DEPARTMENTAL EXAMINATION OF INSPECTORS OF CENTRAL TAX

(PAPER – II) :: (CUSTOMS WITH BOOKS)

DATE: 06-08-2019
TIME: 2.00 PM to 5.00 PM

Note:-
1. All Questions are compulsory.
2. The candidates have option to answer in Hindi.
3. Use of Mobile/ Smart Phones and other electronic devices is strictly prohibited during examination.
4. The legal provisions of the Indian Customs laws must be quoted wherever necessary. Quoting the provisions of the foreign Customs law shall result in assigning “0” marks to the answer.
5. Relevant Provisions must be quoted wherever necessary. Answers without legal provisions shall be treated incomplete answers and marks awarded shall be reduced accordingly.

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

Q. No. 1: This question consists of fifteen multiple choice Questions (MCQs). Identify the most appropriate or correct choice. All questions are compulsory. [15x1=15]

(i) If the importer intentionally makes wrong declaration of value in the Bill of Entry of the goods imported; then such goods are liable for confiscation under,
(a) Clause (d) of Section 111 of the Customs Act, 1962
(b) Clause (l) of Section 111 of the Customs Act, 1962
(c) Clause (m) of Section 111 of the Customs Act, 1962
(d) Clause (h)(i) of Section 113 of the Customs Act, 1962
(e) Clause (l) of Section of 113 of the Customs Act, 1962

(ii) The officer fails to grant drawback to the exporter beyond the statutory permission of one month from the date of filing of claim, then at what rate, the interest is required to be paid to the exporter for the delayed period :-
(a) 12%
(b) 9%
(c) 10%
(d) 7%
(e) 6%

(iii) Section 11 of the Customs Act, 1962 empowers the Central Government to prohibit importation or exportation of goods for the purposes specified therein. Identify the purpose which is not the specified purpose for prohibition of import or export goods:
(a) Protection of layout designs of integrated circuits.
(b) Conservation of national treasures.
(c) Establishment of any industry.
(d) The fulfillment of obligations under the charter of the United Nations for the maintenance of International Peace and Security.
(e) The prevention of contravention of any law the time being in force.

(iv) Who is the competent authority for approving proper places in any customs port or Customs Airport or Coastal Port for the unloading and loading of goods or any class of goods under section 8 of the Customs Act, 1962?
(a) Central Board of Indirect Taxes and Customs
(b) Central Government
(c) Principal Chief Commissioner of Customs
(d) Pr. Commissioner / Commissioner of Customs
(e) Deputy Commissioner of Customs

(v) What is the time period provided for grant of refund under the Customs Act, 1962 from the date of receipt of application?
(a) 30 days
(b) 3 months
(c) 60 days
(d) 90 days
(e) 6 months

(vi) What is the time allowed (from the date of notice) for adjudication of show cause notice involving extended period demand on account of collusion, any willful misstatement or suppression of facts?
(a) 3 months
(b) 6 months
(c) 9 months
(d) 1 year
(e) 2 years.

(vii) Under section 28BA of the Customs Act, 1962, any property of offender to whom notice has been served under Customs Act, 1962, can be kept provisionally attached for the maximum period of,
(a) 3 months
(b) Six months
(c) One year
(d) Two years.
(e) Five years.
(viii) Which Chapter of the Customs Tariff Act, 1975 has been kept blank for future use:

(a) Chapter 78  
(b) Chapter 77  
(c) Chapter 98  
(d) Chapter 99  
(e) None of the above

(ix) For determination of assessable value of imported goods, the following methods of valuation have been provided in the Customs Valuation (Determination of Price of Imported goods) Rules, 2007.

A. Deductive method  
B. Computed value method  
C. Residual method  
D. Transaction value of Identical goods  
E. Transaction value of similar goods

As per above said valuation rules, 2007, there is certain order in which these valuation methods are to be applied. Identify the correct order in which above mentioned methods of valuation are to be applied for valuation of goods in question.

(a) (E) - (D) - (A) - (B) - (C)  
(b) (D) - (E) - (B) - (C) - (A)  
(c) (D) - (E) - (A) - (B) - (C)  
(d) (E) - (D) - (B) - (A) - (C)  
(e) (D) - (E) - (B) - (A) - (C)

(x) Which one of following is not a ground for transfer of case to Call book category?

(a) Where Department has gone in appeal before the Appropriate Authority.  
(b) Where injunction has been issued by Hon'ble SC/HC.  
(c) Case which has been admitted by Settlement Commission  
(d) Case of provisional assessment  
(e) None of the above

(xi) What is the normal period allowed for filing appeal before the Commissioner (Appeals) against the Order in Original passed by the Adjudicating Authority?

