

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai - 600 044.

B.Com. Honours - END SEMESTER EXAMINATIONS APRIL - 2024

SEMESTER - VI

**20UBHCT6029 - Indirect Taxation**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

### **Section B**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Show the features of Direct Tax.
2. Illustrate the concept of Reverse charge Mechanism under GST.
3. Relate how Self-Assessment is made under GST.
4. Describe the Levy and collection of Customs Duty.
5. Identify the needs of GST.
6. Apply the concept of Input Tax Credit.
7. Explain the penalties for Advance ruling in GST.
8. Examine the role of Officers under Customs.

### **Section C**

I - Answer any **TWO** questions ( $2 \times 10 = 20$  Marks)

9. Explain the Powers of Union and States to levy taxes.
10. Predict the Benefits of SGST, CGST and IGST.
11. Ascertain different types of GST returns.
12. Evaluate the procedure of Audit under GST.

II - Compulsory question ( $1 \times 10 = 10$  Marks)

13. ABC Company, a textile manufacturer based in Country X, exports its products to various countries around the world. In order to remain competitive in the international market, ABC Company constantly looks for ways to reduce its production costs. One strategy it employs is to take advantage of customs duty drawback.

Customs duty drawback refers to the refund of customs duties that were paid on imported materials or components used in the production of exported goods.

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This refund can significantly lower the production costs for companies engaged in international trade.

ABC Company imports raw materials such as cotton and dyes from Country Y for use in its textile production. Upon importing these materials, ABC Company pays customs duties to the government of Country X. However, when ABC Company exports finished textile products to various countries, it is eligible to claim a drawback on the customs duties paid for the imported raw materials.

Here is a breakdown of ABC Company's import and export transactions for the fiscal year:

Total value of imported raw materials (cotton, dyes, etc.): \$1,000,000  
Customs duties paid on imported raw materials: 10% of the total value (\$100,000)

Total value of exported finished textile products: \$2,000,000

Eligible percentage for duty drawback: 80%

1. Discuss the concept of customs duty drawback and its significance for companies engaged in international trade, using ABC Company's case as an example.
2. Analyze the potential challenges that ABC Company might face in claiming customs duty drawback and propose strategies to mitigate these challenges.

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