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

Date : 04.12.2018 
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. [1x10=10]

(i) Cenvat Credit cannot be used for payment of Interest.
(ii) Commissioner (Appeals) cannot condone delay in filing appeal beyond 90 days.
(iii) Provisional assessment can be ordered by the department even if, assesse has not requested for the same.
(iv) There is no time limit for issuing demand for recovery of interest payable if the same has not been paid or short paid.
(v) There is no time limit to issue notice under section 11D to demand duty in cases where a person has collected any amount in excess of duty assessed or determined and paid.
(vi) The Cenvat Credit Rules, 2004 do not allow availment of Cenvat Credit of excise duty paid on Light Diesel oil, High Speed Diesel Oil or Motor Spirit.
(vii) In the case relating to Rebate of duty, an appeal against the order of Commissioner (Appeals) lies before the Central Government.
(viii) First Stage Dealer is not bound to file monthly return with the Central Excise Department.
(ix) In case of valuation, an appeal against the CESTAT’s order can be directly filed before the Supreme Court.
(x) The Provisions of Central Excise Law have not been extended to state of Jammu and Kashmir.

Q.No.2 Multiple Choice Questions (MCQs) [1x10=10]

(i) In an Order-in-Original passed by a Joint Commissioner, Appeal can be filed before
(a) Additional Commissioner  (c) Commissioner (Appeals)
(b) Commissioner  (d) CESTAT
(ii) Central Excise duty payable on any excisable goods, except Cigarettes shall be assessed by
(a) Inspector  (c) Assistant Commissioner
(b) Superintendent  (d) Assessee
(iii) Annual financial information statement is submitted by the assesse in form:-
(a) ER-4  (c) ER-6
(b) ER-5  (d) ER-7
(iv) Procedure of service of decisions, orders, summons etc is provided under:-
(a) Section 37A of CEA, 1944  (c) Section 37C of CEA, 1944
(b) Section 37B of CEA, 1944  (d) Section 37D of CEA, 1944
(v) Small Scale exemption based on value of clearances is not available to the units:-
(a) Whose plant and machinery is valued at more than Rs.4 Crores.
(b) Located in Urban area and manufacturing goods of other brand.
(c) Located in Rural area and manufacturing goods of other brand.
(d) Not availing CENVAT Credit on inputs.
(vi) Place of Removal under Central Excise means
(a) Removing the goods from the place of distributor
(b) Removing the goods from the place of Customs Station
(c) Removing the goods from the place of factory
(d) None of the above
(vii) 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 for branch transfer

(viii) Assessable value does not include one of the following
(a) Cost of material
(b) Cost of insurance
(c) Cost of transportation
(d) Interest on delayed payment

(ix) What percentage should be added to the cost of production in the case of captive consumption?
(a) 15%
(b) 10%
(c) 0%
(d) 20%

(x) Captively Consumed Goods means
(a) Goods manufactured and consumed within the factory
(b) Goods purchased and used in the factory
(c) Goods received from branch

Q.No.3 Fill in the Blanks: All parts are compulsory. [1X10=10]

(i) The amount of fees payable in case of appeal filed by or on behalf of department shall be ………………………………………

(ii) The duty on the goods removed from the factory or the warehouse during a month shall be paid by …………………….. of the following month if duty is paid electronically.

(iii) The manufactured or the provider of output service shall not take Cenvat credit after one year of ………………………….. of documents specified in sub Rule(1) of Rule(9) of the Cenvat Credit Rules, 2004.

(iv) Packing or repacking of goods, labelling or re-labelling of containers including declaration, alteration of retail sale price or any other treatment to render the product marketable in respect of goods specified in ………………………………… will be manufacturing.

(v) The legal authority to levy Special duty of excise is provided in …………………………..to ………………………………

(vi) A person is getting his goods manufactured at another factory by sending the raw material to them and clearing the same from there. The assessable value of such goods shall be determined in accordance with Rule ……………………………….. of ……………………………

(vii) The rates for Special Excise Duty are specified under ……………………….. to ……………………………

(viii) ……………………………. is charged under Sec 3(1)(a) of the CEA, 1944.

