

DEPARTMENTAL EXAMINATION OF INSPECTORS OF CENTRAL TAX

(PAPER-I) CENTRAL EXCISE (Without Books)

Date : 14.03.2022
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 Please indicate whether the following statements are TRUE or FALSE? [1X20=20]

- Central Excise officers may order for confiscation of goods.
- An assessee can avail 100% of the credit of duty paid on capital goods received by him.
- Circulars issued by the Board are binding upon the assesses, the adjudicating authority and the courts.
- CESTAT cannot condone delay in filing appeal.
- 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.
- The Joint Commissioner of Central Excise can issue search warrant.
- An assessee can choose not to avail exemption if the notification is conditional.
- In the case relating to Valuation, an appeal against the order of CESTAT lies before the High Court.
- Notification of exemption is effective from the date it is notified.
- Section 5 (2A) allows the government to make retrospective amendment to the exemption notification by inserting an explanation.
- Section 11C empowers the Central Government not to levy duty in case there was general practice to not levy Central Excise Duty.
- Exemption from excise duty means exemption from all types of Excise Duty.
- Accessories cleared with exempted goods are also entitled for exemption.
- SSI Exemption is available up to Rs.1.50 crore of clearance.
- 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.
- 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.
- Provisional assessment can be ordered by the department even if, assessee has not requested for the same.
- First Stage Dealer is not bound to file monthly return with the Central Excise Department.
- CENVAT Credit cannot be used for payment of interest.
- Show cause notice during the audit can be issued by the Audit Commissionerate but it has to be adjudicated by the Executive Commissionerate only.

Q.No.2 Fill in the blanks any ten. [1X10=10]

- Tariff value of central excise goods is fixed under section _____ of the Central Excise Act.
- 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 _____
- MRP of goods is fixed under section _____ of the Central Excise Act.
- An exemption notification can be modified by issuing a notification under the Section _____ of the Central Excise Act.
- An EOU is required to submit return for a month to _____ having jurisdiction over his factory within 10 days of the succeeding month.
- If any taxpayer has collected Central Excise Duty then the same is recoverable under section _____ of the Central Excise Act.
- Under section _____ of the Central Excise Act officer can be charged for vexatious search.

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- (viii) Adjudication order passed by Commissioner (Appeal) in case of Rebate can be challenged before _____.
- (ix) The amount of fees payable in case of appeal filed by the taxpayers before the Tribunal shall be percent of _____.
- (x) The lowest rank Central Excise officer empowered to issue search warrant under the Central Excise Act is _____.
- (xi) The central excise officer may attach the property of any defaulter under section _____ of the _____ Act.
- (xii) The taxpayers of central excise self-assess their tax liability under section/rule _____ of the Central Excise Act/Rules.

Q.No.3 Please write notes on any five. [3X5=15]

- (i) Persons exempt from central excise registration
- (ii) ACES and its users
- (iii) Compounded Levy Scheme
- (iv) Arrest and prosecution under Central Excise Law
- (v) Procedure for procurement of excise goods without payment of duty by merchant exporter
- (vi) Remission of Central Excise Duty
- (vii) Write off of recoverable arrears.
- (viii) Appeals provisions in Central Excise

Q.No.4 Please indicate the correct option out of four options for each part given below. [1X10=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, 1994 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
 - (a) Section 174 of the Indian Penal Code
 - (b) Section 174 of the Criminal Procedure Code
 - (c) 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)
- (vi) **Appeal can be filed against O-in-O passed by the Commissioner before -**

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- (a) Commissioner
- (b) Chief Commissioner
- (c) Commissioner (Appeal)
- (d) CESTAT

(vii) **Provisional assessment may be ordered in case of inability to determine -**

- (a) Value of excisable goods
- (b) Rate of duty of excisable goods
- (c) classification of goods
- (d) all of the above.

(viii) **Interest on delayed refunds is provided under: -**

- (a) Section 11AA of CEA,1944
- (b) Section 11BB of CEA,1944
- (c) Section 11DD of CEA,1944
- (d) Rule 12AA of CER,2002

(ix) **Payment of Central Excise Duty arises at**

- (a) Removal of goods from the place of removal
- (b) Manufacture of goods in the factory
- (c) Deemed manufacture of goods
- (d) Removal of goods to warehouse for storage.

(x) **Excise duty can be levied on these goods which are -**

- (a) Manufactured in India
- (b) Sold in India
- (c) Imported into India
- (d) All of the above

Q.No.5 Answer the following: (Attempt Any Five) **[2x5=10]**

- (i) Discuss the legal provisions for raising demands under Central Excise Law and limitation clause.
- (ii) Discuss the competency of officers to issue demand notice and adjudicate them.
- (iii) Who are competent to review the orders passed by Original Authority?
- (iv) What is remand of adjudication and why it is done and who can do this?
- (v) Why demands are transferred to call book and what are the conditions to be followed for transfer to call book. Is it reviewed and if so, who is competent to review call book?
- (vi) Discuss provisional attachment of property to protect revenue, mention the designation of competent authority and their powers in this regard.
- (vii) Discuss review related powers of the Commissioner.

Q.No.6 Write short notes on any three- **[5x3=15]**

- (i) Appeal before the Revision Authority.
- (ii) Application before the Settlement Commission.
- (iii) Appeal before the Commissioner (Appeals).
- (iv) Authority of Advance Rulings (AAR).
- (v) Persons eligible for availing CENVAT Credit.

Q.No.7 Attempt any four of following questions: - **[5x4=20]**

- (i) Discuss the procedure to be followed in case of Audit of taxpayers from selection of units till conclusion of Audit by way of recovery or issue of SCN.
- (ii) Discuss the Audit by CERA including various guidelines issued in reference to dealing with the Audit objections.
- (iii) What is scrutiny of Returns? Discuss competency of authorities with financial limits and subsequent action required to be taken after scrutiny of returns.
- (iv) What is drawback? Explain All Industry Rate and Brand Rate.
- (v) Discuss inspection and detention of goods under Central Excise Law. Discuss the competency of officers and precautions required to be taken. Discuss the steps to be taken when goods are found offending.
- (vi) What is provisional release of goods? Who is competent to do so? Discuss provisions for perishable goods.
