INTERMEDIATE EXAMINATION

June 2011

I–P8(CMA)
Syllabus 2008

Cost and Management Accounting

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Answer Question No. 1 *which is compulsory and* any five *from the rest.*

1. (a) Match the statement in Column I with the appropriate statement in Column II: 1×5

Column I	Column II
(i) JIT System	(A) Decision Making
(ii) Output Costing	(B) Decision Package
(iii) Variance Analysis	(C) Management by exception
(iv) Differential Costing	(D) Coal Industry
(v) ZBB	(E) Control of Inventory

(b) State whether the following statements are true or false: 1×5

(i) Marginal costing is useful for long term planning.

(ii) Cost of floppy disk used for office computer is administration overhead.

(iii) No distinction is made between direct and indirect materials in process costing.

(iv) ABC analysis is based on the unit price of materials.

(v) Opportunity cost is the value of benefit sacrified in favour of an alternative course of action.

(c) Fill up the blanks suitably: 1×5

(i) Re-order Level is _____ usage multiplied by _____ lead time.

(ii) _____ cost is the difference in total cost that results from two alternative courses of action.

(iii) The Flux rate method of labour turnover considers employees _____ and employees _____.

(iv) _____ arises when the actual process loss is less than the normal predetermined process loss.

(v) _____ costing is a must for Inter-firm comparison.

Please Turn Over

(d) In the following cases, one out of four answers is correct. You are required to indicate the correct answer and give brief workings: 2×5

(i) A company uses material A for production of Product Z. The supplier of Material A quotes a delivery period of 2 to 3 weeks. If the company uses 500 to 800 units of Material A per week according to activity levels, the Re-order Level of Material A will be

(A) 1,000 units

(B) 1,500 units

(C) 2,400 units

(D) None of the above

(ii) Monthly cost of maintenance of machinery in a company for 12,000 machine hours run is ₹ 1,70,000 and for 18,500 hours it is ₹ 3,02,500. Cost of maintenance for 14,000 hours will be

(A) ₹ 1,90,000

(B) ₹ 1,80,000

(C) ₹ 1,85,000

(D) None of the above

(iii) In two consecutive periods, sales and profit were ₹ 1,60,000 and ₹ 8,000 respectively in the first period and ₹ 1,80,000 and ₹ 14,000 respectively during the second period. If there is no change in fixed cost between the two periods, then what would be profit if sales are ₹ 2,00,000?

(A) ₹ 16,000

(B) ₹ 18,000

(C) ₹ 20,000

(D) ₹ 22,000

(iv) The budgeted annual sales of a firm is ₹ 80 lakhs and 25% of the same is cash sale. If the average amount of debtors of the company is ₹ 5 lakhs, the average collection period of credit sales is

(A) 2 months

(B) 1 month

(C) 15 days

(D) None of the above

(v) A hospital is opened for 365 days, but bed occupancy is 25 patients per day in 120 days and 20 beds occupied in another 80 days. Extra beds occupied during the year is 400. Patient-days of the hospital is

(A) 4,000

(B) 5,000

(C) 3,500

(D) 4,500

2. (a) Distinguish between Job evaluation and Merit rating. 5

(b) The management of Zenith Co. Ltd. are worried about their increasing labour turnover in their factory and before analysing the causes, they want to have an idea of the profit foregone as a result of labour turnover in the last year.

Last year, sales amounted to ₹ 83,03,300/- and the P/V ratio was 1/5. The total number of actual hours worked by the direct labour force was 4.45 lakhs. As a result of delays by personnel department in filling up the vacancies due to labour turnover, 60,000 potentially productive hours were not worked. The actual direct labour hours included 30,000 hours attributable to training new recruits, out of which half of the hours were unproductive. The costs consequent on labour turnover revealed on analysis the following:

	₹
Settlement costs due to leaving	43,250
Recruitment costs	34,520
Selection and placement costs	42,610
Training costs	69,270
Total	1,89,650

Assuming that the potential production lost as a consequence of labour turnover could have been sold at the prevailing prices, find out the profit foregone last year as a result of labour turnover. 10

3. (a) M/s Moon light Co. Ltd. fixes the interdivitional transfer prices for its products on the basis of cost plus an estimated return on investment in its divisions.The relevant particulars of the budget for the Division 'X' for the year 2010-11 is given below:

