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P.G. Diploma in Taxation Examination, 2013
Paper – V : AUDITING AND TAX AUDIT

Time : 3 Hours

Max. Marks : 100

Instructions : 1) Question No. 1 is **compulsory**.

2) Solve **any four** questions from Q. 2 to 7.

3) **All** questions carry **equal** marks.

1. Define auditing. Explain objectives, advantages and disadvantages of an auditing . **20**
2. What is “Audit Note Book” ? What should it contain ? What are its advantages ? **20**
3. Write short notes on : **20**
 - a) Audit programme
 - b) Vouching of Cash Book
 - c) Qualified Audit Report
 - d) Internal Audit.
4. What are the Rights, Duties and Liabilities of an company auditor ? **20**
5. Explain the provisions of Income Tax Act regarding Compulsory Tax Audit. **20**
6. A) What is Selective Tax Audit under Section 142 (2A) of Income Tax Act ? **10**
B) Give specimen of Audit Report Form 3 CB. **10**
7. A) Problems in an EDP environment. **10**
B) Discuss the control components of an EDP accounting system. **10**



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P.G.D.I.T. Examination, 2013
Paper II – DIRECT TAXES – STRUCTURE AND PROCEDURE – II

Time : 3 Hours

Max. Marks : 100

Instructions : 1) Question No. 7 is **compulsory**.
2) Attempt **any four** from the remaining.
3) **All** questions carry **equal** marks.

1. Explain the Term Total Income under Income Tax Act 1961.
2. Explain the difference between Capital Expenditure and Revenue Expenditure under Income Tax Act 1961.
3. Write short notes :
 - a) Assessment year
 - b) Assessment
 - c) Exempted Income from Income Tax
 - d) Person
4. Explain the concept of Agricultural Income Under Income Tax Act 1961.
5. Explain the provisions of E-payment and E-registrations under Professional Tax Act 1975.
6. a) What are the types of Taxes in India ?
b) What are taxable assets under Wealth Tax Act ?

P.T.O.



7. Compute the Net Wealth of Mr. Jagadish, for the year ending an 31-3-2013, on the basis of the following particulars of his assets and liabilities.

| Particulars | ₹ |
|--|-----------|
| 1) Motor Car of foreign make held as Fixed assets | 25,00,000 |
| 2) Gold Bonds under Gold Deposit Scheme, 1999 | 20,00,000 |
| 3) Residential House Property at Nagpur letout w.e.f. 1 st April, 2011 | 10,00,000 |
| 4) Jewellery | 12,00,000 |
| 5) Land purchased for Industrial Purpose : on 1 st April, 2009 | 6,50,000 |
| on 20 th March 2012 | 9,50,000 |
| 6) Loan against purchase of lands : on 1 st April, 2009 | 4,25,000 |
| on 20 th March, 2012 | 5,50,000 |
| 7) Wealth Tax Liability | 15,000 |
| 8) Cash on Hand | 80,000 |
| 9) Cash at Bank | 2,20,000 |



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Post Graduate Diploma In Taxation Examination, 2013
Paper – IV : INDIRECT TAXES – STRUCTURE AND PROCEDURE
(Central Excise and Service Tax)

Time : 3 Hours

Max. Marks : 100

N.B. : I) Q. 6 and Q. 7 are **compulsory**.

II) Attempt **any three** questions from Q.1 to Q. 5.

III) Figures to the **right** indicate **full** marks.

1. Define the term “Excisable goods” and explain the relevance of the statement, “Excise is a duty on goods indigenously manufactured” with special reference to provisions of Section 3 of Central Excise and Salt Act, 1944. **20**
2. Explain the registration procedure u/s 69 and Rule-4 with reference to Service Tax. State documents to be attached with application of registration. What is the penalty for non-registration ? **20**
3. Write down the provision u/s 6 of Central Sales Tax Act, 1956 in respect liability to pay tax on Inter-State sales. Also explain the various forms for declaration under the Act. **20**
4. What are the provisions under VAT Act, 2002 in respect of, “Tax free goods”, VAT, Audit offences and penalties ? **20**
5. Write short note on :
 - a) Incentives to SSI unit.
 - b) Assessment procedure under service tax.
 - c) “Set off” under VAT Act, 2002
 - d) Declared goods under CST. **20**

P.T.O.



6. Determine the 'assessable value' in each of the following instances for the purpose of charging excise duty. Give reasons wherever necessary.

- I) A B C Company Ltd. manufacturing refrigerators in Mumbai. The heading under Tariff Act, is No. 841810 carry , 'abatement rate' of 40% and they are specified only in the First Schedule. Find out the amount of duty if the MRP (Maximum Retail Price) of a fridge is Rs. 40,000/- only and the rate of excise duty is 16% plus education cess @ 2% and 8 AM education cess is @ 1%
- II) Ramanand Ltd. selling the product inclusive of basic duty @ 16% and plus education cess. Per piece price is Rs. 3,000/- what will be the duty liability and assessable value for per piece ?
- III) XYZ Ltd. a manufacturer having factory in Pune, has uniform price of Rs. 500 (Excluding taxes) for sale any where in India. During 2011-12 he made following sale.
 - a) Sale at factory gate at Pune-1000 pieces no transport charges.
 - b) Sale to buyers in Mumbai- 500 pieces actual transport charges incurred Rs. 15,000/-.
 - c) Sale to buyers in Bangalore-700 pieces actual transport charges incurred Rs. 50,000/-.
 - d) Sale to buyers in Ahmedabad-800 pieces actual transport charges Rs. 25,000/-

Find assessable value and duty liability @ 16% plus cesses apply.
- IV) Determine the value for charging duty of excise and compute excise duty payable from the following information.
 - a) Total invoice price Rs. 18,000/- (depot price)

The invoice price includes the following.

 - i) State VAT Rs. 1000/-
 - ii) Octroi Rs. 200/-
 - iii) Insurance Rs. 100/- (From factory to depot)
 - iv) Freight Rs. 700/- (From factory to depot)

Rate of basic excise duty is Rs. @ 16% ad valorem. Education cess is applicable.



7. A) BGK Co. Ltd. a registered dealer under MVAT Act in Pune sold goods within State specified in Schedule C (rate of tax @ 4%) and schedule E (rate of tax @ 12.5%). From the following details determine the amount of VAT liability for the month of March 2012.

Sales :

- 1) Sale price of Schedule C (4%) goods Rs. 5,00,000/-
- 2) Sale price of Schedule E (12.5%) goods Rs. 3,00,000/-
- 3) Sale price of Schedule C (5%) goods Rs. 7,50,000/-

All the above sales are exclusive of Tax.

Purchases:

- 1) Purchase of Schedule C (4%) goods in Maharashtra – Rs. 4,16,000/- inclusive of tax.
- 2) Purchase of Schedule E (12.5%) good in Maharashtra – Rs. 1,68,750/- inclusive of Tax.
- 3) Purchase from Chennai against form 'C' – Rs. 52,000/- inclusive of Tax CST.

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- B) Sales tax payable on product 'A' if sold within State of Maharashtra is 12.5%. If the product is sold in Inter-State, what will be the Central Sales Tax payable if;
- a) Buyer furnishes 'C' form
 - b) Buyer furnishes 'H' form
 - c) Buyer does not furnish any form
 - d) Buyer furnishes 'J' form
 - e) 'F' form received from branch.

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