



SS – 505

V Semester B.Com. Examination, November/December 2018
(CBCS) (Repeaters)
(2016 – 17 Only)
COMMERCE

5.6 : Elective Paper – II : Business Taxation – I

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written **completely** in **English** or in **Kannada**.

SECTION – A

Answer **any 5** of the following questions. **Each** question carries **2** marks. **(5×2=10)**

1. a) Define Business as per CST Act.
- b) Distinguish between Interstate and Intrastate sale.
- c) What is Central Excise Duty ?
- d) State any 2 features of CST Act.
- e) Who is a manufacturer under Central Excise Act ?
- f) Expand, CETA and CTA.
- g) What do you mean by Customs Duty ?



SECTION – B

Answer **any 3** of the following questions. **Each** question carries **6** marks. **(3×6=18)**

2. XYZ Ltd. imported goods from America at a cost of American Dollars 18000 FOB. The other details are as follows :
 - a) Sea freight charges 6000 Dollars.
 - b) Insurance charges 3000 Dollars.
 - c) Packing charges 6000 Dollars.
 - d) Commission to local agent Rs. 8,200
 - e) Design and development charges of 3800 Dollars were paid in America.
 - f) Rate of exchange notified by CBE and C Rs. 62 = 1 Dollar.

Compute assessable value of the imported goods.

P.T.O.



3. State any 6 differences between Inter-State Sale and Intra State Sale.
4. From the following information calculate assessable value under Customs Act.

CIF of machine imported = \$ 25,000

Air freight paid = \$ 9,500

Insurance paid = \$ 350

Exchange rate announced by

RBI 1 US \$ = Rs. 59.5

CBE and C 1 US \$ = Rs. 60.



5. Determine the taxable turn-over and CST payable from the following data when a sale is effected from Bangalore to Chennai.

- a) Gross Turn-over Rs. 6,00,000
- b) Exports to USA Rs. 2,00,000
- c) Freight (shown separately) Rs. 25,000
- d) Cash discount Rs. 5,000
- e) Installation charges (Shown separately) Rs. 18,000
- f) Goods returned within 6 months Rs. 8,000
- g) CST is 2% included in gross turn over.
- h) Trade discount is Rs. 60,000.

6. Sunil purchases raw materials for Rs. 2,00,000 (Excluding VAT of Rs. 8,000) and incurred the following manufacturing and trading expenses.

- a) Direct and indirect manufacturing expenses excluding depreciation Rs. 1,00,000
- b) Depreciation on Assets Rs. 20,000.
- c) Trading expenses Rs. 15,000.
- d) Rent and interest Rs. 33,000.
- e) Profit Rs. 18,000.

VAT payable = 4% on sales. Calculate the VAT payable under addition method.



SECTION – C

Answer any 3 of the following questions. Each question carries 14 marks. (3x14=42)

7. The following information is available from the records of SUBASH Pvt. Ltd. Gujarat.

- a) During 2017 – 18, gross inter state sales made is Rs. 55,00,000 the CST is not shown separately.
- b) The company sells machinery. if it is sold in Gujarat State, sales tax rate is 10%.
- c) Information regarding sales with and without 'C' Form is as follows :

Particulars	Inter-state sales with 'C' form	Inter state sales without 'C' form
Gross sales (inclusive of excise duty)	40,00,000	15,00,000
Excise duty	4,80,000	2,20,000
Freight (not-shown separately)	30,000	42,000
Packing charges	18,000	21,000
Cost of installation (shown separately)	90,000	80,000
Insurance charges to cover risk of seller	12,000	18,000
Insurance charges to cover risk of buyer	20,000	50,000
Freight (shown separately)	90,000	30,000

The following items have not been deducted to calculate gross sales turn-over.

	With 'C' Form	Without 'C' Form
1. Trade discount given	20,000	17,000
2. Goods returned within 6 months	1,80,000	1,20,000
3. Incentives bonus for additional sales	31,000	27,000

Ascertain sales turn-over and CST payable for invoice No. 009236.

8. From the following information compute taxable turn-over of a dealer in Bangalore under VAT.

Rate of VAT is	12.5%
Gross-turn-over	13,00,000
Sale of students note books in Karnataka	20,000
Sale in course of exports	5,00,000
Sale of shares and debentures	1,00,000
Goods returned within 3 months	25,000
Sale-in-AP	40,000
Trade discount	30,000
Cash discount	10,000
Sale against 'C' Form	80,000
Sale in Kerala	5,000





9. The following goods are manufactured and sold by Mr. Abishek.

Items	No. of units sold	Rate per unit
A	2000	20
B	3500	25
C	500	40
D	400	30

The other information are

- Rebate on all goods is 18%
- Company purchased inputs of Rs. 90,000 and paid tax @ 11%
- All goods are levied with 15% BED.
- Abishek purchased machinery of Rs. 2,00,000 on which tax paid was Rs. 10,000.

Calculate Net excise duty payable.

10. Shankar and Co. purchases goods from XYZ Co. for Rs. 3,00,000 (Excluding VAT) His expenses are

Salary and wages Rs. 50,000

Rent Rs. 10,000

Depreciation Rs. 10,000

Profit Rs. 20,000

His selling price is Rs. 3,90,000

The VAT rate is 10%

Calculate VAT by different methods.

11. Mr. Suresh is a registered dealer and gives the following information. You are required to compute the Net Tax Liability and total sales under VAT.

- Suresh sells his products to dealers in his state and other states.
- The profit margin is 15% of cost on production and VAT rate is 12.5% on sales.
- Intra-state purchases of raw-materials is Rs. 5,50,000 (excluding VAT at 4%).
- Purchases of raw materials from an unregistered dealer is 1,80,000 (including VAT at 12.5%).
- High sea purchases of raw-materials are Rs. 7,00,000 (excluding custom duties at 10% Rs. 70,000).
- Purchases of raw-materials from other states (excluding CST at 2%) is Rs. 30,000.
- Transportation charges, wages and other manufacturing expenses is Rs. 2,90,000.
- Interest paid on bank loan Rs. 60,000.

