DEPARTMENTAL EXAMINATION OF INSPECTORS OF CENTRAL EXCISE
(PAPER – II) — (CUSTOMS WITH BOOKS)

DATE: 08-12-2015
TIME: 2.00 PM to 5.00 PM
MAXIMUM MARKS: 100
PASS MARKS: 50

Note:
1. All Questions are compulsory.
2. Candidates have options to answer in Hindi.
3. Relevant authority must be quoted with all answers.
4. Use of Mobile/Smart Phones is strictly prohibited during examination.

CONCERNED BOOKS:
1. The Customs Act, 1962 (52 of 1962)
2. The Customs Tariff Act, 1975 (51 of 1975)
3. Customs Rules and Procedures
5. Handbook of Export and Import Procedure
6. Customs, Allied Acts and Rules made there under
7. The Special Economic Zone Act, 2005 and Rules made there under.

Q.No.1 Write the full form of the following Abbreviations. [0.5 x 10= 5]

(i) SCOMET (i) NIDB
(ii) CCR (ii) CESTAT
(iii) COFEPOSA (iii) WCO
(iv) PITNDPS (iv) WIPO
(v) ITC (HS) (v) ICEGATE

Q.No.2 Differentiate between the following terms in terms of provisions of the Customs Act, 1962. Also write the relevant Section of the Customs Act, 1962 and relevant Rules issued under the Customs Act, 1962. Wherever any Allied Act is applicable, write name of the allied Act. Answer any five. [3 X 5=15]

(a) Ad-hoc Exemption and General Exemption
(b) Prohibited Goods and Restricted goods
(c) Transaction value and Tariff Value
(d) Effective Rate of duty and Tariff Rate of duty
(e) Identical goods and similar goods
(f) Anti-dumping duty and Safeguard duty

Q.No.3 What is the punishment prescribed for the following offences? Also mention the relevant provision of the Customs Act, 1962? [1.5 x 5= 7.5]

(a) Deliberate evasion of Customs duty amounting to Rs. 5 crores
(b) Import of FICN through baggage having face value of 5 lakhs
(c) Attempted Export of Red Sanders valued at Rs. 5 lakhs
(d) Attempt to fraudulently claim drawback amounting to Rs. 10 lakhs
(e) Deliberate evasion of Customs Duty amounting to 20 lakhs.
Q.No.4  As on date, what is the rate of interest prescribed under the relevant provisions of the Customs Act, 1962 for the following? Also write the notification number vide which interest rate has been prescribed and legal provisions under which such interest is payable. 

(a) Demand of duty short paid or short levied;
(b) Delayed payment of refund
(c) Delayed payment of drawback to the exporter
(d) Recovery of drawback erroneously granted to the exporter
(e) Delayed refund of pre-deposit made by the party for filing appeal before Commissioner (Appeals)

[1.5 x 5 = 7.5]

Q.No.5  Answer any four of the following five parts:

(a) Name any five commodities, which are subjected to be complying with BIS Standards at the time of import so as to control the quality of goods entering into our country? Also write the legal provisions specifying such requirement?
(b) Name any five commodities for which Tariff Value has been notified and for which assessment is to be done on tariff value, not on transaction value? Also specify the notification number prescribing such Tariff Value?
(c) Name any five commodities which are prohibited for Import into our country? Also write the legal authority specifying such prohibition?
(d) Name any five commodities which are prohibited for exports out of our Country? Also write the legal authority specifying such prohibition?
(e) Name any five commodities on which CVD is calculated with reference to MRP (Maximum Retail Price) or RSP (Retail Sale Price)? Also write the legal authority prescribing such requirements?

[2.5 x 4 = 10]

Q.No.6  Classify the following Items in Customs Tariff Act, 1975?

(a) Project Imports
(b) Personal Baggage
(c) Human Embryo
(d) Tablet Computer
(e) Ship for Breaking up.

[1 x 5 = 5]

Q.No.7  Name the Allied Act applicable to the import/Export of the following Commodities?
Answer any four out of five.

(a) Import of Chocolates
(b) Import of Medicines
(c) Export of Explosives
(d) Import of Pesticides
(e) Export of Antiques

[1.5 x 4 = 6]
Q.No.8 Answer any four of the following Questions? [3 x 4= 12]

(a) If any order is passed by the Commissioner (Appeals), who will review such order? Mention any two cases where appeal shall not lie to the Tribunal against the order of Commissioner (appeal). In such cases, where shall the appeal lie?

(b) What is call book? Specify five situations where Show Cause notice may be transferred to Call Book?

(c) What is the monetary limit prescribed by the Board below which appeal shall not be filed in the CESTAT, High Court and Supreme Court? Also indicate the relevant provision of Customs Act, 1962 and the relevant Board instruction applicable to subject matter?

(d) What are the two situations where adverse judgements of Commissioner (Appeals), CESTAT or High Court are required to be contested irrespective of the amount involved?

(e) What is the time limit prescribed for refund of Pre-deposit made by the Importer at the time of filing appeal before Commissioner (Appeals) in case of receipt of favorable order from Commissioner (Appeals)?

Q.No.9 Answer any four of the following Questions. [3 x 4= 12]

(a) Name any two Acts passed by the Indian Parliament, which deals with national Security of the country and are required to be enforced by the Customs Authorities at Customs entry/exit points?

(b) What do you understand by “Compounding of Offences”? Indicate the types of cases which cannot be compounded?

(c) What is the difference between the drawback of duty under section 74 and Section 75 of the Customs Act, 1962?

(d) What is the import policy for import of pets under Baggage?

(e) Name five commodities on which Safeguard duty have been imposed. Also mention the relevant notification number vides which the safeguard duty has been imposed.

Q.No.10 Consider that you are working in Special Intelligence and Investigation Branch (SIIB) of the Customs House. You receive an intelligence that Importer ‘X’ is evading Customs duty by resorting to mis-declaration of description, quantity and brand of the goods imported. [5 x 4= 20]

On receipt of intelligence, you intercept the consignment just after the out of charge of the goods. You find that in the import document, the goods have been declared as 100 mobile phones (unbranded)- each having CIF value of 50 USD.

On examination of the consignment, you find that the mobile phones are of Apple brand i-phone of model 5S. The same models of i-phone are regularly being imported through the same Custom House at per piece value of 1000 USD (CIF value).
The importer admitted the mis-declaration of value and brand name of the imported goods. You have seized the goods under the provisions of the Customs Act, 1962.

Now, you are asked by your supervisory officer to identify all the legal provisions of the Customs Act, 1962 and rules/regulation framed thereunder, which will be invoking in the show cause notice to be issued to the party. In the light of above position, please answer the following questions:-

(a) Identify all the relevant provisions of the Customs Act, 1962 and the relevant rules framed thereunder, which you will be invoking in the Show Cause notice to be issued to the party? These legal provisions may relate to rejection of declared value, demand of differential duty, interest, imposition of penalty, confiscation of goods etc.;

(b) Give reasons in support of invoking any particular provision of section/rule you intend to invoke in response to question at (a) above?

(c) Determine the assessable value of the goods as declared by the Importer in the Bill of Entry and the revised assessable value determined by you after detailed examination of the goods?

(d) Work out the Differential duty payable by the importer and also determine the competent adjudicating authority to decide this case?

[Note: For the purpose of calculation, the following rate of duties, exchange rate and landing charge may be taken;

(i) Rate of duty on Mobiles: BCD= 10%; CVD=10% , Education Cess= 2% , Secondary and Higher Education Cess= 1%;

(ii) Rate of Exchange 1 USD= Rs. 50;

(iii) Landing Charge= 1%]

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