Particulars	Amount (₹)
Fixed Assets	6,00,000
Current Assets (other than Cash at Bank)	3,00,000
Cash at Bank	1,00,000
Yearly fixed cost for the division	9,00,000
Variable cost per unit	10
Budgeted volume of production per year (in units)	5,00,000
Desired return on Investment	30%

You are required to determine the transfer price for Division 'X'. 7

(b) The following cost data pertaining to the year 2010-11 have been collected from the books of ABC Power Co. Ltd. prepare a cost sheet indicating the cost of generation of power per unit of KWH. Total unit generated are 15,00,000.

	₹
Operating Labour	16,500
Plant Supervision	5,250
Lubricant & Supplies	10,500
Repairs & Maintence	21,000
Capital Cost	1,50,000
Administrative Overhead	9,000

Coal consumed per KWH 1.5 lbs. and cost of coal delivered to the Power Station is ₹ 33.06 per metric tonne. Depreciation rate chargeable is 4% per annum and interest on capital is to be taken at 7%.

[Given: 1 Metric tonne = 2,204.62 lbs.] 8

4. (a) Write a brief note on Management Accounting. 5

(b) A company produces a single product which is sold presently in the market at ₹ 75 per unit. The present production and sales are 40,000 units per month representing 50% of the capacity available. The cost data of the product are as under:

	₹
Variable Cost per unit	50
Fixed Cost per month	10 lakhs

To utilise the idle capacity and improve profitability, the management has two proposals on hand as under:

(i) to increase sales by selling to a chain stores 30,000 units at ₹ 55 per unit, retaining existing sales at the existing price.

(ii) to reduce selling price as advised by the Sales Department as under:

Reduced selling price per unit by	Expected Increase in Sale
₹ 5	10,000 units
₹ 8	30,000 units
₹ 11	35,000 units

Prepare a table to present the results of the above proposals and give your comments. 4+4+2

5. (a) Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rate at 70%, 80% and 90% plant capacity level:

	At 80% capacity ₹
Variable overheads:	
Indirect labour	12,000
Indirect material	4,000
Semi-variable overheads:	
Power (30% fixed, 70% variable)	20,000
Repair and maintenance (60% fixed, 40% variable)	2,000
Fixed overhead:	
Depreciation	11,000
Insurance	3,000
Others	10,000
Total overheads	62,000
Estimated direct labour hours	1,24,000

10

(b) Write notes on Chargeable Expenses. 5

6. (a) ABC Ltd. is following Activity Based Costing. Budgeted overheads and cost driver volumes are as follows:

Cost Pool	Budgeted/Overheads ₹	Cost Driver	Budgeted Volume
Material Procurement	11.60 lakhs	No. of orders	2,200
Material handling	5.00 lakhs	No. of movement	1,360
Maintenance	19.40 lakhs	Maintenance hours	16,800
Set-up	8.30 lakhs	No. of set-ups	1,040
Quality Control	3.52 lakhs	No. of inspection	1,800
Machinery	14.40 lakhs	No. of machine hours	48,000

The company has produced a batch of 5,200 components, its material cost was ₹ 2.60 lakhs and labour cost ₹ 4.90 lakhs. Usage activities of the said batch are as follows:

Material orders—52, Material movements—36, Maintenance hours—1,380, Set-ups—50, Quality Control Inspection—56 and Machine hours—3,600

Calculate:

(i) Cost driver rates that are used for tracing appropriate amount of overheads to the said batch.

(ii) The cost of batch of component. 5+5

(b) Distinguish between By-Products and Joint Products. 5

7. (a) List out the expenses which are of purely financial nature and recorded in Financial Accounts only and not recorded in Cost Accounts. 5

(b) In a factory three products A, B and C are produced from a single process. Each product can be sold at the end of each process or can be further processed independently to produce separate products, which are marketed under different names X, Y, Z respectively.

Details for a period are given below:

Product	Initial Output (units)	Sales Price (₹)	Further Processing Cost (₹)	Rejection rate
A	5,000	24 per unit	14 per unit	—
B	8,000	10 per unit	6 per unit	—
C	10,000	30 per unit	16 per unit	—
X		44 per unit	—	5%
Y		18 per unit	—	10%
Z		48 per unit	—	8%

Initial total Process Cost ₹ 4 lakhs.

