

Overall performance is good. You need to save time from working notes part. You can score good marks. Attempt more questions. Best of luck

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Indirect tax laws

(Test:5)

Question:2

31

MR. FANG A tourist of chinese origin & his wife & child & jing age 2 Years visit india

COMPUTATION OF CUSTOM DUTY PAYABLE

<u>Particulars</u>	<u>MR. FANG</u>	<u>MRS. FANG</u>	<u>Infant</u>
Personal Effect (Note:1)	exempt	-	-
Laptop computer (Note:2)	exempt	exempt	<u>exempt</u>
Wine $6000/3 \times 2 = 4000$ (Note:3)	4000	2000	
Digital camera (Note:4)	11000	-	-
Mobile (Note:5)	-	15000	-
Total value	15000	17000	-
(-) General Free Allow.	(15000)	(15000)	-
	-	2000	-
Custom duty Payable @ 38.5%.	-	770	-

Notes

- (1) Use personal Effect & Travel souvenirs without any limit
- (2) laptop is exempt from ~~Baggage~~ Rule
- (3) Wine upto 2 Ltrs. Baggage Rate applied Mean to say Duty payable on special Rate,
So in question 2 Ltrs. include in MR. Fang & 1 Ltr. include in MRS. Fang, so Both are eligible for this Benefit.
- (4) Digital camera is eligible for an Allowances & Mobile also.
- (5) In case of tourist origin General Free Allowance 50,000 limit is Not consider in this case only 15000 limit. consider.

You have good conceptual knowledge of this question

Question: 3

5

As per section 75 → ~~deduct~~ duty drawback is Admissible
or Not -

- ① Yes, Dutydraw Back is Admissible → When FOB Value is greater than market value of goods ~~than~~ it mean dutydraw Back is admissible But Not More than $1/3$ of Market value.

In this question Amount of dutydraw is 40% of FOB it mean $20000 \times 40\% = 80,000$ or $1/3$ of market value $[1/3 \text{ of } 150,000] = 50,000$

so only the extent of 50,000 duty draw Back is admissible.

- ② Dutydraw Back is Not admissible →

In this case FOB is greater than market value But Amount of drawback is $[20000 \times 30\%] = 60,000$ is Higher than market value. So No duty

drawBack is admissible.

③ No duty draw Back Admissible →

IN this case FOB value of exported goods is lower than market value
So, No duty draw Back is Allowed.

④ Duty draw is Admissible →

IN this case, FOB value of exported goods greater than Market price of value of goods & the central government has specified a minimum value addition to be achieved @ 40% of imported Material in terms of FOB value

& the Value of material used in good is 30000 & Rate of Amount of duty drawback $42000 @ 4\% = 16800$ is Admissible.

You have good conceptual clarity of this question

Question No: 4

5

Admissibility of duty draw Back →

As per section 75 of

This has been accurately described by you.

custom act 1962,
of india

if Any goods cross the territorial water that comes in definition of ^{exported} goods & on that goods if custom duty paid then such ~~exemption~~ duty draw Back is admissible. It ~~doesn't~~ Matter that goods Reached their destination if Goods crosses the territorial water of india then He is eligible For an duty draw Back.

~~In~~ this question Export of goods Means Any goods place outside india.

~~In~~ this question R & Company sent certain goods By ship from Calcutta to Colombo in Shrilanka. After the ship set sail developed engine trouble, Ran aground in the territorial water of India

So, Assistant Commissioner of custom Holding that there was No export of goods is completely wrong.

~~duty draw Back~~ ^{can be} claimed in this case

Question: 1

5

For AN ~~EPCG~~ EPCG Scheme,

Export promotion Capital goods permitted permitted exporter to procure capital goods at concessional rate. But for this exporter is under obligation to ~~fulfill~~ the export obligation.

Export obligation IN this scheme 6 times of value of tax, cess saved custom duty tax cess would be difference between the ~~Effective duty taxes & cess~~.

Import of good would be ~~Actual~~ subject to Actual use till the export obligation is completed.

So yes, it can avail the ~~Benefit of~~ EPCG scheme But Exporter is ~~also~~ under obligation to fulfill the export obligation.

Performance is well

5

Question: 5

As per section 65 of custom Act, 1962,

For capital goods & other goods in case of EOUs, EHTPS, STP & ^{Warehousing period} ~~For~~ where Mfg & other operations are permitted

As per section 61 of custom Act

① period for which goods remain in warehouse

A) In the case of capital goods intended use for any

- ① 100% of EOUnit
- ② Software Engineering ^{Park} unit
- ③ Electronic Engineering Park
- ④ any warehouse which is permitted for capital goods till the clearance of goods.

B) In the case of ^{Other than} capital goods intended use for any -

Practice to understand concept deeply, Do practice to get better score.

- ① 100% OF EOU unit
- ② Software Engineering Park
- ③ Electric Hardware Park
- ④ Any warehouse which is permitted other than capital goods till the clearance of goods

③ In all the other cases, warehoused period extend ^{from} up to one year when custom duty officers ordered.

④ If order was passed By the proper officer then Beyond 90 days Interest 15% levied till the warehouse closed.

MCQ

5

- 1.) A ✓
- 2.) D ✓
- 3.) Nil ✓
- 4.) B ✓
- 5.) A ✓

Very good attempt