

REVISION TEST PAPER, NOVEMBER 2012 – OBJECTIVE & APPROACH

(Students are advised to go through the following paragraphs carefully to derive maximum benefit out of this RTP)

I Objective of Revision Test Paper

Revision Test Papers are one among the many educational inputs provided by the Board of Studies (BOS) to its students. Popularly referred to as RTP by the students, it is one of the very old publications of the BOS whose significance and relevance from the examination perspective has stood the test of time.

RTPs provide glimpses of not only the desirable ways in which examination questions are to be answered but also of the professional quality and standard of the answers expected of students in the examination. Further, aspirants can assess their level of preparation for the examination by answering various questions given in the RTP and can also update themselves with the latest developments in the various subjects relevant from the examination point of view.

The primary objectives of the RTP are:

- To help students get an insight of their preparedness for the forthcoming examination;
- To provide an opportunity for a student to find all the latest developments relevant for the forthcoming examination at one place;
- To supplement earlier studies;
- To enhance the confidence level of the students adequately; and
- To leverage the preparation of the students by giving guidance on how to approach the examinations.

RTPs contain the following:

- (i) Planning and preparing for examination
- (ii) Subject-wise guidance – An overview
- (iii) Updates applicable for a particular exam in the relevant subjects
- (iv) Topic-wise questions and detailed answers thereof in respect of each paper
- (v) Relevant publications/announcement applicable for the particular examination

Students must bear in mind that the RTP contains a variety of questions based on different sections of the syllabi and thus a comprehensive study of the entire syllabus is a pre-requisite before answering the questions of the RTP. In other words, in order to derive maximum benefit out of the RTPs, it is advised that before proceeding to solve the questions given in the RTP, students ought to have thoroughly read the Study Materials,

solved the questions given in the Practice Manual and gone through the Suggested Answers of the earlier examinations. It is important to remember that there can be large number of other complex questions which are not covered in the RTP. In fact, questions contained herein are only illustrative in nature.

The topics on which the questions are set herein have been carefully selected and meticulous attention has been paid in framing different types of questions. Detailed answers are provided to enable the students to do a self-assessment and have a focused approach for effective preparation.

Students are welcome to send their suggestions for fine tuning the RTP to the Director, Board of Studies, The Institute of Chartered Accountants of India, A-29, Sector-62, Noida 201 309 (Uttar Pradesh). RTP is also available on the Institute's website www.icaai.org under the BOS knowledge portal in students section for downloading.

II. Planning and preparing for examination

Ideally, when you receive the RTP, you should have completed the entire syllabus of all the subjects at least once. RTP is an effective tool to revise and refresh your concepts and knowledge gained through the first round of study of the whole course. When the RTP reaches your hand, your study plan should have been completed as under:

❖ Study Materials

You must have finished reading the relevant Study Materials of all the subjects. The Study Materials relevant in each paper are announced well in advance by the BOS through Students Journal and Institute's website. Make sure you go through the Study Material as they cover the syllabus comprehensively.

❖ Other Educational Inputs

In case of papers on Taxation, you must have carefully perused the Supplementary Study paper containing the latest amendments made through the relevant Finance Act and notifications and circulars issued from time to time which are applicable for the forthcoming examinations.

❖ Practice Manuals

Practice Manuals are an excellent medium of understanding the practical aspects of the various provisions learnt through the Study Materials. Solving the Practice Manual at least once before proceeding to the RTP will ensure that you have a grasp of the application and computational aspect of the syllabus as well.

❖ Suggested Answers

Giving an honest attempt to solve the previous attempts suggested answers on your own, will give you a flavour of the pattern of question paper and type of questions which are being asked in the examination.

After completing the above process, you should go through the Updates provided in the RTP and then proceed to solve the questions given in the RTP on your own. RTPs are provided to you to check your preparation standards and hence it must be solved on your own in a time-bound manner.

The stratagem and the fine points requiring careful consideration in respect of preparation for the CA examinations are explained in comprehensive details in BOS' publication "How to face CA Examinations? A Matrix of Winning Strategies". The publication may be referred to when you start preparing for a subject.

