1199 – C63 – IIISC – R – N – 15

THIRD SEMESTER B.Com. (Revised) DEGREE EXAMINATION, NOVEMBER 2015

TAX PROCEDURE AND PRACTICE

(Vocational)

Time : 3 Hours] [Max. Marks : 80

Attempt **all** *the questions according to internal choice.*

Section – A (Marks: 10 × 2 = 20)

1. Answer any **ten** of the following:
   a) What is Central Sales Tax?
   b) What do you mean by appropriate state?
   c) What is Indirect Tax?
   d) Who is a dealer?
   e) What is Form 'E' under the CST Act 1956?
   f) What is Compulsory Registration?
   g) What is the rate of CST applicable for the financial year 2014-15?
   h) Give two examples of documents of title of goods.
   i) What is Service Tax?
   j) What do you mean by Turnover?
   k) What is Service Tax code?
   l) What is rate of service tax applicable for the financial year 2014-15?

Section – B (Marks: 3 × 5 = 15)

Answer any **three** *of the following of the questions.*

2. What is compulsory registration under the Service Tax Law? What is the penalty for failure of get registration?
3. What is Form 'C' under CST Act 1956? Explain its uses to purchasing dealer.
4. Distinguish between Direct tax and Indirect tax.
5. The total turnover of Shri Ganapati in the course of Inter-State trade for the year ended 31/3/2015 is Rs. 9,18,600. Calculate his taxable turnover on the basis of information given as under:

Sales (Rs.)	Rate of tax.
5,10,000	2%
84,000	5%
2,70,540	8%
29,700	10%
24,360	Tax free

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6. Gross turnover of a registered dealer is Rs. 29,50,000 for the year ending 31/3/2015. From the following information compute the taxable turnover under the interstate sales:

   i) Sales of tax-free goods sold in the State Rs. 13,00,000
   ii) Exports from India Rs. 5,00,000
   iii) Sales in State Rs. 6,00,000
   iv) Sales return in Inter-State sales (out of tax rate 2%) 16,000
   v) Tax rates on Inter State Sales:
      Rs. 3,30,000 at 10%
      Rs. 2,20,000 at 2%

7. City Cables, Nagpur, a cable operator puts the following details of its operations for the quarter ended 30/9/2015

   i) Gross monthly collection from subscribers Rs. 5,52,600
   ii) Cost of cable from control room to subscribers premises Rs. 22,500
   iii) Installation charges Rs. 15,600
   iv) Entertainment Tax amount deposited with Govt.Rs. 52,300
      (Included in 1 above and shown separately in bills)
   v) Receipts from advertisements displayed on cable network Rs. 1,56,800

   Calculate the value of taxable service and service tax levied thereupon.

Section – C (Marks: 3 × 15 = 45)

Answer any **three** *questions, including question* **13** *which is compulsory.*

8. Explain advantages and disadvantages of Indirect Taxes.
9. Discuss the inclusions and exclusions in the value of taxable services.
10. Discuss the procedures for registration under the CST Act. Under what circumstances is a certificate of registration cancelled?
11. During the year ending 31/3/2015 total sales of a dealer are Rs. 21,22,000. Compute the taxable turnover of the dealer under the CST Act from the following information:

		Rs.
a)	Sale of exempted goods	4,00,000
b)	Sale within the State	6,00,000
c)	Export from India	3,06,000
d)	Inter-State sale to dealers on Form 'C'	3,26,000
e)	Out of sales in (4) sales return within 6 months are	20,000
f)	Subsequent sale during Inter-State trade to registered dealers	2,50,000
g)	On other Inter-State sale the rate of the tax is 10%	

12. Mr. Amit is a practising Chartered Accountant within the meaning of Chartered Accountants Act 1949. His receipts from various professional services for the quarter ended 30/9/2015 are as under:

1)	Taxation consultancy fees	4,26,250
2)	Remuneration for account services	1,12,960
3)	Statutory Audit Fees	2,65,700
4)	Certification fees	1,45,600
5)	Remuneration as Internal Auditor jobs performed in a public Ltd. Co.	1,58,300
6)	Fees for appearing in appeals	1,47,400
7)	Mr. Amit also teaches at a coaching centre as a visiting faculty	1,43,200

Mr. Amit also got reimbursed out of pocket expenses on actual basis from his clients Rs. 85,900.

He has also incurred total expenditure of Rs. 3,15,000 as establishment expenses of his office during the period.

Calculate the value of Taxable Service and also the service tax payable thereupon. Mr. Amit charges service tax separately in the bills raised hence the above receipts are not inclusive of service tax.

13. Calculate taxable turnover of a dealer for the year ending 31/3/2015 under the Central Sales Tax Act..

The total sales of a registered dealer are as under:

i)	Sugar (Exempt)	4,00,000
ii)	Newspapers	2,00,000
iii)	Tobacco (Exempt)	50,000
iv)	Shares and Securities	6,00,000
v)	Export to Canada	3,50,000
vi)	Goods sold within districts of the State	10,00,000
vii)	Inter-State sale on which rate of tax being 10%	4,60,000
viii)	Inter-State sale on which rate of tax being 2%	2,04,000

Goods worth Rs. 20,000 were returned by customers within 6 months of purchase out of goods given in (vii) on which the rate of tax is 10%.