 5 years. But invocation of extended period was set aside , for the reason that the charges of collusion or any wilful mis-statement or suppression of facts to evade duty has not been established against the person to whom such notice was issued. What is the effect?

(a) A notice issued under sub-section (4) for fraud etc shall be deemed to have been issued under sub-section (1) i.e other than fraud and the amount of duty and the interest thereon shall be computed accordingly. (b) fresh notice required for normal time of 2 years (c) statement issued for determining duty (d) none of the above

Ans. (a) A notice issued under sub-section (4) for fraud etc shall be deemed to have been issued under sub-section (1) i.e other than fraud and the amount of duty and the interest thereon shall be computed accordingly.

Q6. The proper officer shall determine the amount of duty or interest under section 28(8), –
withinfrom the date of notice, in respect of cases falling under clause (a) of sub-section (1);
withinfrom the date of notice, in respect of cases falling under sub-section (4).

(i) (a) 6 months (b) 1 year

(ii) (a) 9 months (b) 1 year

(iii) (a) 18 months (b) 2 year

(iv) none of the above

Ans. (i) (a) 6 months (b) 1 year

Q7. Where the proper officer fails to so determine within 6 months for other than fraud and within 1 year for fraud etc., any officer senior in rank to the proper officer may, having regard to the circumstances under which the proper officer was prevented from determining the amount of duty or interest under sub-section (8), extend for other than fraud to a further period of and for fraud etc., to a further period of

- (i) (a) 6 months (b) 1 year
- (ii) (a) 9 months (b) 1 year
- (iii) (a) 18 months (b) 2 year
- (iv) none of the above

Ans. (i) (a) 6 months (b) 1 year

Q8. STATE Whether statement is True or False?

Where the proper officer fails to determine within such extended period, such proceeding shall be deemed to have concluded as if no notice had been issued

Ans. True

Q9. Where any [duty has not been levied or not paid or has been short-levied or short-paid] by reason of collusion or any wilful mis-statement or suppression of facts by the importer or the exporter may pay the duty, and the interest payable thereon under section 28AA and the penalty equal toof the duty specified in the notice or the duty so accepted by that person, within 30 days of the receipt of the notice and inform the proper officer of such payment in writing.

- (a) 15% (b) 10% (c) 25% (d) None of the above

Ans. (a) 15%

Q10. Where duty is recoverable u/s 28, the interest shall be charged at

- (a) 15% (b) 24% (c) 12% (d) 9%

Ans. (a) 15%

Q11. Period of limitation for claiming customs duty refund is _____ .

- (i) 6 months from the date of import/export
- (ii) 6 months from the date of payment of duty and interest
- (iii) One year from the date of import/export
- (iv) One year from the date of payment of duty and interest

Ans. (iv) One year from the date of payment of duty and interest

Chapter- 12- APPEALS AND REVISION

Q1. Any person aggrieved by any decision or order passed under this Act by an officer of customs lower in rank than a [Principal Commissioner of Customs or Commissioner of Customs] may appeal to the [Commissioner (Appeals)] [within.....] from the date of the communication to him of such decision or order :

(a) 30 days ,(b) 60 days ,(c) 90 days ,(d) 120 days

Ans. (b) 60 days

Q2. Commissioner (Appeals) may, if sufficient cause is shown at any stage of hearing of an appeal, grant time, from time to time, to the parties or any of them and adjourn the hearing of the appeal for not more than

(a) 3 times (b) 6 times (c) 5 times (d) None of the above

Ans. (a) 3 times

Q3. No appeal shall lie to the Appellate Tribunal and the Appellate Tribunal shall not have jurisdiction to decide any appeal in respect of any order passed by commissioner (Appeals) if such order relates to, -

(a) any goods imported or exported as baggage;

(b) any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India, or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination;

(c) payment of drawback as provided in Chapter X, and the rules made thereunder

(d) all of the above

Ans. (d) all of the above

Q4. Central Government may in its discretion, refuse to admit an application in respect of an order where the amount of duty or fine or penalty, determined by such order does not exceed.....