Examination tips

How well a student fares in the examination depends upon the level and depth of his preparation. However, there are certain important points which can help a student better his performance in the examination. These useful tips are given below:

- Reach the examination hall well in time.
- As soon as you get the question paper, read it carefully and thoroughly. You are given separate 15 minutes for reading the question paper.
- Plan your time so that appropriate time is awarded for each question. Keep sometime for checking the paper as well.
- First impression is the last impression. The question which you can answer in the best manner should be attempted first.
- Always attempt to do all questions. Therefore, it is important that you must finish each question within allocated time.
- Read the question carefully more than once before starting the answer to understand very clearly as to what is required.
- Answer all parts of a question one after the other; do not answer different parts of the same question at different places.
- Write in a neat and legible hand-writing.
- Always be concise and write to the point and do not try to fill pages unnecessarily.
- There must be logical expression of the answer.
- In case a question is not clear, you may state your assumptions and then answer the question.
- Check your answers carefully and underline important points before leaving the examination hall.

III. Subject-wise Guidance – An Overview

Paper - 5: Advanced Management Accounting

The Revision Test paper on Advanced Management Accounting covers 20 questions on the following topics:

Q No	Topic	About the problem
1.	Decision Making- Quality Management	Improvement in Quality of Service & It's impact on Contribution & Revenue
2.	Pricing of Finished Product	Cost Sheet of Product Assembled in Lots & Calculation of Selling Price per Unit
3.	Linear Programming	Formulation & Optimum Solution
4(a).	Pricing Policy	Formulation of Demand Function & Computation of Price & Quantity
4(b).	Activity-Based Costing	Simple Problem on Calculation of Break Even Point.
5(a).	Backflush Costing	Theory Question. Backflush Costing & Problems with Blackflushing
5(b).	Backflush Costing	Journal Entries in Backflush Costing
6.	Pricing Strategy-Quoting for an order	Impact of Learning Curve on Price quotation
7.	Standard Costing	Equivalent Production with Variance Analysis
8.	Budget- Optimum Product-Mix	Preparation of Budget in case of Inflation and Optimum Product-Mix with Labour Hours being Key Factor
9.	Decision on Setup of Local Service Centre	Problem on Decision on Setup of Local Service Centre Vs Outsourcing
10 (a).	Costing of Service Sector	Simple Application of Service Sector
10 (b).	Rate of Return Pricing	Fixation of Sales Price to Obtain the Desired Return on Investment
11.	Unit Costing and Inter Firm Comparison	Theory Question. Advantages & Limitations of Uniform Costing.
12.	Transfer Pricing	Transfer Pricing Decision when Labour Hours are Key Factor
13.	Transportation Problem	Initial feasible solution using Vogel's Approximation method (VAM)

14.	The Assignment Problem	Unbalanced Minimization Assignment Problem
15.	CPM/ PERT	Drawing of Network, Calculation of Expected Cost, Time & Standard Deviation
16.	Simulation	Use of Simulation for the Investment Decision Making
17.	Learning Curve Theory	Simple Application of Learning Curve
18.	Budgetary Control	Theory Question. Difference between Performance Budgeting & Traditional Budgeting
19.	CPM/ PERT	Theory Question. Difference between PERT & CPM .
20.	Behavioral Aspects Of Standard Costing	Theory Question on Behavioral Concepts of Standard Costing.

Paper – 6: Information Systems Control and Audit

The current RTP of ISCA, which is relevant for November, 2012 examination consists of total 25 questions. Questions have been taken from the entire syllabus divided into ten chapters in the study material. The chapter name is also clearly indicated before each question. Question no. 1 to 17 are descriptive/short answer type questions, whereas question no. 18 to 20 are based on the short notes. These questions have been divided into three parts based on the different topics/sub-topics picked from the entire syllabus. Finally, there are five case study based questions, given from question no. 21 to 25 in the RTP. These case studies are based on the practical oriented topics such as SDLC, ERP, Business Continuity Planning (BCP) and Disaster Recovery Planning, Risk Assessment Methodologies and Applications, and Information Security etc. In such type of questions, students should read the given case study carefully and identify the relevant concept/s based on which the questions are to be answered.

Here, we would also like to mention that RTP is only to refresh your knowledge. This should be used as last minute self assessment tool before appearing in the examination. Students may pick-up a question from RTP, and try to write the answer by his/her own understanding. Afterwards, they should go through the answer of that question given in the RTP. By comparing both the answers, they will be able to understand the variations, if any in their answers. In this way, RTP may help them in introspection up to some extent.

