

# DEPARTMENTAL EXAMINATION OF INSPECTORS OF CENTRAL TAX

## (PAPER-I) CENTRAL EXCISE (Without Books)

Date : 13.09.2023  
Time : 10.00 AM To 1.00 PM

MAXIMUM MARKS: 100  
PASS MARKS: 50

### Note:

- All questions are compulsory.
- Candidates have option to answer in Hindi.
- Use of Mobile/Smart Phones is strictly prohibited during examination.

### Q.No.1 True or False: -

[1x20=20]

- Under section 12F of Central Excise Act, Joint Commissioner/ Additional Commissioner is empowered to order search of any premises.
- Duty on removals during a month has to be paid by 10th of the following month, if the duty is paid electronically through internet banking.
- Circulars are binding upon the assesses, the adjudicating authority and the courts.
- PLA can be used for payment of duty penalty, fine etc. in cash.
- Importers who want to issue cenvatable invoices for their imported goods also need registration under Central Excise law.
- Assessment of the goods specified under Section 4A of the Central Excise Act is done on the basis of transaction value.
- In Central Excise, Deputy/Assistant Commissioner is authorized to issue search warrant.
- The Provisions of Central Excise Law have not been extended to state of Jammu and Kashmir.
- Provisional assessment can be ordered by the department even if, assessee has not requested for the same.
- In the case relating to Rebate of duty, an appeal against the order of Commissioner (Appeals) lies before the Central Government.
- Commissioner (Appeal) cannot condone delay in filing appeal beyond 90 days.
- Exemption notifications issued under Section 5A (1), invariably apply, in case of excisable goods which are produced or manufactured by a hundred percent export-oriented undertaking.
- In case of valuation, an appeal against the CESTAT's order can be directly filed before the Supreme Court.
- A manufacturer is allowed to avail Cenvat credit of the Additional Duty of Customs equivalent to duty of excise, on imported inputs as paid under section 3 of the Customs Tariff Act, 1975.
- Duty of excise on goods manufactured or produced in an EOU is levied at the rates specified in 1st and 2nd Schedule of the Central Excise Tariff Act, 1985.
- 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.
- Payment of Central Excise duty can be made by utilizing the CENVAT credit lying in balance at the end of the month, for which excise duty is payable.
- First Stage Dealer is not bound to file monthly return with the Central Excise Department.
- After Confiscation of goods, the property vests in the Central Government.
- Removal of goods from 100% EOU to domestic tariff area has to be in accordance to procedure under rule 11 of CER.

### Q.No.2 Explain any Six:

[2.5x6=15]

- Redemption fine.
- Remand order
- Refund & Rebate
- Removal of Capital goods.
- What is basic condition for arrest of a person under the Central Excise Act?
- Explain the term "provisional attachment" under the Central Excise Law.
- Special Audit under section 14AA of the Central Excise Act, 1944.
- Export under Rule 18 and Rule 19 of the Central Excise Rules, 2002.
- Infrastructure Cess
- NCCD

### Q.No.3 Fill in the blanks in respect of the following questions.

[1x10=10]

- Against the Tribunal's order relating to rate of duty or valuation of goods, appeal lies to \_\_\_\_\_ Court.
- Adhoc exemption can be granted by issuing \_\_\_\_\_ in the Section 5 A (2) of the Central Excise Act, 1944.
- 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 \_\_\_\_\_

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- (iv) When the inputs on which CENVAT credit has been taken, are removed as such from the factory, the manufacture shall pay\_\_\_\_\_.
- (v) Credit of duty specified in Rule 3(i), except the National Calamity Contingent Duty shall not be utilized for payment of \_\_\_\_\_ duty.
- (vi) The amount of fees payable in case of appeal filed by or on behalf of department shall be \_\_\_\_\_
- (vii) 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.
- (viii) Section 11AC of the CEA, 1944 prescribes a \_\_\_\_\_ equal to the duty not levied or paid or short paid or erroneously refunded by reason of fraud suppression etc.
- (ix) 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.
- (x) The legal authority to levy Special duty of excise is provided in \_\_\_\_\_ to \_\_\_\_\_

**Q.No.4 Write a short note on any ten of the following questions with authority: [2x10=20]**

- (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?
- (vii) Differentiate 'Material Evidence' and 'Circumstantial Evidence'.
- (viii) Provisional release of seized goods.
- (ix) 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.
- (x) Government has granted exemption from payment of duty to manufacturer supplying goods to certain area. However, the exemption has been granted by issuing an order instead of notification. Do you think, it can be done? If yes, what are the circumstances?
- (xi) 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?
- (xii) Explain the difference between exemption granted under section 5A (1) and 5A (2) of the Central Excise Act, 1944.

**Q.No.5 Write note on following five questions: [3x5=15]**

- (i) Levy of interest.
- (ii) Seizure and Confiscation
- (iii) What is Specific Duty? Indicate 2-3 commodities on which Specific Duty is levied.
- (iv) What is the difference between valuation of excisable goods under section 4 and section 4A of the Central Excise Act, 1944.
- (v) As per the provisions of Central Excise Act, 1994, who is required to be registered with the Central Excise Department?

**Q.No.6 Answer the following five questions: [4x5=20]**

- (i) Determine the assessable value for the purpose of levy of Excise duty if the Cum-duty selling price of the goods exclusive of sales tax is Rs.1,40,000/- and the rate of Excise duty including Education Cess applicable to the product is 10.30%. In this case Trade discount allowed is Rs.30,000/- and freight is Rs.6,000/-?
- (ii) Define 'manufacture' as per the Central Excise Act, 1944.
- (iii) What are the cases where appeal against the order of Commissioner (Appeals) does not lie to the CESTAT?
- (iv) What are the relevant dates for determination of rate of duty and tariff valuation in case of (i) removal of excisable goods from factory/warehouse and (ii) excisable goods are captively consumed?
- (v) Company 'A' sold goods to Company 'B' at a value of Rs.2000 per unit. In turn, Company 'B' sold the same to Company 'C' at a value of Rs.2100 per unit. Company 'A' and 'B' are related persons, whereas 'B' and 'C' are unrelated. Determine the value on which excise duty is payable by the company 'A'. Quote the relevant rule.

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