(a) 5000 (b) 10000 (c) 20000 (d) None of the above

Ans. (a) 5000

Q5. Time limit to file memorandum of cross-objections before Tribunal is

(a) 30 days ,(b) 45 days ,(c) 90 days ,(d) 120 days

Ans. (b) 45 days

Q6. Appellate Tribunal may, in its discretion, refuse to admit an appeal in respect of an order amount of fine or penalty determined by such order, does not exceed

(a) Rs 2 lakh (b) Rs 1 lakh (c) Rs 5 lakh (d) none of the above

Ans. (a) Rs 2 lakh

Q7. The [Committee of [Principal Chief Commissioner of Customs or Chief Commissioner of Customs]] may, of its own motion, call for and examine the record of any proceeding in which aas an adjudicating authority has passed any decision or order under this Act for the purpose of satisfying itself as to the legality or propriety of any such decision or order

(a) [Principal Commissioner of Customs or Commissioner of Customs] (b) Additional commissioner (c) joint commissioner (d) none of the above

Ans. (a) [Principal Commissioner of Customs or Commissioner of Customs]

Q8. Review order by Committee of [Principal Chief Commissioner of Customs or Chief Commissioner of Customs] within from the date of communication of the decision or order of the adjudicating authority

(a) 3 months ,(b) 4 months ,(c) 90 days ,(d) none of the above

Ans. (a) 3 months

Q9. The may, of his own motion, call for and examine the record of any proceeding in which an adjudicating authority subordinate to him has passed any decision or order under this Act for the purpose of satisfying himself as to the legality or propriety of any such decision or order

(a) [Principal Commissioner of Customs or Commissioner of Customs] (b) Additional commissioner (c) joint commissioner (d) none of the above

Ans. (a) [Principal Commissioner of Customs or Commissioner of Customs]

Q10. An appeal to High court shall be made within

(a) 30 days ,(b) 180 days ,(c) 90 days ,(d) 120 days

Ans. (b) 180 days

Q11. State whether each of the following statement is correct or incorrect: 1×5=5

A person aggrieved by the order of Tribunal in the matters of classification or valuation of goods can make an appeal before High Court.

Ans. Incorrect

Q12. Where shall an appeal against the Order passed by the CESTAT relating to the valuation of goods shall lie ? (a) High Court (b) Supreme Court (c) Central Government (d) CESTAT cannot pass an order on valuation matters (e) Both high court and supreme court

Ans. (b) Supreme Court

Q13. CESTAT (Tribunal) has passed an order on issue relating to classification of goods. An assessee is aggrieved with the order. Where should he file the appeal?

(A) Supreme Court

(B) High Court

(C) Settlement Commission

(D) Central Board of Excise and Customs

Ans. (A) Supreme Court

Q14. For filing an appeal before the Commissioner (Appeals), the amount of pre-deposit required under the Customs Act, 1962 is

(A) 5% of the demand, subject to a maximum of ` 5 crore

(B) 5% of the demand, subject to a maximum of ` 7.5 crore (C) 7.5% of the demand, subject to a maximum of ` 7.5

crore (D) 7.5% of the demand, subject to a maximum of ` 10 crore

Ans. (D) 7.5% of the demand, subject to a maximum of ` 10 crore

Q15. What is the quantum of pre-deposit for the Department at the time of filing application (appeal) (w. e. f.

06.08.2014) before the Commissioner (Appeals):- (a) 5% of the duty, in case where duty or duty and penalty are in dispute; or penalty, where such penalty is in dispute (aggregate of all penalties imposed) (b) 7.5% of the duty, in case where duty or duty and penalty are in dispute; or penalty, where such penalty is in dispute (aggregate of all penalties imposed) (c) 10% of the duty, in case where duty or duty and penalty are in dispute; or penalty, where such penalty is in dispute (aggregate of all penalties imposed) (d) Nil (e) None of the above

Ans. (b) 7.5% of the duty, in case where duty or duty and penalty are in dispute; or penalty, where such penalty is in dispute (aggregate of all penalties imposed)

Q16. What is the quantum of pre deposit for a person filing second appeal before CESTAT when 7.5% of the duty has already been pre deposited by him at the time of filing first appeal before Commissions (Appeals). (a) 10% of duty.

(b) 5% of duty (c) 2.5 % of duty (d) NIL (e) None of the above.