Further processing costs are incurred at the commencement of the second stage of operations.

You are required to

(i) calculate the apportionment of total cost to products A, B and C using sales value,

(ii) state whether further process should be undertaken for each product or not. 4+6

Please Turn Over

8. Write short notes on *any three* of the following:

   (a) Profit Centre,

   (b) Budgetary Control,

   (c) Cost Control and Cost Reduction,

   (d) Material Purchase Budget,

   (e) FSND Analysis.

5×3

INTERMEDIATE EXAMINATION

June 2011

I–P9(OMS)
Syllabus 2008

Operation Management and Information Systems

Time Allowed: 3 Hours | Full Marks: 100

The figures in the margin on the right side indicate full marks.

SECTION I: Operation Management

Answer Question No. 1, *which is compulsory and* any two *from the rest, under Section I.*

1. (a) Examine each statement and indicate whether it is **'True'** or **'False'**: 1×5

(i) MRP is a marketing technique.
(ii) FMS stands for 'Flexible Machine System'.
(iii) Method Study should precede Work Measurement.
(iv) 'Z' chart is a chart used in Programme Control.
(v) EOQ formula does not consider storage cost.

(b) Match the terms in Column I with the relevant terms in Column II: 0·5×8

I	II
(A) Feeding coal continuously into the furnace in an Electric Power Station	(i) Electromagnet
(B) Handling crates on Pallets within a factory	(ii) Electric Arc Furnace
(C) Moving a heavy load above the Machine on the shop floor in a workshop	(iii) Gravity Chute
(D) Transporting fertilizer packed in bags to a railway wagon/truck on the ground below	(iv) Drilling Machine
(E) Making a small deep hole in block of metal	(v) Plaining Machine
(F) Machining a large flat surface on metal	(vi) E.O.T. Crane
(G) Melting steel for making castings	(vii) Fork-lift Truck
(H) Picking up bits of iron and steel in a scrap yard	(viii) Belt Conveyor

(c) For each part below, choose the most appropriate answer out of the four options given against each part: 1×5

(i) Ergonomics is another name of
(a) Chemical Engineering
(b) Human Engineering
(c) Mechanical Engineering
(d) Electrical Engineering

(ii) ALDEP is a technique used in
(a) Production Planning
(b) Resource Management
(c) Plant Layout
(d) Maintenance Management

(iii) The study of relationship between the load on hand and the capacity of the work centres is known as
(a) Scheduling
(b) Loading
(c) Routing
(d) Controlling

(iv) Buffer Stock is built to cater to
(a) Machine Breakdown
(b) Import Substitution
(c) Fluctuating Load
(d) Diversification

(v) Independnt Float is
(a) Total Float—Head Slack
(b) Earliest Start Time—Earliest Finish Time
(c) Free Float—Total Float
(d) None of these

Please Turn Over

2. (a) Manufacturing of a gunmetal bush requires operations on Lathe, Milling and Drilling machine tools. The operator efficiencies, standard times, and machine tool availabilities are as follows: 9

Type of Machine Tool	Operator Efficiency	Standard man-hours/ bush	Machine Tool availability
Lathe	75%	0·15	95%
Milling	80%	0·20	75%
Drilling	80%	0·10	75%

If the factory operates one shift of 8 hours for 6 days in a week, how many Lathe, Milling and Drilling machines will be required to produce 2000 bushes/week? What will be the percentage of spare capacity available in each type of machine tool?

(b) Expand the following: 1×5

(i) ASRS
(ii) VAM
(iii) SPT
(iv) AQL
(v) MTBF

(c) A workshop has 25 nos. of identical machines. The failure pattern of the machine is given below: 4

Elapsed time after maintenance attention (in month)	Probability of failure
1	0·10
2	0·15
3	0·15
4	0·15
5	0·20
6	0·25

It costs Rs. 160 to attend a failed machine and rectify the same. Compute the yearly cost of servicing the broken down machines.

3. (a) Two alternative set-ups, A and B are available for the manufacture of a component on a particular machine, where the operating cost per hour is Rs. 25/-.