Paper 7: Direct Tax Laws

Ideally, for Paper 7: Direct Tax Laws, your preparation for examination should be in five stages as briefed in the table below –

Stages of Preparation	Objective of study	Relevant Publication
Initial Stage	Study the topics of your syllabus thoroughly for conceptual clarity	Study Material (relevant for A.Y.2012-13) – Vol. I & II
Second Stage	Update yourself with the amendments by the Finance Act, 2011 and Significant Notifications and Circulars issued between 1.5.2010 and 30.6.2011	Supplementary Study Paper-2011
Third Stage	Work out the problems and solve the questions after completing study of each chapter in the Study Material to test your level of understanding of concepts explained in the said chapter.	Practice Manual (Volume III of the Study Material)
Fourth Stage	Update yourself with the latest developments on the judicial front	Select Cases in Direct and Indirect Tax Laws – relevant for November 2012 examination
Final Stage	Update yourself with the latest developments on the statutory front and self-assess your preparation.	Revision Test Paper (RTP)

At this juncture, when you receive the RTP, you are expected to be in the Final Stage of preparation for the examination. You are expected to have read and understood all the topics in your syllabus. The Study Material of Paper 7: Direct Tax Laws based on the provisions of law applicable for A.Y.2012-13 is relevant for November, 2012 examination. This Study Material is updated as per the provisions of law as amended by the Finance Act, 2011 and significant notifications and circulars issued by the CBDT up to 30.6.2011. In case you have the earlier edition of the Study Material (based on provisions of A. Y. 2011-12), the same should be read along with the Supplementary Study Paper – 2011.

You are also expected to be aware of the amendments made by the Finance Act, 2011 and significant circulars and notifications, explained in detail in the Supplementary Study Paper-2011.

Further, you are also expected to have worked out the problems in the Practice Manual which are grouped chapter-wise to test your understanding of the concepts explained in the Study Material.

Also, you are expected to be updated with the latest developments on the judicial front, by understanding and appreciating the interpretation of law by various courts with the aid

of the legal decisions reported in the publication "Select Cases in Direct and Indirect Tax Laws" relevant for November, 2012 examination.

It is at this stage, after you have attained conceptual clarity and updated yourself with the amendments made by the Finance Act, 2011 and latest developments on the judicial front, that the role of the RTP assumes significance. This RTP has been prepared with the twin objective of –

- (1) updating you on the latest developments on the statutory front, after the date upto which they are covered in the Study Material (i.e., from 01.07.2011 to 30.04.2012).
- (2) helping you to self-assess the effectiveness of your study and revision by solving the questions given in Part II independently and comparing the same with the answers given.

The RTP for Paper 7: Direct Tax Laws has been divided into two parts:

Part I Statutory Update:

Significant Notifications and Circulars issued between 1.7.2011 and 30.04.2012

Part II Questions and Answers

You are advised to go through the statutory update contained in Part I of this RTP before attempting to solve the questions given in Part II.

Part I - Statutory Update : Significant Notifications & Circulars issued between 1.7.2011 and 30.04.2012

The significant legislative developments by way of circulars & notifications issued by CBDT between 1.7.2011 to 30.04.2012 are given in Part I. A brief summary of the same is tabulated hereunder -

Notification No.	Date	Subject Matter
49/2011	6.9.2011	Notification of allowances and perquisites exempt under section 10(45)
50/2011	9.9.2011	Notification of long-term infrastructure bonds for deduction under section 80CCF
52/2011	23.9.2011	} Specification of bonds for interest exemption under section 10(15)(iv)(h)
6/2012	14.02.2012	
57/2011	24.10.2011	Relaxation of time limit for submission of quarterly statements in case of a deductor being an office of Government
G.S.R. 844(E)	25.11.2011	Increase in limit for subscription to public provident