Ans. (c) 2.5 % of duty (Santani Sales Organisation – Delhi HC decided 10% Pre-deposit is total, hence only incremental 2.5% is to be deposited with tribunal

Q17. Compute the quantum of pre-deposit required to be made under section 129E of the Customs Act, 1962 in each of the following independent cases:

- (i) In an order dated 18-10-2015 issued to M/s. RR Ltd., the Joint Commissioner of customs has confirmed a duty demand of ` 16,00,000 and imposed a penalty of ` 5,00,000, M/s. RR Ltd. intends to file an appeal with the Commissioner (Appeals) against the duty and penalty imposed.
- (ii) LKS Ltd., intends to file an appeal with CESTAT against the order of Principal Commissioner which confirmed a duty demand of ` 36,00,000 and imposed a penalty of ` 8,00,000.
- (iii) MNM Ltd. intends to prefer an appeal before the Joint Secretary (Revision Application) relating to drawback case under section 129DD against the order of Commissioner (Appeals) which confirmed a duty demand of ` 10,00,000. (4 Marks)
- (a) (i) 1,20,000 (ii) 2,70,000 (iii) No Pre-deposit
(b) (i) 1,20,000 (ii) 2,70,000 (iii) 75,000
(c) (i) 1,20,000 (ii) 3,60,000 (iii) 75,000
(d) None of the above

Ans. (a) (i) 1,20,000 (ii) 2,70,000 (iii) No Pre-deposit

Q18. Where an amount deposited by the appellant under section 129E is required to be refunded consequent upon the order of the appellate authority, there shall be paid to the appellant interest at such rate..... on such amount from thetill, the date of refund of such amount

- (a) 6% p.a , date of payment of the amount
(b) 9% p.a , date of payment of the amount
(c) 6% p.a , date of Appeal order
(d) None of the above

Ans. (a) 6% p.a , date of payment of the amount

Chapter-13 -----ADVANCE RULING

Q1. "applicant" means any person, —

- (i) holding a valid Importer-exporter Code Number granted under section 7 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992); or
- (ii) exporting any goods to India; or
- (iii) with a justifiable cause to the satisfaction of the Authority,
- (iv) all of the above

Ans. (iv) all of the above

Q2. The Board may, for the purposes of giving advance rulings under this Act, by notification, appoint an officer of the rank ofto function as a Customs Authority for Advance Rulings

- (a) Principal Commissioner of Customs or Commissioner of Customs
- (b) Principal Chief Commissioner of Customs or Commissioner of Customs
- (c) Principal chief Commissioner of Customs or chief Commissioner of Customs
- (d) none of the above

Ans. (a) Principal Commissioner of Customs or Commissioner of Customs

Q3. Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961 (43 of 1961) shall be

- (a) [the Appellate Authority for deciding appeal
- (b) Authority for Advance Ruling in Custom
- (c) None of the above

Ans. (a) [the Appellate Authority for deciding appeal

Q4. The question on which the advance ruling is sought shall be in respect of, -

- (A) classification of goods under the Customs Tariff Act, 1975 (51 of 1975);
- (B) applicability of a notification issued under sub-section (1) of section 25, having a bearing on the rate of duty;
- (C) the principles to be adopted for the purposes of determination of value of the goods under the provisions of this Act.
- (D) applicability of notifications issued in respect of tax or duties under this Act or the Customs Tariff Act, 1975 or any tax or duty chargeable under any other law for the time being in force in the same manner as duty of customs leviable under this Act or the Customs Tariff Act;]
- (E) determination of origin of the goods in terms of the rules notified under the Customs Tariff Act, 1975 and matters relating thereto.]
- (F) any of the above

Ans. (F) any of the above

Q5. Within how many days the Authority shall pronounce its decision on Advance Ruling from the date of receipt of application?

- (a) 3 months ,(b) 6 months ,(c) 9 months ,(d) 12 months

Ans. (a) 3 months

Q6. Appeal before AAAR can be filed within how many days?

- (a) 30 days ,(b) 60 days ,(c) 90 days ,(d) 120 days

Ans. (b) 60 days

Q7. The advance ruling pronounced by the Authority under section 28-I shall be binding only -

on thewho had sought it; in respect of anyto in sub-section (2) of section 28H;

on theof Customs orof Customs], and the customs authorities subordinate to him, in respect of the applicant.

(i) (a) applicant, (b) matter referred, (c) Principal Commissioner, Commissioner

(ii) (a) applicant, (b) matter referred, (c) Principal Chief Commissioner, Commissioner

- (iii) (a) applicant, (b) matter referred, (c) Principal chief Commissioner, Chief Commissioner
- (iv) None of the above

Ans. (i) (a) applicant, (b) matter referred, (c) Principal Commissioner, Commissioner

Chapter- 14 -----SETTLEMENT OF CASES

Q1. A person can make an application to the settlement commission under Custom Act?