	Set-up A	**Set-up B**
Components/Set-up	20,000 pieces	30,000 pieces
Set-up cost per year	Rs. 500	Rs. 600
Production rate/hour	20 pieces	40 pieces

Find out the manufacturing cost/piece under each set-up. Which of these set-ups should be used for long range and economic production, assuming 3000 hours of working in a year? 3+5

(b) What are the four classes of Drilling machines? 4

(c) Mention the advantages of the following advancements in production technology:

(i) Robots
(ii) FMS 3+3

4. (a) An article is processed on three machines A, B and C as shown below:

Machine	Machine operation time (minutes)			Preparation time (min/day)	Cleaning time (min/day)
	Time	Processing	Total		
A	2	2·5	4·5	15	10
B	3	10	13	30	10
C	2	5	7	25	10

A study revealed that if the jigs for machines B and C were to be redesigned, loading and unloading times could be reduced to 2 minutes and 1 minute respectively:

(i) Find the number of pieces produced per day (single shift of 8 hrs.)

(ii) Costing has shown that unless production is increased by 20 per cent, the installation of new jigs would not be worthwhile. Would you recommend redesign of jigs?

(iii) If the number to be produced is large, suggest changes in present arrangement and estimate new production rate. 3+3+3

(b) What is the utility of a Single Purpose Machine Tool? Describe a Single Purpose Machine Tool designed for cutting Gears. What are Spur and Helical Gear? 2+2+2

(c) A manufacturing company has a product line cosisting of five work stations in series. The individual work station capacities are given. The actual output of the line is 540 units per shift.

Work station No.	1	2	3	4	5
Capacity/shift	700	650	700	650	600

Calculate (i) System capacity (ii) Efficiency of the production line. 1+2

Section II: Information Systems

Answer Question No. 5, *which is compulsory and* any two *questions from the rest, under Section II.*

5. (a) Put an appropriate word in blank position: 1×4

(i) Intranet is an in-house version of _____.

(ii) Peoplesoft is an _____ package.

(iii) Laser printer is a _____ printer.

(iv) Half-duplex is a mode of data _____.

(b) Expand the following acronyms: 1×5

(i) B2C; (ii) EPROM; (iii) MODEM; (iv) RISC; (v) GUI

(c) Each statement below is either **'True'** or **'False'**. Indicate the same in your answers: 1×5

(i) Random files are stored on magnetic tapes.

(ii) MICR is a device to read characters.

(iii) Operating system is an application software.

(iv) BPR is an exercise to follow ERP implementation.

(v) Normalisation is a process of organizing data in a data base.

6. (a) What are the types of File Organization with respect to the mode of access? Mention at least three advantages under each type of file organization. 4
(b) Narrate the concept and characteristics of a data base. 2+6
(c) (i) What are the different models of DBMS? 1+3
(ii) What is the basic concept in the hierarchical Database? Mention main features of hierarchical database structure. 2
1+3

7. (a) In a payroll system, the employee master file is being designed to have records of fixed length consisting of the following fields:

Field Name	Maximum Field Size
Employee Number	6
Employee Name	35
Designation	10
Date of Birth	6
Date of Joining	6
Section Code	3
Qualification	20
Training Codes	10
Scale of Pay	10

The Employee Master has 2000 employee records presently. Once an employee leaves, his record is deleted. However, it is estimated that there may be fresh recruitment upto 15% of present strength in future. The file management software also requires an overhead of 20% for minimizing probabilities of collision and overflow conditions. Compute the total file space requirement after allowing for 10% contingency factor on total. 6

(b) What are the stages of the System Development Life Cycle? 4

(c) What are the points to be considered while designing a new source document? 4

(d) Match the items in Column I with those in Column II: 0·5×8

Column I	Column II
(A) ALU	(i) Knowledge base
(B) Parallel run	(ii) Winchester
(C) Expert System	(iii) Programming language
(D) PASCAL	(iv) Change-over
(E) Fixed Disk	(v) CPU
(F) VA	(vi) Processed data
(G) Transaction log	(vii) Cost Control
(H) Information	(viii) Audit trail

8. Write short notes on *any six* of the following: 3×6
(a) Reasons for Outsourcing Information System Function;
(b) Steps involved in Data Warehousing;
(c) HTTP and HTML;
(d) Role of Security Administrator;
(e) System adopted by SET;
(f) OLAP;
(g) AI;
(h) Going Live.

