

**DEPARTMENTAL EXAMINATION OF INSPECTORS OF CENTRAL TAX**

**PAPER-II :: CUSTOMS (With Books)**

DATE: 13.09.2023  
TIME: 2.00 PM to 5.00PM

MAXIMUM MARKS: 100  
PASS MARKS: 50

**Note:-**

1. All Questions are compulsory.
2. The candidates have option to answer in Hindi.
3. Relevant Statutory authority must be quoted while answering the question.
4. Use of Mobile/ Smart Phones and other electronic devices is strictly prohibited during examination

**SUGGESTED BOOKS:-**

1. The Customs Act, 1962 (52 of 1962)
  2. The Customs Tariff Act, 1975 (51 of 1975)
  3. The Customs Rules and Procedures
  4. The Foreign Trade Policy-2021-2026 and ITC (HS)
  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 thereunder.
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**Q.No.1: This question consists of fifteen multiple choice questions. Identify the most appropriate or correct choice. All questions are compulsory. [15x1=15]**

- (i) The process of Export is said to be completed when the goods: -
- (a) Reached the destination port. (c) Crosses the Indian Territorial water  
(b) Crosses the Indian Port (d) Crosses the Indian Customs water
- (ii) What is the purpose of the Certificate of Origin in the International Trade?
- (a) To provide information on the origin & destination of the goods.  
(b) To provide proof of ownership of the goods in Transit.  
(c) To serve as a contract of sale between Buyer & seller.  
(d) To qualify goods under the preferential treatment under a trade agreement.
- (iii) Arrange the following process in the chronological order as they are carried out for Imports of Goods into India.
1. Payment of Duty 3. Registration of Goods  
2. Assessment of Bill of Entry 4. Filling bill of Entry
- (a) 2,4,3,1 (b) 2,3,4,1 (c) 4,3,2,1 (d) 4,2,3,1
- (iv) The retrospective date from which the Anti-Dumping duty is payable shall not be beyond days from the date of notification
- (a) 15 Days (b) 30 Days (c) 90 Days (d) 120 Days
- (v) Which state has the maximum number of SEZ?
- (a) Telangana (c) Karnataka  
(b) Tamil Nadu (d) Uttar Pradesh
- (vi) Which of the following statements is true about SEZ?
1. There is duty free import of raw materials for production  
2. 100% IT exemption on export income is given for first 10 years in SEZ units
- (a) Only 1 (c) Both 1 and 2  
(b) Only 2 (d) None of the above
- (vii) Which committee was constituted by the Ministry of Commerce to study the existing SEZ policy?
- (a) Baba Kalyani committee (c) Ranganathan Committee  
(b) Panchi committee (d) None of the above
- (viii) Which section of The Special Economic Zone Act 2005 deals with the Transfer of ownership and removal of goods?
- (a) Section 27 (b) Section 29 (c) Section 24 (d) Section 25
- (ix) \_\_\_\_\_ are intended to give protection to indigenous industries. If it is not made there could be a glut of cheap imported articles in the market making the indigenous goods unattractive.
- (a) Custom Duty (c) Safeguard Duty  
(b) Countervailing Duty (d) Anti- Dumping Duty
- (x) For the purpose of customs valuation, "rate of exchange" means the rate of exchange notified by \_\_\_\_\_ shall be taken into account.
- (a) Foreign Exchange Dealers' Association of India (c) CBIC  
(b) Reserve Bank of India (d) CBDT

- (xi) As per Rule-3 Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, transaction value will be accepted for customs purpose, if conditions are fulfilled.
1. There is no restriction to importer about use of goods
  2. Consideration is determinable
  3. Subsequent resale proceeds do not accrue to seller
  4. Buyer and seller are not related
- (a) only (1) is to be fulfilled (c) (1) (2) (3) is to be fulfilled  
 (b) only (2) is to be fulfilled (d) (1) (2) (3) (4) is to be fulfilled
- (xii) Notwithstanding anything herein before contained, no drawback shall be allowed in respect of any goods, the market price of which is less than the amount of drawback due thereon or where the amount of drawback in respect of any goods is less than \_\_\_\_\_ rupees.
- (a) 100 (b) 50 (c) 1,000 (d) 500
- (xiii) Which of the following is not included within the definition of "Customs Station" as defined in the Customs Act, 1962?
- (a) Land customs station  
 (b) International courier terminal  
 (c) Foreign post office  
 (d) Are where goods are kept after custom clearance
- (xiv) If composite goods cannot be classified as per Rule 3(a) of the Interpretation Rules, then, shall be classified on the basis of material/substance. This rule is known as
- (a) Latter the Better Principle (c) Essential Character Rule  
 (b) Most Suitable Rule (d) Akin Principle
- (xv) In the case of any goods not intended for use in any 100% EOU, such goods can be stored up to a period of \_\_\_\_\_
- (a) 2 years (b) 1 year (c) 6 months (d) 3 months