(a) 60 days from the date of issuance of order  
(b) 90 days from the date of issuance of order  
(c) 90 days from the date of receipt of order  
(d) 120 days from the date of receipt of order  
(e) 60 days from the date of communication of order

(xii) What is the Second Appellate Authority in Customs in respect of Adjudication order passed by an officer other than the Commissioner?

(a) CESTAT  
(b) High Court  
(c) Commissioner  
(d) Supreme Court  
(e) Commissioner (Appeals)

(xiii) In case of contravention of any provision of the Customs Act or abetment of such contravention for which no express penalty has been provided for such contravention in the Customs Act, then how much penalty can be imposed by the adjudicating authority on such person?

(a) Not exceeding Ten Thousands Rupees  
(b) Not exceeding Five Thousands Rupees  
(c) Not exceeding One lakh Rupees  
(d) No such monetary limit has been prescribed under the law  
(e) Not exceeding the amount of duty evaded or sought to be evaded.

(xiv) Which of the following statement is not true with regard to licit opium cultivation in India?

(a) Every year licenses for opium cultivation are issued by the Central Government to the Farmers.  
(b) Opium can be grown only by cultivators who are holding license for opium cultivation given by the Government.  
(c) Opium produced by Cultivators is required to be sold to the Government on price fixed by the Government.  
(d) Opium is only allowed to be cultivated in the State of Madhya Pradesh, Rajasthan and Uttar Pradesh by licensed farmers.  
(e) Opium Cultivators are required to sell only certain specified quantity of opium cultivated by them to the Central Government.

(xv) Which of the following statement is correct with regard to goods the import of which is prohibited?

(a) Such goods are not allowed to be imported at all.  
(b) Such goods are allowed to be imported against the license issued by DGFT.  
(c) Such goods can be freely imported only by Government agencies.  
(d) Such goods can be imported against the license issued by any administrative Ministry of the Central Government.  
(e) Such goods can only be imported by Status holders for the purpose of export under Foreign Trade Policy.
Q. No. 2: Write short notes on Any Five of the followings. Answers should be restricted to 80 words. In respect of question listed at Sr. Nos. (i) to (iii), the answer must include legal authority, commodity subjected to levy; rate of levy; and purpose of levy. Relevant legal provisions must be quoted while answering the question. [5x3=15]

(i) Road and Infrastructure Cess
(ii) GST (Compensation Cess)
(iii) Constitutional Provisions providing for levy of IGST on Imported goods
(iv) Prosecution Provisions under the Customs Act, 1962
(vi) Pre-notice consultation under Customs Act, 1962.
(vii) Grant of Drawback on Export of Imported goods exported after Use.
(viii) Social Welfare Surcharge

Q. No. 3: Identify the correct legal provision of the Customs Act applicable for the following purposes [10x3=5]

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Purpose</th>
<th>Applicable Section of the Customs Act, 1962</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Filing of Bill of Entry</td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td>Filing of Shipping Bill</td>
<td></td>
</tr>
<tr>
<td>(iii)</td>
<td>Appointment of Airport</td>
<td></td>
</tr>
<tr>
<td>(iv)</td>
<td>Appointment of Foreign Post Office</td>
<td></td>
</tr>
<tr>
<td>(v)</td>
<td>Grant of Private warehouse License</td>
<td></td>
</tr>
<tr>
<td>(vi)</td>
<td>Grant of special warehouse License</td>
<td></td>
</tr>
<tr>
<td>(vii)</td>
<td>Filing of Declaration of Baggage</td>
<td></td>
</tr>
<tr>
<td>(viii)</td>
<td>Entry of coastal goods</td>
<td></td>
</tr>
<tr>
<td>(ix)</td>
<td>Confiscation of improperly imported goods</td>
<td></td>
</tr>
<tr>
<td>(x)</td>
<td>Confiscation of Conveyance</td>
<td></td>
</tr>
</tbody>
</table>

Q. No. 4: Write the full name and two key functions of the following Directorates under CBIC. One mark has been assigned for writing full name of the Directorate. Two marks have been assigned for writing key functions of the Directorates. Answer Any Five parts. [5x3=15]

(a) DRI
(b) DGPM
(c) DGTS
(d) DGARM
(e) DGGI
(f) DGEP

Q. No. 5: What do you understand by the following acronyms in the context of Indian Customs? Also write the full form of the acronyms. Answers should be limited to maximum 60 words. Answer any five parts of the question. [5x3=15]

(i) SWIFT
(ii) AEO
(iii) RMS
(iv) SVB
(v) ITC(HS)
(vi) FTP
(vii) MEIS
(viii) SEIS

Q. No. 6: Attempt all parts of the Question. Each part is of 5 marks.

6A: (i) What do you understand by the term "Proper Officer" in the context of Customs, Act 1962 and how and where has it been defined in the Customs Act, 1962? Write the definition of "Proper Officer" under the Customs Act, 1962. [2.5 marks]

