DEPARTMENTAL EXAMINATION OF INSPECTORS OF CENTRAL TAX
(PAPER-I) CENTRAL EXCISE (Without Books)

Date: 06.08.2019
Time: 10.00 am To 1.00 PM

Maximum Marks: 100
Pass Marks: 50

Note:
1. All Questions are compulsory.
2. Candidates have options to answer in Hindi.
3. Use of Mobile/Smart Phones is strictly prohibited during examination.

Q.No.1 Please indicate whether the following statements are TRUE or FALSE. All parts are compulsory. (10x1)

(i) The returns prescribed under Central Excise Law cannot be filed before due date.
(ii) In Central Excise, Deputy/Assistant Commissioner is authorized to issue search warrant.
(iii) If the capital goods on which CENVAT credit has been taken, are removed as waste and scrap, the manufacture will have to pay an amount equal to credit availed.
(iv) Payment of Central Excise duty can be made by utilizing the CENVAT credit lying in balance at the end of the month, for which excise duty is payable.
(v) Any decision or order passed or any summons or notices issued under Central Excise Act/ Rules may also be served by sending it through the Courier approved by the Central Board of Excise and Customs.
(vi) The Commissioner (Appeals) has power to condone delay in filing appeal only upto 30 days.
(vii) The Commissioner (Appeals) is not Adjudicating Authority.
(viii) Circulars are binding upon the assesses, the adjudicating authority and the courts.
(ix) The Commissioner (Appeals) can hear appeal against orders passed by AC/DC & ADC.
(x) PLA can be used for payment of duty penalty, fine etc in cash.

Q.No.2 Please indicate the correct option out of four options for each part given below. (20x1)

(i) Protective SCN is issued to the party when -
(a) Audit para is contested by the Department.
(b) Audit para has been admitted by the Department.
(c) Audit para is contested by the Party.
(d) Audit para has been admitted by the Party.

(ii) Following is not a ground for transfer of case to Call book -
(a) When Department has gone in appeal before the Appropriate Authority
(b) Where injunction has been issued by the Supreme Court/High Court
(c) In a case which has been admitted by the Settlement Commission.
(d) In a Case of provisional assessment.

(iii) Taking statement under Section 14 of the Central Excise Act, 1994 is -
(a) Non-judicial proceedings within the meaning of Section 193 and 228 of Indian Penal Code 1860
(b) Judicial proceedings within the meaning of Section 193 and 228 of IPC.
(c) A quasi-judicial proceedings during the course of an enquiry.
(d) Mandatory before issuance of Show Cause Notice.

(iv) Under which provision, a complaint may be filed in a Court, if a person does not appear in response to the Summons issued under the Customs or the Central Excise Laws?
(a) Section 174 of the Code of Civil Procedure
(b) Section 174 of the Indian Penal Code
(c) Section 174 of the Criminal Procedure Code
(d) Section 175 of the Indian Penal Code
(v) As per Section 35F of Central Excise Act, 1944, what is the quantum of pre-deposit at the time of filing appeal (w.e.f. 06.08.2014) against the order passed by the Commissioner (Appeals), before the CESTAT - 

(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) *12.36% 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)  

(vi) An Order-in-Original (O-in-O) passed by an Assistant Commissioner in respect of remission of Central Excise duty against the party was challenged before the Commissioner (Appeals) and it was upheld by the Commissioner (Appeals) also. Now the party may approach further to -

(a) CESTAT  
(b) High Court  
(c) Joint Secretary(RA)  
(d) Settlement Commission  

(vii) Appeal can be filed against O-in-O passed by the Commissioner before -

(a) Commissioner  
(b) Chief Commissioner  
(c) Commissioner (Appeal)  
(d) CESTAT  

(viii) Which activity would render the goods Excisable -

(a) Manufacture  
(b) Clearance from the factory  
(c) Storage after manufacture  
(d) Clearance from the place of storage  

(ix) Provisional assessment can be ordered in case of inability to determine -

(a) Value of excisable goods  
(b) Rate of duty of excisable goods  
(c) Either Value or rate of duty of excisable goods  
(d) On the direction of the department.  

(x) Interest on delayed refunds is provided under:-

(a) Section 11AA of CEA,1944  
(b) Section 11BB of CEA,1944  
(c) Section 11DD of CEA,1944  
(d) Rule 12AA of CER,2002  

(xi) Which of the goods is out of the purview of GST?  