**Q.No.2: Write the full form of the following abbreviations. [10x1=10]**

- (a) CITES (c) OPCW (e) NIDB (g) DFRC (i) FIEO  
 (b) DGRI (d) CFS (f) ICES (h) GJEPC (j) CECA

**Q.No.3: Fill in the blank space by appropriate words or number as the case may be: - [5x2=10]**

- (i) Central Government can impose the \_\_\_\_\_ if it is satisfied that, Any article is imported into India in increased quantities & such increased importation is causing or threatening to cause serious injury to domestic industry.
- (ii) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of \_\_\_\_\_ after such importation.
- (iii) Where no drawback is determined, the manufacturer/exporter has to apply for drawback within \_\_\_\_\_ month.
- (iv) Where any drawback has been paid to the claimant erroneously or it becomes otherwise recoverable under this Act or the Rules, the claimant shall within a period of \_\_\_\_\_ months from the date of demand, pay in addition to the said amount of drawback, interest at the rate fixed under section 28AA and the amount of interest shall be calculated for the period beginning from the date of payment of such drawback to the claimant till the date of recovery of such drawback.
- (v) If Sony TV has been found to be declared by the importer as unbranded while filling Bill of Entry, and during the examination it was detected (as branded). Then under \_\_\_\_\_, the declared value can be rejected by the assessing officer for the determination of the correct Assesable Value.

**Q.No.4: Write short notes on the following. Answer must not exceed 80 words. Wherever possible, the relevant provisions of the Customs Act 1962, or Rule issued therein must be mentioned. [5x3=15]**

- (i) Foreign going vessel or aircraft  
 (ii) Person –In-Charge  
 (iii) Temporary Detention of Baggage  
 (iv) Passenger & Crew Arrival Manifest & passenger name record Information  
 (v) Recovery of sums due to Government

**Q.No.5: Define any ten of the following under the provisions of the Customs act 1962 or Rules/ Regulations issued thereunder: -** [10x1=10]

S.No.	Term	Definition as per Customs Law
i.	Customs Airport	
ii.	Beneficial owner	
iii.	Importer	
iv.	Coastal Goods	
v.	Smuggling	
vi.	Stores	
vii.	Proper Officer	
viii.	Notification	
ix.	International Courier Terminal	
x.	Foreign post office	
xi.	Entry	

**Q.No.6: Differentiate between the terms given below:-(Answer must not exceed 50 words).** [5x2= 10]

- (a) Prohibited Goods & Restrictive Goods
- (b) Identical Goods & Similar Goods
- (c) Transit & Transshipment
- (d) ICD & CFS
- (e) Transaction Value & Tariff Value

**Q.No.7: Find the most appropriate Customs Tariff Heading for the commodities given below: -** [10x1=10]

S.NO.	COMMODITY	CUSTOMS TARIFF HEADING
1.	Sandalwood Oil	
2.	Sesame seeds whether or not broken of seeds quality	
3.	Kerosene	
4.	Aerated Water	
5.	Gas Mantles of Rayon	
6.	Made up Fishing nets of nylon	
7.	Tents of Jute	
8.	Urea	
9.	Powder puff and pads for the application of Cosmetics	
10.	Spring Mattress	
11.	PCB-LTE Products	

**Q.No.8: Find the relevant Section (including sub-section or clause) of the Customs Act, dealing with the following and write in brief about the provision (in 30-50 words):** [5x2=10]

- (i) Confiscation of sale proceed of smuggled goods.
- (ii) Cancellation of License.
- (iii) Penalty for the failure to furnish the information return.
- (iv) To produce the detain person before nearest magistrate after screening for an body concealment.
- (v) The goods brought from a place outside India shall be liable to confiscation if any dutiable or prohibited goods found concealed in any manner in any package either before or after the unloading thereof.

**Q.No.9: Quote relevant sections of Customs Act 1962 of the following: -** [10x1=10]

S. No.	EVENTS	RELEVANT SECTIONS OF CUSTOMS ACT 1962
1	Confiscation of improperly imported goods	
2	Power to summon persons to give evidence and produce documents	
3	Power to search premises	
4	Transit of certain Goods without payment of Duty	
5	Licensing of Special warehouse	
6	Appearance by authorized representative	
7	Common Customs Electronic portal	
8	Application to High Court	
9	Adjudication procedure	
10	Obligation to furnish information.	

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