

# **DEPARTMENTAL EXAMINATION OF INSPECTORS OF CENTRAL TAX**

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

**Date : 22.09.2020**

**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- [1x20=20]**

- (i) After Confiscation of goods, the property vests in the Central Government.
- (ii) The order passed by Additional/Joint Commissioner can be reviewed by a Committee of Commissioners.
- (iii) Exemption notifications issued under Section 5A(1) of Central Excise Act 1944, invariably apply, in case of excisable goods which are produced or manufactured by a hundred percent export oriented undertaking.
- (iv) There is no situation in which an assessee can avail 100% of the credit of duty paid on capital goods received by him.
- (v) CENVAT Credit cannot be used for payment of Interest.
- (vi) In the case relating to Rebate of duty, an appeal against the order of Commissioner (Appeal) lies before the Central Government.
- (vii) If the capital goods on which CENVAT credit has been taken, are removed as waste and scrap, the manufacture will have to pay an amount equal to credit availed.
- (viii) Circulars are binding upon the assesseees, the adjudicating authority and the courts.
- (ix) PLA can be used for payment of duty penalty, fine etc in cash.
- (x) The Provisions of Central Excise Law have not been extended to Jammu and Kashmir,.
- (xi) Commissioner (Appeals) cannot condone delay in filing appeal beyond the period of 90 days.
- (xii) 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.
- (xiii) The Asstt. Commissioner/Deputy Commissioner of Central Excise can issue search warrant.
- (xiv) An assessee can choose not to avail exemption if the notification is conditional.
- (xv) Provisional assessment can be ordered by the department even if , the assessee has not requested for the same.
- (xvi) Show cause notice during the audit can be issued by the Audit Commissionerate but it has to be adjudicated by the Executive Commissionerate only.
- (xvii) In valuation case an appeal can be filed before the High Court.
- (xviii) First Stage Dealer is not bound to file monthly return with the Central Excise Department.
- (xix) Separate registration is required for each separate premises, if person has more than one premises.
- (xx) Rule 8(3) applies for any short payment of duty.

**Q.No.2 Please attempt any ten by filling the blanks. 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.
- (v) 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 CEA,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 taxpayers has collected central excise duty then the same is recoverable under section \_\_\_\_\_ of \_\_\_\_\_.
- (viii) As per Section 11(B) of the CEA,1944, the time limitation for \_\_\_\_\_ is fixed at one year from the relevant date.
- (ix) If any person takes CENVAT credit of input on capital goods, wrongly or in contravention of CENVAT Credit Rules, all such goods shall be liable for \_\_\_\_\_.

- (x) Adjudication order passed by Commissioner (Appeal) 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 of the five out of six questions.**

**[3x5=15]**

- (i) Compounded levy scheme  
 (ii) Power to grant exemption from duty of excise  
 (iii) Provisional attachment of property to protect revenue  
 (iv) Power to arrest in Central Excise cases  
 (v) Self-assessment of Central Excise duty  
 (vi) Remission of Central Excise duty