(a) Cement  
(b) Goods produce in SEZ  
(c) Petroleum Products  
(d) Goods produced by EOUs  

(xii) The order passed by the Commissioner(Appeals) is reviewed by:-

(a) Jurisdictional Principal Commissioner/ Commissioner  
(b) Committee of Principal Commissioners/ Chief Commissioners  
(c) Committee of Principal Chief Commissioners/ Chief Commissioners  
(d) Jurisdictional bench of CESTAT  

(xiii) Payment of Central Excise Duty depends on -

(a) Removal of goods from the place of removal  
(b) Manufacture of goods in the factory  
(c) Deemed manufacture of goods  
(d) Removal of goods to warehouse for storage.  

(xiv) Which of the following duties in under the purview of the State Government?  

(a) Central Excise duty  
(b) Customs duty  
(c) Service tax  
(d) SGST  

(xv) Captively Consumed Goods means -

(a) Goods manufactured and consumed within the factory  
(b) Goods manufactured  
(c) Goods purchased and used in the factory  
(d) Goods received from branch
(xvi) Section giving power of arrest to a Central Excise officer -
(a) Section 11  
(b) Section 13  
(c) Section 14  
(d) Section 11AA

(xvii) Excise duty can be levied on these goods which are -
(a) Manufactured in India  
(b) Sold in India  
(c) Removed from factory  
(d) None of the above

(xviii) Confiscated goods in respect of which the option of paying a fine in lieu of confiscation has not been exercised, shall be -
(a) Disposed of in a manner prescribed  
(b) Sold  
(c) Destroyed  
(d) All of the above

(xix) Non-relied upon seized documents for issuance of SCN to be returned within days -
(a) 15  
(b) 30  
(c) 45  
(d) 60

(xx) Manufacturer or producer shall be allowed to take credit of -
(a) Additional duty of excise under section B(5)  
(b) Duty of excise specified in Fourth Schedule of the Excise Act  
(c) Additional duty of excise levied under Section 85 of the Finance Act 2005  
(d) All of the above

Q.No.3 Fill in the Blanks: All parts are compulsory. (10x2)

(i) The minimum rank Central Excise officer empowered to summon a person to give evidence and to produce documents in inquiries under the Central Excise Act is ___________.

(ii) All records maintained under Rule 10 of the Central Excise Rule shall be preserved for a period of ________ immediately after the financial year to which such records pertains.

(iii) When the inputs on which CENVAT credit has been taken, are removed as such from the factory, the manufacturer shall pay ___________.

(iv) Adhoc exemption can be granted by issuing ___________ the Section 5 A (2) of the Central Excise Act, 1944.

(v) Assessee is required to submit return for a month to ___________ having jurisdiction over his factory within 10 days of the succeeding month.

(vi) As per Section 11(B) of the Excise Act, the time limitation for ___________ is fixed at one year from the relevant date.

(vii) Rule 3(i) of CENVAT credit Rule 1917 provides that manufacturer or producer of final product shall be allowed to take credit of the duty of excise specified in the ___________ schedule of the Excise Act.

(viii) Credit of duty specified in Rule 3(i), except the National Calamity Contingent Duty shall not be utilized for payment of ___________ duty.

(ix) In case of the goods removed during the month of March, the duty shall be paid by the ___________st day of ___________.

(x) In the case of cigarettes, the relevant invoice shall also be countersigned by the ___________ of Central Excise before the cigarettes are removed from the factory.

Q.No.4 Explain the following:- (5x4)

(i) Detention of goods & seizure of goods

(ii) Short levy & short payment

(iii) Provisional attachment of property to protect revenue

(iv) Remand order

(v) Cross objection
Q.No.5 Each part of the Question is of 5 marks. All parts of the question are compulsory. Determine the assessable value for purpose of excise duty under the Central Excise Act, 1944 in the following cases:-(3x5)

(a) An assessee sells his excisable goods for Rs.120 per piece and does not charge any duty of excise in his invoice. Subsequently it was found that the goods were not exempted from excise duty but were liable at 20% ad valorem.

(b) Certain excisable goods were sold for Rs.120 per piece and 20% ad valorem is the rate of excise duty. Subsequently it was found that the price cum duty was in fact Rs.140 per piece as the assessee had collected Rs.20 per piece separately.

(c) The Cum duty price per piece was Rs.120 and the assessee had paid duty at 20% ad valorem. Subsequently it was found that the rate of duty was 30% ad valorem and assessee had not collected anything over and above Rs.120 per piece.

Q.No.6 During the search of a factory and office premises of an assessee on 15 June, 2017, certain incriminating documents were recovered, which indicated that the assessee had suppressed the production and cleared the goods clandestinely without payment of duty. Stock taking of finished goods showed shortage of goods. It was also noticed that assessee had not filed returns for 2 months. It was also observed that the assessee had claimed benefit of an exemption which was not applicable to them.

Please write the provisions of Central Excise Act, 1944 and Rules made thereunder, contravened by the assessee? (15)