INTERMEDIATE EXAMINATION

June 2011

I–P10(AIT)
Syllabus 2008

Applied Indirect Taxation

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Answer Question No. 1 *which is compulsory and* any five *from the rest.*

Wherever required the candidate may make suitable assumptions and state them clearly in the answers.

All questions relate to the assessment year 2011-12 unless stated otherwise in the question.

1. (a) Fill in the blanks: 1×7=7

(i) Central excise is a duty on excisable goods manufactured or produced in India, other than ————.

(ii) Indian customs waters extend upto ———— nautical miles beyond territorial waters.

(iii) Offences under CST are ———— but are bailable.

(iv) Registration of service tax is granted by ———— of central excise.

(v) Bill of entry can be submitted ———— days prior to expected date of arrival of vessel.

(vi) Article having eight digit code where customs duty rate is specified in the customs tariff is termed as ————.

(vii) For stock transfer of goods out of the state, input tax paid in excess of ———— will be eligible for tax credit.

(b) State with reasons, whether the following statements are *true* or *false*. (Answer without reasoning will not receive any credit). 2×5=10

(i) Materials used for maintaining factory building are eligible for cenvat credit.

(ii) Second hand goods imported are not chargeable to customs duty.

(iii) Subsidy given by government to manufacturers to compensate cost of production will form part of sale price.

(iv) A service provider can opt for centralised registration under service tax even if he does not have any centralised billing system.

(v) Under VAT system there will be compulsory assessment at the end of each year.

(c) (i) What is the significance of taxable event in central excise? 2

(ii) State briefly the basic requirments of principle of natural justice in the context of adjudication in indirect taxes. 2

(iii) Define 'appropriate state' under the CST Act. 2

(iv) Which committee recommended the introduction of Service Tax? 1

(v) What are the three variants of VAT? 1

2. Write brief notes on following: 5×3=15

(a) Subtraction method of VAT;

(b) 'Provisional Assessment' under Rule 7 of the Central Excise Rules, 2002;

(c) Refund of special CVD paid on goods imported by a trader.

Please Turn Over

3. (a) A trader supplies raw material of Rs. 1,150 to processor. Processor processes the raw material and supplies finished product to the trader. The processor charges Rs. 450, which include Rs. 350 as processing expenses and Rs. 100 as his (processor's) profit. Transport cost for sending the raw material to the factory of processor is Rs. 50. Transport charges for returning the finished product to the trader from the premises of the processor is Rs. 60. The finished product is sold by the trader at Rs. 2,100 from his premises. He charges VAT separately in his invoice at applicable rates. The rate of duty is 16% plus education cess as applicable. What is the AV, and what is total duty payable? 4

(b) Explain use of C, F and H form under CST Act. 4

(c) Explain provisions in Cenvat Credit Rules in respect of 'input service distributor'. 7

4. (a) Discuss provisions for valuation of exports, if value cannot be determined on basis of transaction value. 6

(b) An assessee cleared various manufactured final products during June, 2010. The duty payable for June, 2010 on his final products was as follows: Basic Rs. 1,00,000, education cess as applicable. During the month, he received various inputs on which total duty paid by suppliers of inputs was as follows: Basic duty Rs. 25,000, Education cess Rs. 500, SAH education cess Rs. 250. Excise duty paid on capital goods received during the month was as follows: Basic duty Rs. 6000, Education cess Rs. 120, SAH education cess Rs. 60. Service tax paid on input services was as follows: Service tax Rs. 5000, Education cess Rs. 100, SAH education cess Rs. 50. How much duty the assessee will be required to pay by GAR 7 challan for the month of June, 2010, if assessee had no opening balance in his PLA account? What is last date for payment? 5

(c) Explain the term "joint venture in India" under the explanation to section 28E(C) of the Customs Act 1962 for the purpose of advance ruling. 2

(d) Transfer of property in goods without consideration is chargeable to CST. Do you agree? Discuss. 2

5. (a) W dispatches goods from Karnataka to Orison and raises invoice on X in Madhya Prodesh, W charges 4% CST and pays the same in Karnataka. During movement of goods, X sells goods to Y in West Bengal and Y ultimately sells goods to Z in Orison. Z takes delivery of goods and the movement of goods comes to end. Sale from X to Y and Y to Z is by transfer of documents. Explain the form to be issued so that the subsequent sales are exempt from central sales tax. 5

