

DEPARTMENTAL EXAMINATION OF INSPECTORS OF CENTRAL TAX

PAPER-II :: CUSTOMS (With Books)

DATE: 10-08-2021
TIME: 2.00 PM to 5.00 PM

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:-

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| 1. The Customs Act, 1962 (52 of 1962) | 5. Handbook of Export and Import Procedure |
| 2. The Customs Tariff Act, 1975 (51 of 1975) | 6. Customs, Allied Acts and Rules made thereunder |
| 3. The Customs Rules and Procedures | 7. The Special Economic Zone Act, 2005 and Rules made thereunder. |
| 4. The Foreign Trade Policy-2015-2020 and ITC (HS) | |

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) Which of the section is the charging section providing for charging of IGST on imported goods?
(a) Section 12 of Customs Act, 1962 **(d)** Section 3(7) of the Customs Tariff Act, 1975
(b) Section 3(3) of the Customs Tariff Act, 1975. **(e)** Section 3(9) of the Customs Tariff Act, 1975
(c) Section 3(5) of the Customs Tariff Act, 1975
- (ii) If branded commodity X has been found to be declared by the Importer as un-branded one in the Bill of Entry and during examination of goods, it was detected to be of reputed and well-known brand. Which rule of the Customs valuation (Determination of the price of imported goods) Rule, 2007 shall be applied by the Assessing officer for rejecting the value of the imported goods as declared in the Bill of Entry: -
(a) Rule 13 **(b)** Rule 4 **(c)** Rule 10 **(d)** Rule 11 **(e)** Rule 12
- (iii) For determination of assessable value of imported goods, the following methods of valuation have been provided in the Customs Valuation (Determination of Price of Imported goods) Rules, 2007.
A. Deductive method **(d)** Transaction value of Identical goods
B. Computed value method **(e)** Transaction value of similar goods
C. Residual method
As per above said valuation rules, 2007, there is certain order in which these valuation methods are to be applied. Identify the correct order in which above mentioned methods of valuation are to be applied for valuation of goods in question.
(a) (E)- (D)- (A)- (B)-(C) **(d)** (E)- (D)- (B)- (A)-(C)
(b) (D)- (E)- (A)- (B)-(C) **(e)** (D)- (E)- (B)- (A)-(C)
(c) (D)- (E)- (B)- (C)-(A)
- (iv) Calculate the amount of IGST payable on import of commodity X whose assessable value is Rs. 1,00,000/- and rate of BCD is 10% and rate of IGST is 5%. [Assume that apart from BCD and IGST, no other duties are payable on the commodity X].
(a) Rs. 15,000 /- **(c)** Rs. 5,500/- **(e)** Rs. 16,000/-
(b) Rs. 5,000/- **(d)** Rs. 15,500/-
- (v) Which one of the following purposes is not the purpose for which notification can be issued by the Central Government prohibiting import / export of goods under section 11 of the Customs Act, 1962:
(a) Protection of human, animal or plant life or health. **(d)** Protection of natural treasures
(b) Prevention of corruption **(e)** Prevention of shortage of goods of any description.
(c) Prevention of deceptive practices
- (vi) Which of the convention given below is not a UN convention?
(a) Convention against Corruption. **(d)** Chemical Weapon Convention
(b) Convention on Narcotics Drugs, 1961 **(e)** Convention against Transnational Organized Crime.
(c) Convention on Psychotropic Substances, 1971
- (vii) What is the monetary limit prescribed by the Central Government under Section 131 BA of the Customs Act, 1962 for filing an appeal before Hon'ble Supreme Court?