5/2012	6.2.2012	fund Notification of form and particulars of Annual Statement to be furnished by a non-resident having Liaison Office in India
7/2012	14.2.2012	} Specification of bonds for interest exemption under section 10(15)(iv)(h)
13/2012	06.3.2012	
9/2012	17.2.2012	Specified persons exempted from filing return of income under section 139(1) for A.Y. 2012-13
11/2012	28.2.2012	Specification of body/ authority/ Board/ Trust/ Commission for exemption under section 10(46)
12/2012	28.2.2012	Specification of body/ authority/ Board/ Trust/ Commission for exemption under section 10(46)
15/2012	30.3.2012	Depreciation on wind mill installed after 31.03.2012 restricted to 15%
Circular No.		
4/2011	19.7.2011	Guidelines for prior permission under section 281 to transfer or create charge on the assets of the business
7/2011	27.9.2011	Procedure for refund of TDS under section 195 to the person deducting tax in cases where tax is deducted at a higher rate prescribed in the DTAA

Part II - Questions & Answers : A Self-assessment Test

The questions in Part II have been framed to test your awareness and understanding of the provisions of income-tax law and wealth-tax law, particularly the latest developments, both on the legislative as well as on the judicial front, as well as your ability to analyze and interpret the provisions of law.

Questions on legislative developments

The questions covering the chapters "Income which do not form part of total income", "Profits and gains of business or profession", "Assessment of LLPs", "Assessment of companies", "Assessment Procedure" and "Transfer Pricing" attempt to test your awareness of the recent legislative amendments made by the Finance Act, 2011.

Questions on judicial developments

The questions on "Profits and gains of business or profession", "Capital Gains", "Income from Other Sources", "Deductions from Gross Total Income" "Assessment of Non-residents" and "Deduction, Collection and Recovery of Tax" are based on recent judicial

rulings reported in the publication "Select Cases in Direct and Indirect Tax Laws" relevant for November, 2012 examination.

Computational Problems

Further, the questions on computation of gross total income of a firm, computation of total income and tax liability of a company, computation of double taxation relief and computation of net-wealth and value of house property for wealth-tax purpose would serve to test your understanding of the provisions of tax laws and your ability to apply the provisions correctly in solving a computational problem.

Paper – 8: Indirect Tax Laws

Revision Test Paper for Indirect Tax Laws (IDTL) not only enables the students to assess their preparation for the forthcoming November, 2012 examinations, but also updates them with the latest developments (which are applicable for the examination) of the central indirect tax legislations. Thus, the RTP of IDTL is divided into following two parts:-

Part I Statutory Updates:

Significant amendments made between 01.07.2011 and 30.04.2012

Part II Questions and Answers

Part I - Statutory Updates : Significant amendments made between 1.7 2011 and 30.04.2012

For the students appearing in November 2012 exams, the amendments made by the notifications, circulars and other legislations up to 30.04.2012 are relevant. Study Material for Indirect Tax Laws contain all the relevant amendments made by the Finance Act, 2011. Further, circulars/notifications issued up to 30.06.2011 have also been incorporated therein. Part-I of the Revision Test Paper contains the amendments made between 01.07.2011 and 30.04.2012 as relevant for November 2012 exams. A glimpse of the amendments is provided hereunder:-

A. CENTRAL EXCISE

S. No	Notification / Circular No.	Amendment / Clarification
I. Amendments in the CENVAT Credit Rules, 2004		
1.	Notification No. 18/2012-CE (NT) dated 17.03.2012	Definition of capital goods amended
2.	Notification No. 21/2012 – CE (N.T.) dated 27.03.2012	Definition of exempted goods under rule 2(d) and proviso to rule 3(1)(i) amended
3.	Notification No. 18/2012-CE (NT) dated 17.03.2012 as amended	Definition of input service amended