- (a) Before issue of show cause notice. (b) Before adjudication. (c) Within thirty days from the date of issue of O-I-O.
(d) Before filing appeal. (e) None of the above

Ans. (b) Before adjudication

Q2. Application for settlement commission can be made if

- (a) the applicant has filed a bill of entry, or a shipping bill, or a bill of export, or made a baggage declaration, or a label or declaration accompanying the goods imported or exported through post or courier, as the case may be, and in relation to such document or documents, a show cause notice has been issued to him by the proper officer;]
(b) the additional amount of duty accepted by the applicant in his application exceeds 3 lakh rupees; and
(c) the applicant has paid the additional amount of customs duty accepted by him along with interest due under [section 28AA] :
(d) all the above condition fulfilled

Ans. (d) all the above condition fulfilled

Q3. No application shall be entertained by the Settlement Commission under this sub-section in cases which are pending in the

- (a) Appellate Tribunal (b) any court (c) (a) or (b) (d) none of the above

Ans. (c) (a) or (b)

Q4. No application to settlement commission shall be made

- (a) in relation to goods to which section 123 applies or to goods in relation to which any offence under the Narcotic Drugs and Psychotropic Substances Act, 1985 has been committed
(b) the interpretation of the classification of the goods under the Customs Tariff Act, 1975
(c) both (a) and (b)
(d) none of the above

Ans. (c) both (a) and (b)

Q5. An application made to settlement commission (shall/shall not be) allowed to be withdrawn by the applicant

Ans. shall not be

Q6. person shall not be entitled to apply for settlement under section 127B in relation to any other matter [where,

- (i) an order of settlement [* * *] provides for the imposition of a penalty on the applicant under section 127B for settlement, on the ground of concealment of particulars of his duty liability; or

[*Explanation.* — In this clause, the concealment of particulars of duty liability relates to any such concealment made from the officer of customs.]

- (ii) after the passing of an order of settlement [* * *] in relation to a case, such person is convicted of any offence under this Act in relation to that case; or
(iii) the case of such person is sent back to the proper officer by the Settlement Commission under section 127-I,
(iv) Any of the above

Ans. (iv) Any of the above

CHAPTER 15 - CLASSIFICATION

Q1. If goods can be classified under two different headings and both headings are equally applicable—

- (A) Heading which appears earlier in tariff prevails.
- (B) Heading which appears later in tariff prevails.
- (C) The assessee can decide which heading to choose.
- (D) The heading where rate of duty is maximum will apply.

Ans. (B) Heading which appears later in tariff prevails.

Q2. Later the better rule for classification is as per

- (a) Rule 3(a), (b) Rule 3(b), (c) Rule 3(c), (d) Rule 5

Ans. (c) Rule 3(c),

Q3. Akin rule for classification is as per

- (a) Rule 3(a), (b) Rule 3(b), (c) Rule 3(c), (d) Rule 4

Ans. (d) Rule 4

Q4. All the goods in custom tariff are classified in..... Sections

- (a) 15 (b) 20 (c) 21 (d) 25

Ans. (c) 21

FOREIGN TRADE POLICY

Q1. An Export Oriented Unit (EOU) can be set up anywhere in India. State true or false.

Ans. True

Q1. What is the normal period for which EPCG authorisation will be issued

Ans. 18 months

Q2. What is IEC under Foreign Trade Policy?

Ans. **Import Export code Number**

Q3. Under Foreign Trade Policy, the term "STPI" stands for

- (i) Software Traders Place in India
- (ii) Software Technology Part of India
- (iii) Small Traders & Practitioners in India
- (iv) None of the above

Ans. (iv) None of the above

Q4. Write the full form of the following Abbreviations. (0.5x10=5)

PNR (b) WCO (d) SEIS (f) EPCG (j) ICEGATE

Answers: (a) Passenger Name Record (b) World Customs Organization (d) Service Export From India Scheme (f) Export Promotion Capital Goods (Scheme) (j) Indian Customs Electronic Commerce/Electronic Data interchange (EC/EDI) Gateway

Q5. Under which of the following Export Promotion Schemes, Capital Goods are allowed to be imported duty free?

(a) Export Promotion Capital goods scheme (b) Export Oriented Unit Scheme (c) Software Technology Park Scheme (d) Special Economic Zone Scheme (e) All of the above

Ans. (a) Export Promotion Capital goods scheme