- (viii) The Headquarter of Central Bureau of Narcotics is located at ___?
 (a) Rs. 5 crores (c) Rs. 50 lakhs (e) Rs. 25 lakhs
 (b) Rs. 1 crore (d) Rs. 10 crores
- (viii) The Headquarter of Central Bureau of Narcotics is located at ___?
 (a) New Delhi (c) Lucknow (e) Gwalior
 (b) Neemuch (d) Kota
- (ix) Which Directorate / Office has been entrusted with responsibility of conducting examination for Customs Brokers?
 (a) Directorate General of Performance Management (c) Directorate General of Revenue Intelligence
 (b) Directorate General of Export Promotion (d) Chief Commissioner of Customs
 (e) Directorate General of Foreign Trade
- (x) In case of delayed payment of drawback to the exporter, what is the rate of interest prescribed by the Government for calculation of interest due to the exporter?
 (a) 9% (b) 6% (c) 12% (d) 15% (e) 8%
- (xi) How much time has been prescribed for processing of application for refund under the Customs Act, 1962?
 (a) One month (c) Three months (e) One year
 (b) Two months (d) Six months
- (xii) Which of the following law is not implemented at Border by the Customs Authorities?
 (a) Arms Act, 1959
 (b) Chemical Weapons Convention Act, 2000
 (c) Weapons of Mass Destruction and their delivery systems (Prohibition of unlawful activities) Act, 2005
 (d) Indian Penal Code
 (e) Indian Explosives Act, 1884
- (xiii) Which one of following is not a ground for transfer of case to Call book category?
 (a) Where Department has gone in appeal before the Appropriate Authority. (c) Case which has been admitted by Settlement Commission
 (b) Where injunction has been issued by Hon'ble SC/HC. (d) Case of provisional assessment
 (e) None of the above
- (xiv) What are the relevant clauses of section 11(2) of the Customs Act, 1962, under which import or export of goods infringing IPRs can be prohibited by the Central Government?
 (a) Section 11(2)(n) & (u) (c) Section 11(2)(c) & (u) (e) Section 11(2)(n) & (r)
 (b) Section 11(2)(a) & (u) (d) Section 11(2)(n) & (v)
- (xv) Consider the following statements regarding the difference between EOU and SEZ.
 A. Supplies made to EOU by Indian supplier are "deemed exports" and supplier is entitled to benefits of 'deemed export'.
 B. Supplies to SEZ are 'Physical Exports' and all export benefits are available.
 C. GST paid on purchases is not refundable in case of EOU.
 D. In case of supplies made to SEZ unit, supplier does not have to pay GST.
Out of four statements given above, identify the ones which are true?
 (a) A and B (c) A, B, C and D (e) B, C and D
 (b) A, B and C (d) A, B and D

Q.No.2: Write full forms of the abbreviation given below [in the context of Customs Law]. [10x1/2=5]

[Note: In case of spelling errors, or errors of pre-position or error of singular/plural, the answer will be treated as wrong answer].

- (a) CBIC (d) AEO (g) RMS (j) FPO
 (b) FTA (e) CBN (h) INCB
 (c) DGGI (f) GOAW (i) UNODC

Q.No.3: Fill in the Blank space by appropriate Words or number as the case may be? [5x2=10]

- (a) In case of violation of such provisions of the Customs Act, 1962 for which no specific penalty has been provided in the Customs Act, 1962, then for such violations, the penalty up to Rs. may be imposed on the person who has contravened such provisions of the Customs Act, 1962 under section of the Customs Act, 1962.

- (b) The Commodities on which Basic Customs Duty is to be collected on the tariff value fixed by the Government are (i) _____ (2)____ , (3)_____, (4) _____.
- (c) The Tariff values have been fixed by the Board vide notification No. _____, dated ____ as amended from time to time. The sub-section ____ of section ____ of the Custom Act, 1962 empowers Board to fix tariff value.
- (d) The section __ of the Customs Act, 1962 read with _____ (write full name of the Rules issued) deals with the valuation of imported goods. For the purpose of conversion of foreign currency into Indian currency, the Board has fixed rate of exchange for various foreign currencies vide notification No. _____, dated ____ as amended from time to time.
- (e) Under section __ of the Customs Act, 1962, the Central Government may entrust any officer of the Central Government or the State Government or a local authority, any function of any officer of the Customs. Further, under section __ of the Customs Act, the __ has power to appoint Customs Port and airport.