	by Notification No. 21/2012 – CE (N.T.) dated 27.03.2012	
4.	Notification No. 18/2012-CE (NT) dated 17.03.2012	Amount payable on capital goods removed after being used as capital goods or as scrap or waste [Third proviso to 3(5) and rule 3(5A)]
5.	Notification No. 18/2012-CE (NT) dated 17.03.2012	Credit of capital goods and inputs to be allowed to service provider without bringing them into premises subject to due documentation [Second proviso to rule 4(1) and fourth proviso to rule 4(2)(a) inserted]
6.	Notification No. 18/2012-CE (NT) dated 17.03.2012	Simplified refund scheme under CENVAT credit [Rule 5]
7.	Notification No. 18/2012-CE (NT) dated 17.03.2012	Amendments in rule 6:- (i) Rate for CENVAT credit reversal for exempted goods and services raised from 5% to 6% [Rule 6(3)] (ii) In case of life insurance or management of ULIPs, obligation to pay every month an amount equal to 20% of the credit availed has been dispensed [Rule 6(3C)] (iii) Explanation I after rule 6(3D) amended
8.	Notification No. 18/2012-CE (NT) dated 17.03.2012	Revised manner of distribution of credit by input service distributor [Rule 7]
9.	Notification No. 18/2012-CE (NT) dated 17.03.2012	Credit availment allowed on the tax payment challan in case of payment of service tax by ALL service receivers on reverse charge [Rule 9(1)(e)]
10.	Notification No. 18/2012-CE (NT) dated 17.03.2012	New rule 10A relating to transfer of CENVAT credit of SAD inserted
11.	Notification No. 18/2012-CE (NT) dated 17.03.2012	Procedure and facilities for LTU not applicable to unit availing exemption under Notification No. 01/2010-CE [Rule 12A]
12.	Notification No. 18/2012-CE (NT) dated 17.03.2012	Rule 14 relating to interest on wrong utilization or erroneous refund of CENVAT credit amended
13.	Notification No. 01/2012-CE (N.T.) dated 09.02.2012	Rule 12 amended
II. Amendments in the Central Excise Rules, 2002		
1.	Notification No. 19/2011 CE (NT)	Option to authorize job-worker to pay duty in case of readymade garments and made-up

	dated 28.07.2011	articles of textiles withdrawn [Rule 4(1A)]
2.	Notification No. 3-5/2012-CE (NT) all dated 12.03.2012	Rule 12AA of the CENVAT Credit Rules, 2004 renumbered as 12AAA and rule 12CC of the Central Excise Rules, 2002 renumbered as 12CCC
3.	Notification No. 8/2012-CE (NT) dated 17.03.2012	Option available to job-worker to pay duty and comply with all the procedures withdrawn [Rule 12AA of the Central Excise Rules, 2002]
4.	Notification No.22/2012-CE (N.T.) dated 30.03.2012	Rule 4(7) amended
5.	Notification No.22/2012-CE (N.T.) dated 30.03.2012	Explanation to rule 11 amended
6.	Notification No.22/2012-CE (N.T.) dated 30.03.2012	Documents to be produced on demand under rule 22(3) to Cost Accountant/ Chartered Accountant as nominated under section 14A/14AA also
7.	Notification No. 23/2012-CE (N.T.) dated 18.04.2012	Fourth proviso to rule 12(1) amended
III. Other amendments		
1.	Notification No. 16/2011- CE (NT) dated 18.07.2011 as amended by Notification No. 20/2011 CE (NT) dated 13.09.2011 and Notification No. 31/2011-CE dated 30.12.2011	CBEC notifies new Form ER 1 and ER-3
2.	Notification No. 17/2011- CE (NT) dated 18.07.2011	Application for registering a new factory after opting as large taxpayer to be made to Assistant Commissioner /Deputy Commissioner in place of Chief Commissioner
3.	Notification No. 21 & 22/2011 CE (NT) both dated 14.09.2011	E-Filing of Excise Returns and Statements mandatory for all assesseees
4.	Notification Nos. 24-29 CE (NT) all dated 05.12.2011	Export procedures for Nepal amended
5.	Notification No. 8,13,14,15 & 16/2012-CE (NT) all dated 17.03.2012	Section 11AB substituted with section 11AA in certain rules and notifications
6.	Notification No. 13/2012-CE (NT) dated 17.03.2012	In respect of goods received at concessional rate of duty, instead of monthly return quarterly

		return needs to be filed
IV. Clarifications		
1.	Circular No.962/05/2012-CX dated 28.03.2012	Arrears of duty under section 11A can be paid by utilizing the CENVAT credit which has accrued subsequent to the period to which the arrears pertained
2.	Circular No 964/07/2012-CX dated 02.04.2012	Classification of structural components of Boiler and admissibility of CENVAT credit on these structural components
3.	F.No.390/Misc./163/2010-JC dated 17.08.2011	Monetary limits for filing appeals by the Department before CESTAT/High Courts and Supreme Court revised by CBEC
4.	Circular No. 957/18/2011-CX-3 dated 25.10.2011	Power of Adjudication Revised for Additional Commissioners

