

DEPARTMENTAL EXAMINATION OF INSPECTORS OF CENTRAL TAX

(PAPER-I) CENTRAL EXCISE (Without Books)

Date : 02.02.2021
Time : 10.00 AM To 1.00 PM

MAXIMUM MARKS: 100
PASS MARKS: 50

Note:

1. All Questions are compulsory.
2. Candidates have options to answer in Hindi.
3. Use of Mobile/Smart Phones is strictly prohibited during examination.

Q.No.1 Please indicate whether the following statements are **TRUE** or **FALSE**? All parts of this question are compulsory and each part is of one mark. [1x20=20]

- (i) After Confiscation of goods, the property vests in the Central Government.
- (ii) There is no situation in which an assessee can avail 100% of the credit of duty paid on capital goods received by him.
- (iii) Circulars are binding upon the assessees, the adjudicating authority and the courts.
- (iv) The Provisions of Central Excise Law have not been extended to Jammu and Kashmir.
- (v) Commissioner (Appeals) cannot condone delay in filing appeal beyond the period of 90 days.
- (vi) 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.
- (vii) The Assistant Commissioner/Deputy Commissioner of Central Excise can issue search warrant.
- (viii) An assessee can choose not to avail exemption if the notification is conditional.
- (ix) In the case relating to Valuation, an appeal against the order of CESTAT lies before the Central Government.
- (x) The Central Government issues notification under Section 5A of the Central Excise Act, 1944 granting exemption from payment of Central Excise duty.
- (xi) In case of valuation, an appeal against the CESTAT's Order can be directly filed before the Supreme Court.
- (xii) There is certain time limit to issue notice under section 11D to demand duty in cases where a person has collected any amount in excess of duty assessed or determined and paid.
- (xiii) If the capital goods on which CENVAT credit has been taken, are removed as waste and scrap, the manufacturer will have to pay an amount equal to credit availed.
- (xiv) Provisional assessment can be ordered by the department even if, the assessee has not requested for the same.
- (xv) First Stage Dealer is not bound to file monthly return with the Central Excise Department.
- (xvi) CENVAT Credit cannot be used for payment of interest.
- (xvii) In the case relating to Rebate of duty, an appeal against the order of Commissioner (Appeals) lies before the Central Government.
- (xviii) Show cause notice during the audit can be issued by the Audit Commissionerate but it has to be adjudicated by the Executive Commissionerate only.
- (xix) PLA can be used for payment of duty penalty, fine etc in cash.
- (xx) Rule 8(3) of the Central Excise Rules, 2002 applies for any short payment of duty.

Q.No.2 Please attempt **any 10 out of 12** questions. Each question carries one mark. [1x10=10]

- (i) 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 ____.
- (ii) If the goods are classifiable under two or more headings of Central Excise Tariff Act, 1985, then the appropriate classification for such goods is to be determined in terms of Rule ____ of ____.
- (iii) The rates for Special Excise Duty are specified under _____ to _____.
- (iv) Adhoc exemption can be granted by issuing a notification in the Section _____ of the Central Excise Act, 1944.

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- (v) An assessee is required to submit return for a month to _____ having jurisdiction over his factory within 10 days of the succeeding month.
- (vi) Section 11AC of the Central Excise Act, 1944 prescribes a _____ equal to the duty not levied or paid or short-paid or erroneously refunded by reason of fraud suppression etc.
- (vii) If any taxpayer has collected Central Excise Duty, then the same is recoverable under section _____ of _____.
- (viii) As per Section 11(B) of the Act, the time limitation for _____ is fixed at one year from the relevant date.
- (ix) If any person takes CENVAT credit of input or capital goods, wrongly or contravention of CENVAT Credit Rules, all such goods shall be liable for _____.
- (x) Adjudication order passed by Commissioner (Appeals) in case the order relates to rebate of duty of excise on goods exported can be challenged before _____.
- (xi) The amount of fees payable in case of appeal filed by or on behalf of department shall be _____.
- (xii) The minimum rank Central Excise officer empowered to summon person to give evidence and to produce documents in inquiries under the Central Excise Act is _____.

Q.No.3 Please write notes on any 5 out of 6 questions.

[5x3=15]

- (i) Compounded levy scheme
- (ii) Power to arrest in Central Excise cases
- (iii) Self-assessment of Central Excise duty
- (iv) Remission of Central Excise duty
- (v) Write off of recoverable arrears.
- (vi) Appeals provisions in Central Excise before various appellate authorities.

Q.No.4 Please indicate the correct option out of four options for each part given below. (Answer any twenty questions)

[20x1/2=10]

