

[Updated as on 28.08.2015](#)

[For departmental use]

E-exercise

On

Remission on Duty

MCQs of Remission on Duty

Note:

In this E-exercise, attempts have been made to understand the concept of *Remission on Duty* in the Customs and Excise Department. It is expected that it will help the new entrants into the service. Though all efforts have been made to make this exercise error free, but it is possible that some errors might have crept into the same. If you notice any errors or if you have any suggestion to improve this exercise, the same may be brought to the notice to the NACEN, RTI, Kanpur on the Email addresses: rtinacenkanpur@yahoo.co.in or goyalcp@hotmail.com (Email address of ADG, RTI, NACEN, Kanpur). This may not be a perfect E-exercise and all are requested to assist us to make it better.

Take the following Quiz & Test your knowledge

Identify the most appropriate choice by choosing the correct option out of four options given below.

- Q.No.1** Rule 21 of Central Excise Rules, 2002 deals with the following type of cases :
- (a). Rebate
 - (b). Export
 - (c). Remission of Central Excise duty
 - (d). Adjudication
- Q.No.2** Sub-rule 5 (C) of Rule 3 of Cenvat Credit Rules, 2004 requires :
- (a). Value addition on Inputs when cleared from the factory
 - (b). Reversal of Cenvat Credit taken on inputs when remission has been granted on final product.
 - (c). Declaration in respect of deemed Export
 - (d). End-use certificate on goods exported
- Q.No.3** Superintendent of Central Excise has power to grant remission upto :
- (a). Rs. 5,000/-
 - (b). Rs. 20,000/-
 - (c). Rs. 10,000/-
 - (d). Rs.1,00,000/-
- Q.No.4** Remission of Central Excise duty cannot be granted in one of the following cases :
- (a). loss of inputs in fire
 - (b). loss of goods due to evaporation
 - (c). loss of goods removed under bond for export
 - (d). theft
- Q.No.5** Normally, the goods are destroyed in the factory on which remission has been granted to :
- (a). avoid inconvenience in keeping such goods in the factory
 - (b). avoid misuse of such goods
 - (c). avoid selling of these goods in open market
 - (d). facilitate manufacturer to get rid of carrying over such goods every month in their daily stock register

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- Q.No.6** A remission claim of Rs.1,05,000/- was granted to a manufacturer, in the case who would be liable to supervise the **destruction** of these goods on which remission was granted :
- (a). Commissioner
 - (b). Assistant Commissioner/Deputy Commissioner
 - (c). Additional Commissioner/Joint Commissioner
 - (d). Superintendent
- Q.No.7** Sample is required to be drawn in the following type of case where remission claim is under process :
- (a). when insurance claim has been sanctioned by the Insurance Company
 - (b). in case of doubt that the goods are not unfit for consumption
 - (c). so that during pendency of remission the goods may be cleared after getting sample
 - (d). it is mandatory as per statutory provisions
- Q.No.8** The following procedure is required to be adopted before sanctioning of remission claim :
- (a). Pre-Audit/Post-Audit
 - (b). proper investigation may be made to insure that goods are unfit for consumption
 - (c). destruction of goods are required
 - (d). None
- Q.No.9** An O-In-O passed by an Assistant Commissioner in respect of remission of Central Excise duty against the party was challenged before Commissioner (Appeals) and it was upheld by the Commissioner (Appeals) also. Now the party may approach further to :
- (a). CESTAT
 - (b). High Court
 - (c). J.S.(RA)
 - (d). Settlement Commission
- Q.No.10** Remission is :
- (a). A type if drawback scheme
 - (b). waiver or cancellation / exemption of excise duty legally payable
 - (c). facility to avoid double taxation.
 - (d). Refund of Cenvat Credit on exported goods

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- Q.No.11** Remission of Central Excise duty is not grantable in one of the following cases :
- (a). When goods have been lost or destroyed by national causes
 - (b). goods are lost due to unavoidable accident
 - (c). goods were found marketable
 - (d). goods were lost due to riot
- Q.No.12** Remission of duty is granted when the goods are lost or destroyed by natural causes :
- (a). after removal from the factory
 - (b). before removal from the factory
 - (c). after export from the factory
 - (d). None of the above
- Q.No.13** In case of grant of remission of duty Cenvat Credit on inputs used in final product :
- (a). has not to be reversed
 - (b). has to be reversed
 - (c). will be refunded
 - (d). None of the above
- Q.No.14** A manufacturer files a remission claim which is rejected by the proper officer. This will result in :
- (a). liability to pay Central Excise duty by the manufacturer before clearance
 - (b). reversal of Cenvat Credit on Inputs
 - (c). giving right to the manufacturer to destroy the goods
 - (d). None of the above
- Q.No.15** The application of remission of Central Excise duty rejected by the proper is appealable under :
- (a). Section 35 EE
 - (b). Section 35 EA
 - (c). Section 35 F
 - (d). Section 35 G
- Q.No.16** The Central Excise Act Provides for filing revision application in some of the cases except one of the following:
- (a). Loss of goods occurring in transit from factory to warehouse or to another factory or in storage.
 - (b). Rebate of duty on goods exported outside India or excisable goods used in manufacture of goods which are exported.

- (c). Goods exported without payment of duty
- (d). Adjudication order passed in respect of clandestine removal of goods.

Q.No.17 Section 35EE of Central Excise Act is similar to which of the following sections of Customs Act,1962:

- (a). Section 129 DD
- (b). Section 22
- (c). Section 29
- (d). Section 59

Q.No.18 A remission claim was rejected by Commissioner of Central Excise, in this case appeal will be filed in

- (a) CESTAT
- (b) Settlement Commission
- (c) J. S. (RA)
- (d) Revenue Secretary

Q.No.19 TRUE / FALSE - (T/F)

- (a) Application for remission should be submitted before removal of goods from factory
- (b) Remission cannot be refunded on the grounds that assessee did not take proper care.
- (c) No question of remission arises if goods are not fully finished.
- (d) Excise duty can be remitted if there is theft.
- (e) Remission/waiver is admissible even after clearance of the goods

Q.No.20 TRUE / FALSE - (T/F)

- (a) Gradual loss due to evaporation qualifies for remission of Central Excise duty.
- (b) If factory is set ablaze by mob during riots, it is an avoidable accident and therefore, remission cannot be granted.
- (c) Tribunal cannot hear appeal against order of Commissioner (Appeal) in case of remission.
- (d) Tribunal can hear appeal against order of Commissioner, Central Excise in case of remission.
- (e) Cenvat Credit taken on inputs to be reversed, if duty remitted on final product.

ANSWERS OF MULTI CHOICE QUESTIONS (MCQs)

Q. No.	Sub-No.	Answer
1.		c
2.		b
3.		c
4.		d
5.		b
6.		c
7.		b
8.		b
9.		c
10.		b
11.		c
12.		b
13.		b
14.		a
15.		a
16.		d
17.		a
18.		a
19.	a	T
	b	T
	c	T
	d	F
	e	F
20.	a	T
	b	F
	c	T
	d	T
	e	T