(b) State importance of tax invoices for VAT and requirements of the invoice. 5

(c) Explain provisions in respect of exemption from service tax available to a small service provider. 5

6. (a) Mr. X, a manufacturer sells goods to Mr. B, a distributor for Rs. 2000 (Excluding of VAT). Mr. B sells goods to Mr. K, a wholesale dealer for Rs. 2400. The wholesale dealer sells the goods to a retailer for Rs. 3000, who ultimately sells to the consumers for Rs. 4000. Compute the tax liability, input credit availed and tax payable by the manufacturer, distributor, wholesale dealer and retailer under invoice method assuming VAT rate @ 12.5%. 4

(b) What is the difference between short levy and short payment? 2

(c) FOB value of 1000 Kgs goods exported is Rs. 1,00,000. Rate of duty drawback on such export is Rs. 30 per Kg. Market price of goods is Rs. 25,000 (in wholesale market).

Ascertain whether the exporter is entitled to duty drawback in the above case, and if yes, what the quantum of such duty drawback is. 2

(d) If any excisable goods are exempted from duty of excise absolutely, the manufacturer of such goods will be bound to avail the exemption. Comment. 2

(e) Warehouse goods can be transfered from one warehouse to another under the Customs Act, 1962. Do you agree? Discuss. 2

(f) An assessee purchased inputs weighing 200 Kg. The duty paid on inputs was Rs. 2000. During transit from supplier to the factory of manufacture, 10 Kg of the inputs were destroyed. The destroyed quantity of inputs does not qualify to be 'inputs' within the meaning of the Cenvat Credit Rules, 2004. Discuss. 2

(g) Special audit under sections 14A and 14AA of the Central Excise Act, 1944 can be done by a cost accountant only. Comment. 1

7. (a) Discuss briefly the power of the appellate tribunal to order "rectification of mistake" under Customs Act. 5

(b) Define residential complex for purpose of service tax. 5

(c) Explain situations where the provisions of unjust enrichment under section 11B(2) of the Central Excise Act, 1944 will not apply and the applicant will be entitled to refund. 5

8. (a) Electronic control corporation is a dealer in an electronic product, chargeable to CST at 2%. For the year ended 31-03-2010, the dealer has shown total turnover (including CST) at Rs. 19,38,000. In the above, the dealer has treated the following amounts thus:

(i) Dharmada collected from buyers, shown separately in invoice	Rs.	15,000
(ii) Weighment charges incidental to sale	Rs.	6,000
(iii) Central excise duty collected (including cess)	Rs.	1,03,000

The dealer has recorded the following amount in separate folios in the ledger:

(i) Packing charges (these have been collected from buyer through debit notes)	Rs.	20,000
(ii) Cash discount allowed to buyer	Rs.	9,000
(iii) Indemnity/guarantee charges collected from buyer to cover loss during transit	Rs.	6,000
(iv) Marine insurance premium for transporting goods to the premises of buyer collected from buyers	Rs.	18,500

Determine the total and taxable turnover under CST Act, 1956 for the financial year 2009-10. You are required to show the treatment of each and every item distinctly. 5

(b) Calculate the value of taxable service of Robin Transport Company engaged in the business of transport of goods by road. Give reasons for taxability or exemption of each item. No freight is received from any of the specified category of consignor/consignee. Suitable assumption may be made wherever required. Robin does not avail cenvat credit.

	Rs.
(i) Total freight charges received by Robin during the year	6,75,000
(ii) Freight charges received for transporting fruits	62,500
(iii) Freight collected for transporting small consignment for persons who paid less than Rs. 750 for each consignment	37,500
(iv) Freight collected for transporting goods in small vehicles for person who paid less than Rs. 1500 per trip	75,000

5

(c) Assessable value of certain goods imported from USA is Rs. 5,00,000. The packet contains 5000 pieces with maximum retail price of Rs. 200 each. The goods are assessable under section 4A of the Central Excise Act, 1944 after allowing an abatement of 40%. The excise duty rate is 10% ad valorem. Calculate the amount of additional duty of customs under section 3(1) of the Customs Tariff Act, 1975 assuming basic customs duty @ 10% ad valorem. 5