Q.No.1 Please indicate whether the following statements are TRUE or FALSE? All parts of this question are compulsory and each part is of one mark. [1x10]

(i) Payment of Central Excise duty can be made by utilizing the CENVAT Credit lying in balance at the end of the month of which excise duty is payable.

(ii) In the case relating to Rebate of duty, an appeal against the order of Commissioner (Appeals) lies before the Central Government.

(iii) Any decision or order passed or any summons or notices issued under Central Excise Act/ Rules may be served by sending it through the Courier approved by the Central Board of Excise and Customs.

(iv) First Stage Dealer is not bound to file monthly return with the Central Excise Department.

(v) The Central Government issues notification under Section 5A of Central Excise Act, 1944 granting exempting from payment of Central Excise duty.

(vi) Commissioner (Appeals) has power to condone delay in filing appeal only upto 30 days.

(vii) After Confiscation of goods, the property vests in the Central Government.

(viii) In case of valuation, an appeal against the CESTAT’s Order can be directly filed before the Supreme Court.

(ix) The Commissioner of Central Excise (Appeals) is not Adjudicating Authority.

(x) The Provisions of Central Excise Law have not been extended to Jammu and Kashmir.

Q.No.2 Fill in the blanks. All parts of the question are compulsory and are of one mark each. [1x5=5]

(i) The goods are not sold at factory gate but are transferred to premises of consignment agent, the assessable value of such goods shall be determined in accordance with Rule……. of…….

(ii) 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 ………………….

(iii) If the goods are classifiable under two or more headings of Central Excise Tariff Act, 1985, then the appropriate classification for such goods is to be determined in terms of Rule ...... of ......

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

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

Q.No.3 Please indicate the relevant section of the Central Excise Act, 1944 and /or Rules made there under which following subjects are governed :- [1x10=10]

(i) Compounded levy scheme
(ii) Power to grant exemption from duty of excise
(iii) Provisional attachment of property to protect revenue
(iv) Power to arrest in Central Excise cases
(v) Self-assessment of Central Excise duty
(vi) Remission of Central Excise duty
Q.No.4 Indicate the legal authority for the levy and collection of any four of the following duties/Taxes/Cess? Also indicate the rate of tax and commodities which are subjected to this levy. Each part of the question is of three marks. [3x4=12]

(i) Levy of Education Cess
(ii) Levy of Secondary and Higher Education Cess
(iii) Infrastructure Cess
(iv) Clean Environment Cess
(v) NCCD

Q.No.5 Answer any five parts of this question. Each question is of two marks. [2x5=10]

(i) What is the constitutional provision which allows Central Government to levy and collect Central Excise duty on manufactured goods?
(ii) What is the taxable event for levy of Central Excise duty under Central Excise Act, 1944?
(iii) What is the difference between Central Excise duty and VAT?
(iv) Which section of the Central Excise Act, 1944 provides for levy of Central Excise duty on goods manufactured in India?
(v) What is the charging section for goods manufactured and cleared into DTA by EOU?
(vi) What is the difference in Central Excise duty payable by EOU and non-EOU Unit in respect of goods manufactured by them?

Q.No.6 Each part of the Question is of 3 marks. All parts of the question are compulsory. [3x3=9]

Determine the assessable value for purpose of excise duty under the Central Excise Act, 1944 in the following cases:

(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.7 Attempt all parts of the Questions. Each part is of 3 marks. [3x3=9]

(a) Explain the difference between exemption granted under section 5A (1) and 5A (2) of the Central Excise Act, 1944.

(b) An exemption notification issued under section 5A(1) of Central Excise Act, 1944 exempts Central Excise duty which is in excess of 5% of the duty leviable. The tariff rate is 20% adv. What will be the effective rate of duty in this case?

(c) A notification has been issued on 1.4.2016 under Section 5A (1) of the Central Excise Act, 1944 carries some ambiguity. To remove ambiguity, Government wants to add an explanation in this notification. What is the time limit within which it can be added and what would be its effective date?
Q.No.8  M/s XYZ Pvt. Ltd. an unit registered with Central Excise department has filed ER-1 return for the month of April, 2016 showing duty payable as Rs.5,00,000 on 06.05.16. The assessee has deposited Rs.4,00,000 through Internet Banking on 6.5.2016. No payment has been made through Cenvat Credit account. Assuming the short payment has been made good on 15.5.16. Calculate the amount of interest the unit is liable to pay assuming that rate of interest is 18% per annum. [5]

Q.No.9  M/s ABC Pvt. Ltd., is not eligible to avail exemption under a notification based on value of clearance in financial year, procured the following during the month of April, 2016.

<table>
<thead>
<tr>
<th>Items of Purchase</th>
<th>Duty Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Raw material involving duty</td>
<td>- 1,00,000/-</td>
</tr>
<tr>
<td>(b) Manufacturing machine</td>
<td>- 5,00,000/-</td>
</tr>
<tr>
<td>(c) Light diesel Oil</td>
<td>- 50,000/-</td>
</tr>
<tr>
<td>(d) Furnace Oil for Generators</td>
<td>- 50,000/-</td>
</tr>
</tbody>
</table>

Determine the amount of Credit available with necessary explanation for treatment of these items for eligibility for availing of CENVAT Credit. [6]

Q.No.10  M/s ABC, a private limited company, established a bottling plant within the municipal area of Kanpur for manufacturing of packaged drinking water of brand ‘Kinley’ and started manufacturing and clearance in the month of December, 2012. The owner of the brand ‘Kinley’ is M/s Coca Cola.

In the month of January, 2016, the Central Excise Officers searched the premises of M/s ABC under the authority of search warrant. On enquiry, the M.D. of the Company stated that they were exempt from payment of Central Excise duty being small scale manufacturer. His statement was recorded on the spot on 10.01.2016 under Section 14 of CEA, 1944 in which he admitted that Central Excise Registration has not been taken by them being a SSI unit and eligible for benefit and accordingly no Central Excise duty has been paid. He provided value of clearance of packaged drinking water as under:-

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Value of Clearance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>= 50,00,000</td>
</tr>
<tr>
<td>2013-14</td>
<td>= 1,40,00,000</td>
</tr>
<tr>
<td>2014-15</td>
<td>= 1,00,00,000</td>
</tr>
<tr>
<td>2015-16</td>
<td>= 1,25,00,000</td>
</tr>
</tbody>
</table>

During stock verification, the stock of finished goods was found nil.

When explained to him, he admitted that he is not eligible for benefit of Notification No. 8/2003-CX, dated 01.03.2003 and thus, liable for payment of Central Excise Duty.

In the light of above, answer following questions:-

(a) Calculate the Central Excise duty recoverable from the unit? [8]
(b) Write the provision of Central Excise Act, 1944 / Rules contravened by the manufacturer? [8]
(c) Draft charging paragraph of the SCN to be issued to the party. Mention legal authority for each of the action proposed against the noticee. [8]

Assume that the rate of Basic Excise duty during the period was 10%. Education Cess was 1% and Secondary & Higher Education Cess was 2%.

* * * * *