- (i) Protective SCN is issued to the party when-
 - (a) Audit para is contested by the Department.
 - (b) Audit para has been admitted by the Department.
 - (c) Audit para is contested by the Party.
 - (d) Audit para has been admitted by the Party.
- (ii) Following is not a ground for transfer of case to Call book-
 - (a) When Department has gone in appeal before the Appropriate Authority.
 - (b) Where injunction has been issued by the Supreme Court/High Court
 - (c) In a case CBIC directs so.
 - (d) In a Case of provisional assessment
- (iii) Taking statement under Section 14 of the Central Excise Act, 1944 is -
 - (a) Non-judicial proceedings within the meaning of Section 193 and 228 of Indian Penal Code 1860
 - (b) Judicial proceedings within the meaning of Section 193 and 228 of IPC.
 - (c) A quasi-judicial proceeding during the course of an enquiry.
 - (d) Mandatory before issuance of Show Cause Notice
- (iv) Under which provision, a complaint may be filed in a Court, if a person does not appear in response to the Summons issued under the Customs or the Central Excise Laws?
 - (a) Section 174 of the Code of Civil Procedure
 - (b) Section 174 of the Indian Penal Code
 - (c) Section 174 of the Criminal Procedure Code
 - (d) Section 175 of the Indian Penal Code
- (v) As per Section 35F of Central Excise Act, 1944, what is the quantum of pre-deposit at the time of filing appeal (w.e.f. 06.08.2014) against the order passed by the Commissioner (Appeals), before the CESTAT -
 - (a) **5% of the duty**, in case where duty or duty and penalty are in dispute; or penalty, where such penalty is in dispute (aggregate of all penalties imposed)
 - (b) **7.5% of the duty**, in case where duty or duty and penalty are in dispute; or penalty, where such penalty is in dispute (aggregate of all penalties imposed)
 - (c) **10% of the duty**, in case where duty or duty and penalty are in dispute; or penalty, where such penalty is in dispute (aggregate of all penalties imposed)
 - (d) **12.36% of the duty**, in case where duty or duty and penalty are in dispute; or penalty, where such penalty is in dispute (aggregate of all penalties imposed)

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- (vi) An Order-in-Original (O-in-O) passed by an Assistant Commissioner in respect of remission of Central Excise duty against the party was challenged before the Commissioner (Appeals) and it was upheld by the Commissioner (Appeals) also. Now the party may approach further to -
(a) CESTAT (c) Joint Secretary(RA)
(b) High Court (d) Settlement Commission
- (vii) Appeal can be filed against O-in-O passed by the Commissioner before -
(a) Commissioner (c) Commissioner (Appeal)
(b) Chief Commissioner (d) CESTAT
- (viii) What is the financial limit for Adjudication by the Superintendent is demand of duty of Rs. -
(a) 1 lakh and above (c) 10 lakh and above
(b) 5 lakh and above (d) 2 lakh and above
- (ix) Provisional assessment can be ordered in case of inability to determine -
(a) Value of excisable goods (c) Either Value or rate of duty of excisable goods by the taxpayer.
(b) Rate of duty of excisable goods (d) On the direction of the department.
- (x) Interest on delayed refunds is provided under:-
(a) Section 11AA of CEA,1944 (c) Section 11DD of CEA,1944
(b) Section 11BB of CEA,1944 (d) Rule 12AA of CER,2002
- (xi) Which of the goods is out of the purview of GST?
(a) Cement (c) Petroleum Products
(b) Goods produce in SEZ (d) Goods produced by EOUs
- (xii) The order passed by the Commissioner(Appeals) is reviewed by:-
(a) Jurisdictional Principal Commissioner/Commissioner (c) Committee of Principal Chief Commissioners/Chief Commissioners
(b) Committee of Principal Commissioners/Commissioners (d) Jurisdictional bench of CESTAT
- (xiii) Payment of Central Excise Duty depends on -
(a) Removal of goods from the place of removal (c) Deemed manufacture of goods
(b) Manufacture of goods in the factory (d) Removal of goods to warehouse for storage
- (xiv) Which of the following duty (ies) is under the purview of the State Government?
(a) Central Excise duty (c) Excise duty
(b) Stamp duty (d) Service tax
- (xv) Captively Consumed Goods means -
(a) Goods manufactured and consumed within the factory (c) Goods purchased and used in the factory
(b) Goods manufactured (d) Goods received from branch
- (xvi) Section giving power of arrest to a Central Excise officer -
(a) Section 11 (c) Section14
(b) Section13 (d) Section11AA
- (xvii) Excise duty can be levied on these goods which are -
(a) Manufactured in India (c) Removed from factory
(b) Sold in India (d) None of the above
- (xviii) Confiscated goods in respect of which the option of paying a fine in lieu of confiscation has not been exercised, shall be-
(a) Disposed of in a manner prescribed (c) Destroyed
(b) Sold (d) All of the above
- (xix) Non-relied upon seized documents for issuance of SCN to be returned within day :
(a) 15 (b) 30 (c) 45 (d) 60
- (xx) Manufacture or producer shall be allowed to take credit of -
(a) Additional duty of excise under Section B(5)
(b) Duty of excise specified in Fourth Schedule of the Excise Act
(c) Additional duty of excise levied under Section 85 of the Finance Act, 2005
(d) All of the above.

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Q.No.5 Answer the following:- (Attempt Any Five) [5x2= 10]

- (i) Why demands are issued. Mention the type and legal provisions of raising demands?
- (ii) Mention the competency of offences to issue demand and adjudicate.
- (iii) Who is competent to review?
- (iv) What is denovo adjudication?
- (v) Provisional attachment of property to protect revenue.
- (vi) Filing appeal before the High Court.
- (vii) What is recoverable arrear? What powers we have to recover it?

Q.No.6 Write a note on:- [3x5 =15]

- (i) Advance Ruling
- (ii) Settlement Commission
- (iii) Filing appeal before the Supreme Court.

Q.No.7 Write a note on procedure to be:- [2x5=10]

- (i) Followed in case of Audit of taxpayers. It should include from selection of units to conclusion of Audit by way of recovery or issue of SCN.
- (ii) Mention various stages of Audit by CERA means U.P.A.G and Board guidelines dealing with U.P.A.G Audit objections.

Q.No.8 Write a note on given below:- [2x5=10]

- (i) What is Call Book and what are the Conditions under which a case can be transferred to call book?
- (ii) What is legal implication of transferring a case to call book?