B. SERVICE TAX

S. No	Notification / Circular No.	Amendment / Clarification
	Notification No. 02/2012-ST dated 17.03.2012	Rate of service tax restored to 12%
I. Amendments in the Service Tax Rules, 1994		
1.	Notification No. 43/2011 ST dated 25.08.2011	All assesseees to file Service Tax Returns electronically
	Circular No. 956/17/2011 CX dated 28.09.2011	Procedure for electronic filing of Central Excise and Service Tax returns and for electronic payment of excise duty and service tax
Amendments in the Service Tax Rules, 1994 by Notification no. 3/2012-ST dated 17.03.2012		
(a)	Partnership firm defined [Rule 2(cd)]	
(b)	Amendments in rule 4A:- (i) Time limit for issue of invoice/ bill/ challan raised to 30 days [Sub-rule (1)] (ii) Invoice to be issued within 45 days in case of banking and other financial institution including NBFC [Fourth proviso to rule 4A inserted]	
(c)	Amendments in rule 6:- (i) Third proviso to sub-rule (1) inserted (ii) Individuals/partnership firms with aggregate value of taxable services of ` 50 lakh or less in previous year allowed to pay service tax on payment basis in current	

	year upto a total of ` 50 lakh [Fourth proviso to sub-rule (1) inserted] (iii) Restrictions in rule 6(4B) omitted thereby allowing unlimited amount of permissible adjustment of excess service tax paid (iv) Changes in the composition rates:- A. In case of insurer carrying on life insurance business [Sub-rule (7A)] B. In case of sale/purchase of foreign currency including money changing [Sub-rule (7B)] C. In case of Distributor or Selling Agents of Lotteries [Sub-rule (7C)]	
II. Amendments in the Point of Taxation Rules, 2011 [Notification No. 04/2011-ST dated 17.03.2012]		
1.	Date of payment [Rule 2A]:- (A) Date of payment in case of change in effective rate of tax or a new levy between the above two dates (B) If any rule requires determination of the time or date of payment received	
2.	Amendments in rule 3 relating to determination of point of taxation:- (a) Proviso to clause (a) amended (b) Proviso to clause (b) inserted	
3.	Rule 5 relating to payment of tax on new services substituted with the new rule	
4.	Omission of rule 6 relating to determination of point of taxation in case of continuous supply of service	
5.	Rule 7 substituted with a new rule	
6.	Determination of point of taxation in other cases [Rule 8A inserted]	
7.	Service to be treated as “completed” on completion of all the auxiliary activities enabling the service provider to issue the invoice [Circular No. 144/13/2011- ST dated 18.07.2011]	
III. Amendments in the Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007		
1.	Notification No. 10/2012-ST dated 17.03.2012	Optional composition rate in case of works contract service increased to 4.8% [Rule 3(1)]
IV. Exemptions / Withdrawal Of Exemptions		
1.	Notification No. 44/2011 ST dated 09.09.2011	Business Auxiliary Service provided to Stock-Brokers by Authorised Persons exempt from service tax
2.	Notification No. 45/2011 ST dated 12.09.2011	Arbitration exempted from service tax
3.	Notification No. 07, 8 & 9/2012-	Exemption/withdrawal of exemption from service

	ST all dated 17.03.2012	tax on service provided in relation to 'transport of goods by rail'
4.	Notification No. 52/2011 ST dated 30.12.2011	Simpler scheme for refund of service tax paid on specified services used for export of goods
5.	Notification No. 05/2012-ST dated 17.03.2012	First clearances up to ` 10 lakh, for the purposes of small service providers' exemption, to be in terms of invoices and not mere payments received
V. Clarifications		
1.	CBEC Letter No. F.No.137/25/2011-ST dated 03.08.2011	Service tax is not chargeable on delayed payment charges collected by Stock Brokers
2.	Circular No. 148/17/2011-ST dated 13.12.2011	Clarification on levy of service tax on distributors/sub-distributors of films & exhibitors of movie
3.	Circular No. 152/3 /2012-ST dated 22.02.2012	Service tax not leviable on toll in the nature of 'user charge' or 'access fee' paid by roads users
4.	Order no. 2/2011 - ST dated 13.12.2011 - F.No. 137/120/2011 - ST	CBEC prescribes the documents to be submitted along with the application of service tax registration
5.	Circular No. 157/8 /2012-ST dated 27.04.2012	Clarification regarding service tax liability in case of services provided by the Agricultural Produce Marketing Committee (APMC) /Board
6.	Ad Hoc Order No 1/1/2011 ST dated 1.6.2011	Service Tax on CISF - Retrospective Exemption
7.	Circular No. 151 /2 /2012-ST dated 10.02.2012	Clarification regarding the service tax on construction services under various business models