Q.No.4: Write the full name of Rules/Regulation issued under the section of the custom Act 1962 specified below. Also write the notification No along with date vide which the rules/Regulation has been notified. [5x2=10]

Note: In case of spelling errors in writing the name of rules/ regulation or writing incomplete, the answer will be treated as wrong. Please write the latest rules/regulation. No marks shall be granted if old rules/regulation, which has already been superseded, is quoted or in case, more than one rule/regulation are quoted.

Section of the Customs Act, 1962	Full name of the Rules/ regulation	Notification No. & date vide which the rules/regulation has been notified.
Section 99A: Audit		
Section 146: License for Customs Brokers		
Sector 84: Regulation regarding goods imported or to be exported by post		
Section 46 and 47: Entry of goods on importation and clearance of goods for home consumption.		
Section 28(1) and (2): Recovery of duties not levied or not paid or short levied or short paid or erroneously refunded.		

Q.No.5: Answer any five parts of this question. Write Short Note 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]

- (a) Social Welfare Surcharge (d) Provisional Collection of Taxes Act
 (b) Single Window Concept in Customs (e) Compounding of Offence under Customs.
 (c) AEO Concept (f) IGST on Import and Exports

Note: 30% of the marks are assigned for writing the relevant legal provisions under the Customs Act, 1962 and Rules issued thereunder.

Q.No.6: Write the definition of term as defined under the provisions of the Customs Act, 1962 or rules/regulation issued thereunder. [10x1=10]

S. No.	Term	Definition as per Customs law
(a)	Prohibited goods	
(b)	India	
(c)	Tariff Value	
(d)	International Courier terminal	
(e)	Advance Ruling	
(f)	Computed value	
(g)	Transaction value	
(h)	Personal effect	
(i)	Illegal Export	
(j)	Specified goods	

Q.No.7: Answer any five parts listed below. Answer may be limited to 60-80 words. [5x3=15]

- (a) What are the situations in which the provisional assessment of duty can be resorted? Also quote relevant provisions of the Customs Act, 1962.
- (b) Under what situations, the order may be issued by the Central Government granting exemption from payment of duty in specific cases? Also quote relevant provisions of the Customs Act, 1962.
- (c) Write name of two goods, other than gold & its manufactures, and watches, to which provision of section 123 of the Customs Act applies? Also write the relevant notification number and date.
- (d) What are the situations when compounding of offence is not permitted under Custom law?
- (e) Under the Customs law, certain officers are required to assist officers of the Customs in the execution of the Act. What are such officers? Also quote the relevant section of the Customs Act, 1962.
- (f) What do you understand by SCOMET list? Under what law, such lists have been prescribed?
- (g) What is the treatment given to EOU and SEZ under GST laws? Write whether EOU and SEZ unit are required to pay GST on their inward taxable supplies and outward taxable supplies. Also quote the relevant legal provisions.

Q.No.8: Find the most appropriate Customs Tariff Heading for the commodities given below:- [10x1=10]

- (a) Coking Coal
- (b) Hard Disc Drive
- (c) Motor Cycle with engine capacity of 1000 CC
- (d) Plant growth regulators, put up in forms or packing for retail sales
- (e) Washing machines
- (f) Full Sleeve shirt/garment made of cotton (100%)
- (g) MRI machine (medical equipment)
- (h) Aerated Water
- (i) Ophthalmic Blanks
- (j) Paracetamol

Q.No.9: Answer any five parts of the question. [5x2=10]

- (a) What is the difference between Rules and regulations?
- (b) Name two Multi-lateral Environmental Agreements (MEAs) relating to monitoring of trade in environmental goods which are required to be enforced by Customs at Border.
- (c) Discuss provisions of the Customs Act which provides for abatement of duty on damaged or deteriorated goods?
- (d) What is the relevant date for determination of rate of duty and tariff valuation of export goods?
- (e) Write name of two commodities which can be disposed of soon after seizure? Write the relevant notification issued by the Government?
- (f) What are the provisions in the Customs Act, 1962 which makes it mandatory for specified authorities to furnish information to the proper officer? How much penalty can be imposed if such authorities fail to provide the information in the specified period?