(ix) Section 11AC of the CEA, 1944 prescribes a ………………………….. equal to the duty not levied or paid or short paid or eroniously refunded by reason of fraud suppression etc.

(x) If any person takes CENVAT credit of input or capital goods, wrongly or contravention of Cenvat Credit Rules, all such goods shall be liable for ……………………………

Q.No.4 Answer the following:- [Attempt Any Five] [3X5=15]

(i) As per the provisions of the Central Excise Act, 1944, who is required to be registered with the Central Excise Department?

(ii) What are the cases where appeal against the order of Commissioner (Appeals) does not lie to the CESTAT?

(iii) What is taxable event for levy of Central Excise Duty under the Central Excise Act, 1944?

(iv) What is the difference in Central Excise Duty payable by EOU and non-EOU Unit in respect of goods manufactured by them?

(v) Circumstances under which CENVAT credit on supplementary invoices is not permitted?

(vi) Differentiate ‘Material Evidence’ and ‘Circumstantial Evidence’?
Q.No.5  Explain the following:- [Attempt Any Five]  
(i) Seizure of goods & confiscation of goods  
(ii) Awarding of Punishment & Imposition of penalty  
(iii) Refund & Rebate  
(iv) Special Audit under section 14AA of the Central Excise Act, 1944  
(v) Export under Rule 18 and Rule 19 of the Central Excise Rules, 2002  
(vi) Remission of Central Excise Duty  
(vii) Removal of Capital goods  

Q.No.6  Please indicate Relevant Section/Rule of the Central Excise Act, 1944 and/or Rules made thereunder for the following:  
(i) Recovery of confirmed dues  
(ii) Filing of Return  
(iii) Appointment and jurisdiction of Central Excise Officers  
(iv) General Penalty  
(v) Provisional Assessment  
(vi) Distribution of credit by Input Service Distributor  
(vii) MRP based valuation  
(viii) Duty paid goods brought back for repairing, reconstructing etc.  
(ix) Appeal filing before CESTAT  
(x) Defining of factory.  

Q.No.7  Explain the following:-  
(a) Explain the Principle of natural justice. In what way it is applied in proceedings consequent upon seizure of excisable goods?  
(b) What is basic condition for arrest of a person under the Central Excise Act?  
(c) Can a vehicle transporting goods which have been removed in contravention of Central Excise Law, be seized. If yes, what are the provisions for seizure of such vehicle? Quote the legal provision in this regard.  
(d) Explain the difference between exemption granted under section 5A (1) and 5A (2) of the Central Excise Act, 1944.  

Q.No.8  Explain the following:-  
(a) Please explain whether superior Kerosine Oil used to generate steam for captive use is eligible for Cenvat Credit.  
(b) Please explain whether excisable goods falling under Chapter 82 of the Central Excise Tariff Act but used as component in the manufacture of final product is eligible for CENVAT Credit as Capital goods or Input.  
(c) An assessee has purchased excisable goods falling under Chapter 85 of the Central Excise Tariff Act at the rate of Rs.5,000/- per piece. Can the assessee take full credit of duty paid on such purchases at the time of receipt of goods in factory?  
(d) M/s ABC Ltd, a unit engaged in manufacture of product ‘X’ is not eligible to avail exemption under a notification based on value of clearances in a financial year. During the month of Feb’17 the unit has procured the following. Calculate the amount of CENVAT available during Feb’17 considering opening balance as NIL and provide reasons for calculation.  

<table>
<thead>
<tr>
<th>Items of Purchase</th>
<th>Duty involved (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw material</td>
<td>2,00,000/-</td>
</tr>
<tr>
<td>Motor Car</td>
<td>50,000/-</td>
</tr>
<tr>
<td>Dumper</td>
<td>1,00,000/-</td>
</tr>
<tr>
<td>Storage Tank</td>
<td>2,500/-</td>
</tr>
</tbody>
</table>

Q.No.9  
(a) Sale price Rs.264. Excise duty @ 16% not shown separately. What is the transaction value?  
(b) Write short note on General Rules of Interpretation of Tariff.  

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