



Reg. No. : .....

Name : .....

**Third Semester M.Com. Degree (Reg./Suppl./Imp.)**  
**Examination, November 2017**  
**(2014 Admn. Onwards)**  
**COM3C14 : WEALTH TAX AND INDIRECT TAXES**

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any four** questions in this Section. **Each** question carries **1** mark for Part (a) **3** marks for Part (b) and **5** marks for Part (c).

1. a) Define coastal goods under Customs Act 1962.  
b) Describe the provision as to granting of exemption from customs duty.  
c) How are goods cleared from port ?
2. a) Define excisable goods under Central Excise Act.  
b) Explain the main features of MODVAT under Central Excises Act.  
c) Calculate the amount of excise duty payable.  
Total quantity of product X manufactured 1,000 kg  
Sale to Govt. department 300 kg at Rs. 50 per kg  
Sale to industrial users 400 kg at Rs. 50 per kg  
Sale to wholesalers 250 kg at Rs. 60 per kg  
Rate of duty 10%.
3. a) What is Net Wealth under Wealth Tax Act ?  
b) How to determine the value of immovable property under Wealth Tax Act ?  
c) The building is situated on a freehold plot of 18,000 sq. ft. The Floor Space Index (FSI) permissible is 2. The building up floor area is 32,000 sq.ft. The net maintainable rent is 50,000 p.a. Find out the value of building.
4. a) What is value added tax ?  
b) Write about the process of VAT registration.  
c) What are the merits and demerits of VAT ?



5. a) What is service ?  
 b) Who are the persons liable to service tax ?  
 c) Give a note on procedure for registration under Service Tax.
6. a) Name the taxable event for the charge of Excise Duty.  
 b) Distinguish between excise duty and customs duty.  
 c) Selling price of a product inclusive of excise duty @ 12% is Rs. 2,800/- article. If 100 articles are produced and sold, compute the assessable value and total excise duty payable.

## SECTION – B

Answer **any two** questions in this Section. **Each** question carries **12** marks.

7. a) The Balance Sheet of a partnership firm consisting of P, Q and R are as partners stood as follows.

Liabilities		Assets	
Capital :			
P	5,00,000	Building let out for residential	
Q	4,00,000	purpose	9,00,000
R	3,00,000	Share of companies	10,000
Investment allowance	6,70,000	Urban land	6,00,000
Bank loan	40,000	Stock in trade	10,000
Provision for income tax	1,00,000	Jewellery	3,50,000
		Cash	90,000
		Advance income tax paid	50,000
<b>Total</b>	<b>20,10,000</b>	<b>Total</b>	<b>20,10,000</b>

The bank loan is in respect of repairs of building which has been mortgaged for the purpose. The shares are valued at Rs. 80,000 as on 31<sup>st</sup> March 1995. Partners share profit and losses in the ratio of 5 : 3 : 2. Compute the value of interest of partners for the purpose of their Wealth tax purpose.

OR

- b) What are the assessment procedures, appeal, refund and penalty under service tax ?





8. a) Briefly explain the mechanism of operation of VAT with the help of an illustration.

OR

b) M/s Ashok Engg. Co. Ltd., a registered dealer in the State of Punjab, furnishes the following details relating to its sales and purchases during the quarter ended 31<sup>st</sup> December, 2011 :

**Sales :**

Invoice No. 101 dated 4-12-2011 Rs. 20,000 (inclusive of 12.5% tax)

Invoice No. 102 dated 8-12-2011 Rs. 17,000 (inclusive of 4% tax)

Invoice No. 103 dated 12-12-2011 Rs. 16,000 (inter-State sale inclusive of 4% tax)

Invoice No. 104 dated 18-12-2011 Rs. 19,700 (inclusive of 12.5% tax)

Invoice No. 105 dated 26-12-2011 Rs. 20,100 (inclusive of 4% tax)

Invoice No. 106 dated 27-12-2011 Rs. 22,750 (inclusive of 12.5% tax)

Goods sent to Patna branch of the company on 15-12-2011 for Rs. 12,000

**Purchases :**

From dealer in Punjab on 2-12-2011 Rs. 10,000 (inclusive of 4% tax)

From dealer in Punjab on 4-12-2011 Rs. 15,000 (inclusive of 12.5% tax)

From dealer in Delhi (CST) on 6-12-2011 Rs. 7,500 (inclusive of 4% tax)

From dealer in Punjab on 12-12-2011 Rs. 8,500 (inclusive of 12.5% tax)

From dealer in Punjab on 18-12-2011 Rs. 18,000 (inclusive of 12.5% tax)

From dealer in Punjab on 22-12-2011 Rs. 14,000 (inclusive of 4% tax)

Goods purchased on 2-12-2011, was sent to Patna branch of the company.

Compute the amount of VAT liability for the month of December, 2011.

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