(ii) Write the rank of officers notified as "proper officer" for the purpose of exercising power under the following sections of the Customs Act, 1962: [2.5 marks]

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Section of the Customs Act, 1962</th>
<th>Heading of Section</th>
<th>Rank of Officer who is competent to take action under the section.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Section 108 A</td>
<td>Obligation to furnish information</td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td>Section 100</td>
<td>To search suspected persons entry or leaving India</td>
<td></td>
</tr>
<tr>
<td>(iii)</td>
<td>Section 108</td>
<td>Power to summons persons to give evidence and produce documents</td>
<td></td>
</tr>
<tr>
<td>(iv)</td>
<td>Section 129 A</td>
<td>Appeal to the Appellate Tribunal</td>
<td></td>
</tr>
<tr>
<td>(v)</td>
<td>Section 142</td>
<td>Recovery of sum due to Government</td>
<td></td>
</tr>
</tbody>
</table>

6B: (i) What do you understand by the term "Project Import" and why is it has been introduced? Explain the concept in 60 words. [2 marks]

(ii) Under what Customs tariff heading, the goods imported under Project Imports are classified? [1 mark]
(iii) Whether any regulation has been issued by the Govt. to regulate projects imports? If yes, write the name of such regulation and the notification number vide which such regulation has been notified. [2 marks]

6C: Identify the commodity/subject dealt by international convention listed below in the context of import and export of goods - [5 marks]

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Convention</th>
<th>Commodities dealt by Convention.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Single Convention(UN)</td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td>CITES Convention</td>
<td></td>
</tr>
<tr>
<td>(iii)</td>
<td>Revised Kyoto convention</td>
<td></td>
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<tr>
<td>(iv)</td>
<td>HS Convention</td>
<td></td>
</tr>
<tr>
<td>(v)</td>
<td>Rotterdam Convention</td>
<td></td>
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<tr>
<td>(vi)</td>
<td>Stockholm Convention</td>
<td></td>
</tr>
<tr>
<td>(vii)</td>
<td>Montreal Protocol</td>
<td></td>
</tr>
<tr>
<td>(viii)</td>
<td>1971 UN Convention</td>
<td></td>
</tr>
<tr>
<td>(ix)</td>
<td>Basel Convention</td>
<td></td>
</tr>
<tr>
<td>(x)</td>
<td>Cartagena Protocol</td>
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</tr>
</tbody>
</table>

Identify the correct commodities from the list given below and fill in the blanks against the concerned convention/protocol.

Narcotics drugs; Hazardous waste; Genetically modified organism; classification of goods; pesticides and industrial chemicals; Endangered species; Ozone Depleting Substances; Persistent Organic Pollutants; Psychotropic substances; trade facilitation;

Q. No. 7: Write the full name of Regulation issued by the Central Govt./Board for the purposes speculated below: [10x1=10]

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Purpose</th>
<th>Full name of the Regulation notified by Board/Central Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Provisional Assessment of duty</td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td>Procedure for Authority of Advance Rulings</td>
<td></td>
</tr>
<tr>
<td>(iii)</td>
<td>Filing of Sea Cargo manifest and transshipment of cargo</td>
<td></td>
</tr>
<tr>
<td>(iv)</td>
<td>Electronic filing of Integrated declaration of Shipping Bill and its paper-less processing</td>
<td></td>
</tr>
<tr>
<td>(v)</td>
<td>Licensing of private warehouse</td>
<td></td>
</tr>
<tr>
<td>(vi)</td>
<td>Removal of goods from warehouse</td>
<td></td>
</tr>
<tr>
<td>(vii)</td>
<td>Export of goods by post</td>
<td></td>
</tr>
<tr>
<td>(viii)</td>
<td>Audit by Customs Authority</td>
<td></td>
</tr>
<tr>
<td>(ix)</td>
<td>Licensing of Customs Brokers</td>
<td></td>
</tr>
<tr>
<td>(x)</td>
<td>Handling of Cargo in Customs Area</td>
<td></td>
</tr>
</tbody>
</table>

Q. No. 8: Write full name (along with year of enactment) of the Act/laws (Allied Act) dealing with the subject mentioned below and which are enforced by the Customs Authority at Border at the time of import and Export of goods. [10x1=10]

(i) National Security
(ii) Protection of human health
(iii) Protection of Animal Health
(iv) Protection of Plant Life
(v) Protection of cultural heritage
(vi) Enforcement of Intellectual property rights
(vii) Protection of Wild Life
(viii) To prevent international trade in Weapons of Mass Destruction
(ix) Name any other two allied laws enforced by Customs at Border.
(x) Protection of art and cultural heritage

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