3245 – C63 – IIISC – R/O – N – 14

THIRD SEMESTER B.Com. (Revised) DEGREE EXAMINATION, NOVEMBER 2014

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 do you mean by Indirect tax?
   b) What do you mean by Central Sales tax?
   c) When was CST Act passed?
   d) What is business?
   e) What is Turnover?
   f) Who is liable to pay CST?
   g) What is Service Tax?
   h) What do you mean by declared service?
   i) What is voluntary Registration?
   j) Give any four exemptions of Tax free sales under CST.
   k) What is Form E.I under the CST Act?
   l) Distinguish between sales and turnover.

Section – B (Marks: 3 × 5 = 15)

Answer any **three** *from the following.*

2. Distinguish between Single Point Tax and Multiple Point Tax.
3. What do you mean Indirect Tax? Explain the features of Indirect Tax.
4. What is form E-I? Explain its contents.
5. The total turnover of Shri S.Kumar in the course of Inter-State trade for the quarter ending 31/12/2013 is Rs. 25,00,000. Calculate his taxable turnover on the basis of information given as under:

Sales (Rs.) (Inclusive of taxes)	Rate of tax.
10,20,000	2%
1,57,500	5%
5,25,000	5%
5,65,000	13%
2,32,500	Tax free

[P.T.O

6. A registered dealer is having the total sales of Rs. 20,00,000 for the year ending 31/3/2014. Based upon the following information, calculate his taxable sales on Inter-State sales:

i)	Sales in the State	Rs. 6,00,000
ii)	Export sales	Rs. 2,00,000
iii)	Tax free goods sales value	Rs. 3,00,000
iv)	Goods returned from Inter-State rules	20,000
v)	Rate of tax on Inter-State rules 13%	9,04,000

7. Mr. Shri Ram (liable to pay Service Tax) give the following particulars relating to the service provided to various clients by them for the half year ended 30-9-2014.

   i) Total bills raised for Rs. 10,00,000 out of which payment of bill for Rs. 2,00,000 were not received till 30-9-2014.

   ii) Amount of Rs. 1,00,000 was received as an advance from STEPCo Ltd. on 1-9-2014 to whom services were to be provided in January 2014.

   You are required to compute taxable value of services and the among of service tax payable. The bills are exclusive of service tax.

Section – C (Marks: 3 × 15 = 45)

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

8. Explain the merits and demerits of Indirect Taxes.

9. Discuss the procedure for registration under CST Act. Under what circumstances is a certificate of registration cancelled?

10. Discuss the brief nature and liability to service tax of the services offered by
    a) Practising company secretary
    b) Management consultant.

11. The particulars of total sales of a registered dealer are as under for the year ending 31-3-2014.

		Rs.
a)	Sugar (exempt)	4,00,000
b)	Newspapers	11,00,000
c)	Readymade garments of Khadi (exempt)	1,25,000
d)	Shares and securities	2,00,000
e)	Export to America	11,75,000
f)	Goods sold in the state	3,00,000
g)	Inter-State sale the rate of tax on these goods is 13% and the customers returned goods worth Rs. 20,000 within 6 months of purchase	4,60,000
h)	Inter-State sale (on which the rate of tax is 2%)	1,02,000

Compute taxable turnover of this dealer under CST Act.

12. City Cables Nagpur, a cable operator, puts the following details of its operations for the six months ending 31-3-2014.

1)	Gross monthly collection from subscribers	6,52,600
2)	Cost of cable from control room to subscribers Premises	22,500
3)	Installation charges	15,600
4)	Entertainment Tax amount deposited with Government (included in the above and shown separately in bills)	55,000
5)	Receipts from Advertisements displayed on cable Network	2,00,000

Calculate the value of Taxable service and Service Tax levied thereupon.

13. M/s. Naman Brothers have submitted the following particulars of their Inter-State sales for the quarter ending 30-9-2014:

Name of goods	Sales (Rs.)	Tax collected from customers
1) Sales to Government		
a) Declared goods	72,250	3%
b) Sales of other goods	57,120	2%
2) Sales to registered dealers:		
Declared goods	51,000	2%
3) Sale to other persons:		
a) Other goods	74,200	6%
b) Other goods	33,600	12%

The other information are as under:

i) The sales to the Registered dealers are under Forms 'C'.

ii) Tax collected from customers have been included in their total sales.

iii) State rate of tax on declared goods is 4% and for other goods is 8%.

On the basis of the above information determine the amount of taxable turnover and sales tax payable under the CST act by M/s. Naman brothers.