**Q.No.4 Please indicate the correct option out of four options. (Attempt any Twenty) [1/2x20=10]**

- (i) **Protective SCN is issued to the party when-**  
 (a) Audit para is contested by the Department. (c) Audit para is contested by the Party.  
 (b) Audit para has been admitted by the Department. (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. (c) In a case CBIC directs so.  
 (b) Where injunction has been issued by the Supreme Court/High Court (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 (c) A quasi-judicial proceeding during the course of an enquiry.  
 (b) Judicial proceedings within the meaning of Section 193 and 228 of IPC. (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 (c) Section 174 of the Criminal Procedure Code  
 (b) Section 174 of the Indian Penal 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)
- (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 for demand of duty of Rs. -**  
 (a) 1 lakh and above (c) Not exceeding 10 lakhs  
 (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/duties 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 (b) Section13 (c) Section14 (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-**  
 (a) 15 days (b) 30 days (c) 45 days (d) 60 days
- (xx) **Manufacture or producer shall be allowed to take credit of -**  
 (a) Additional duty of excise under Section 3(5) of the Customs Tariff Act, 1975  
 (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.
- (xxi) **An Order-in-Original can be passed by a Joint Commissioner, only when tax liability is**  
 (a) 30 lakh and above (c) 50 lakh and above  
 (b) 100 lakh and above (d) 200 lakh and above
- (xxii) **Central Excise duty payable on any excisable goods, except Cigarettes shall be assessed by**  
 (a) Inspector (c) Assistant Commissioner  
 (b) Superintendent (d) Assessee himself
- (xxiii) **Annual financial information statement is submitted by the assessee in form:-**  
 (a) ER-4 (b) ER-5 (c) ER-6 (d) ER-7
- (xxiv) **Procedure of service of decisions, orders, summons etc is provided under:-**  
 (a) Section 37A of CEA, 1944 (c) Section 37C of CEA, 1944  
 (b) Section 37B of CEA, 1944 (d) Section 37D of CEA, 1944
- (xxv) **Small Scale exemption based on value of clearances is not available to the units:-**  
 (a) Whose plant and machinery is valued at more than Rs.4 Crores.  
 (b) Located in Urban area and manufacturing goods of other brand.  
 (c) Located in Rural area and manufacturing goods of other brand.  
 (d) Not availing CENVAT Credit on inputs.
- (xxvi) **Place of Removal under Central Excise means**  
 (a) Removing the goods from the place of distributor  
 (b) Removing the goods from the place of Customs Station  
 (c) Removing the goods from the factory premises.  
 (d) None of the above

**Q.No.5 Answer the followings (Attempt any Five) :- [2x5 =10]**

- (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 in Central Excise duty payable by EOUs and non-EOUs Unit in respect of goods manufactured by them?
- (iv) Types of periodical returns under the Central Excise Law, their due dates of filing and assesseees who are required to file such returns.
- (v) Provisional attachment of property to protect revenue.
- (vi) Role and duties of Inspector in the department.
- (vii) Write short notes on valuation rules.

**Q.No.6 Answer the followings (Attempt any Five) :- [3x5 =15]**

- (i) Export under Rule 18 and Rule 19 of the Central Excise Rules, 2002.
- (ii) Special audit under section 14A and 14AA of the Central Excise Act
- (iii) Under what circumstances seizure of goods & confiscation of goods can be effected.
- (iv) Detention of goods & seizure of goods
- (v) Export and deemed export
- (vi) Refund & rebate
- (vii) Short levy & short payment
- (viii) Compounding & Settlement.

**Q.No.7 Answer the following questions (Attempt any Ten) :- [2x10=20]**

- (i) What is Central Excise/Service Tax Audit?
- (ii) Who conducts the Audit?
- (iii) What is/are the criteria for selection of the units for audit?
- (iv) If an assessee is having multi location manufacturing units, who conducts audit in such a case?
- (v) Under what authority does the department conduct Central Excise and Service Tax audit?
- (vi) What is the next course of action if the Department does not agree with the reply of assessee during the audit?
- (vii) Who can arrest a person in Central Excise?
- (viii) Who can seize excisable goods within the factory premises or seize vehicle or any other non-excisable goods or documents etc. under Central Excise Act.
- (ix) Who can search 'Registered Premises' under Central Excise Act and under what Rule?
- (x) Who can issue summons to the assessee and under which section of the Central Excise Act and for what purpose?
- (xi) Explain the difference between exemption granted under section 5A (1) and 5A (2) of the Central Excise Act, 1944.
- (xii) An exemption notification issued under section 5A(1) of Central Excise Act, 1944 exempts Central Excise duty which is in excess of 10% of the duty leviable. The tariff rate is 30% adv. What will be the effective rate of duty in this case?
- (xiii) A notification has been issued on 01.04.2016 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?

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