C. CUSTOMS

S. No	Notification / Circular No.	Amendment / Clarification
1	Circular No. 33/2011 Cus. dated 29.07.2011	E-payment of customs duty has been made mandatory for importers paying duty of ` 1 lakh or more.
2	Notification No. 69 /2011- Cus (NT) dated 22.09.2011	Time Period for claiming drawback on goods exported other than by post prescribed under Drawback Rules has been aligned with the period prescribed under section 75A.

3	Circular No. 44/2011 Cus dated 23.09.2011	Section 28 of Customs Act, 1962 has been amended retrospectively to validate Show Cause Notices.
4	Notification No.67/2011 Cus. (NT) dated 22.09.2011]	Advance Ruling facility has been made available to resident public limited companies.
5.	Notification No. 77/2011 Cus. (NT) dated 14.11.2011	Limits for duty free baggage for tourists revised
6.	Notification No. 81/2011 Cus (NT) dated 25.11.2011	Request for provisional assessment of duty can now be made even by an importer/exporter
7.	Notification No.21/2012-Cus (N.T.) dated 17.03.2012 and 37/2012-Cus (N.T.) dated 23.04.2012	Revised allowances for passengers other than tourists
8.	Notification No.13/14-Cus both dated 17.03.2012	EC and SHEC exempted on CVD

Part II - Questions and Answers : Check your progress

Questions in Part-II have been divided as per the weightage of various sections prescribed in the syllabus in the following manner:-

- (i) Central Excise-40% (8 questions)
- (ii) Service tax & VAT-40% (8 questions)
- (iii) Customs 20% (4 questions)

Students should be thorough with Part-I of the RTP apart from Study Material and Practice Manual before attempting the questions of Part-II. A word of advice - keep the Bare Acts and the Relevant Rules of the relevant statutes by your side when you read the Study Material and Practice Manual.

The Study Material of Paper 8: Indirect Tax Laws based on the provisions of law as amended by the Finance Act, 2011 is relevant for November 2012 examination. This study material is updated with the notifications and circulars issued by the CBEC up to 30.6.2011. In case you have the earlier edition of the Study Material (based on the provisions of law as amended by the Finance Act, 2010), the same should be read along with the Supplementary Study Paper – 2011.

The salient features of the questions and answers can be summarized as under:-

- The questions are an appropriate mix of case studies based on recent judicial pronouncements and amendments, practical problems and theoretical questions.
- The questions are based on the legal provisions and judicial pronouncements relevant for November, 2012 examinations.

- Questions based on taxable services have been framed only out of 32 taxable services which are applicable for November, 2012 examinations.
- While drafting the questions, appropriate care has been taken to ensure that there is minimum scope for assumptions and ambiguity.
- As far as possible, answers are detailed and exhaustive. In case of practical problems, detailed working notes have been provided.

Questions based on case laws – Questions have been set on recent judicial rulings in respect of topics like manufacture, settlement commission, renting of immovable property service, storage and warehousing service, penalty under customs laws and refund under excise laws and customs laws.

Computational Problems – Practical questions have been framed on topics like Duty Liability of SSI Unit, valuation of excisable goods, banking and other financial services, computation of VAT and valuation under customs laws.

Questions based on substantive and procedural law – In order to test the students' understanding of substantive and procedural laws with regard to central excise duty, customs duty and service tax and VAT, questions have been framed on topics like central excise rules, warehousing, CENVAT credit rules, refund of service tax, service tax registration, provisional assessment of duty under customs law, audit and incentives under VAT.

Case laws and section reference – Guidance

Citing the case laws and referring to section/notification/circular number in the answer reflects on the quality of the students' preparation for the examination and making himself set to become a perfect professional. The answers that are given in this RTP have reference to sections and case laws wherever applicable. These are given for the knowledge sake and to mainly inculcate the habit of referring sections/case laws in the students. However, in view of three legislations being covered under Indirect Tax Laws, students may find it difficult to remember all the sections and the various case laws on the matter but they must try to remember at least the important section numbers and landmark case laws as such level of knowledge is expected from a Final Student.