

**DEPARTMENTAL EXAMINATION OF EXCISE & TAXATION  
INSPECTORS HIMACHAL PRADESH SESSION, JULY AUGUST, 2006**

**PAPER-4**

**SALES TAX LAW AND PRACTICE**

**Time Allowed: 3 Hours**

**Maximum Marks: 100**

**Note: Attempt any five questions.**

**All questions carry equal marks.**

**Quote relevant provisions of the Act and Rules in support of your answers.**

**( Bare Acts and Rules are allowed)**

- Q.No.1 (a) What are the advantages of VAT? (7)  
(b) what is the difference between "Tax invoice" Retail Invoice"? (5)  
© What is Input Tax? (2)  
(d) What are the goods which are taxable only at the first stage of sales under the HPVAT Act, 2005? (2)  
(e) Whether the Input Tax Credit is available for Inter –State sales and branch transfers under the HPVAT Act, 2005? If so up to what extent. (4)
- Q.No.II (a) Under what circumstances the re- assessment of tax can be made? (5)  
(b) What is the period of limitation for the re- assessment? (4)  
© Can clerical or arithmetical mistakes be rectified? If so, quote the relevant provisions. (5)  
(d) When an un- registered dealer can be assessed? (3)  
(e) How an un- registered casual dealer can be assessed? (3)
- Q.No.III(a) Whether a dealer can be penalized for not paying the arrears of tax? What are the relevant provisions? (5)  
(b) Whether the recovery of arrears can be effected from any other person? Explain the relevant provisions? (5)  
© What are the coercive processes for recovery of arrears? (10)
- Q.No.IV (a) What is Tax payer Identification Number and what is the purpose of TIN? (5)  
(b) Who are liable for registration under the HP VAT Act, 2005? (5)  
© What are the rate of tax under the HP VAT Act, 2005 on the following goods?  
(i) Khair Wood.  
(ii) Imported Liquor.  
(iii) Petrol.  
(iv) LPG for domestic use.  
(v) Nails.

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- (vi) Industrial input/ packaging materials.
  - (vii) Cement.
  - (viii) Items of food and drinks prepared and sold by dealers running eating places.
  - (ix) Timber other than khair wood.
  - (x) Raw Wool.
- (10)

- Q.No.V (a) If an industrial unit was enjoying sales tax exemption prior to Implementation of VAT, What is its status w.e.f. 1.4.2005? (5)
- (b) If a unit desires to continue with its earlier incentive of exemption for the unexpired period, how will it be affected under VAT? (5)

- © what are the tax incentives available to the new industrial unit under the H.P. VAT Act, 2005 and Central Sales Tax Act, 1956. (8)
- (d) What is negative list? (2)

- Q.No.VI (a) Explain the provisions of offences and penalties under the Central Sales Tax Act, 1956? (6)
- (b) Which are the offences under which the penalty can be imposed in lieu of prosecution by the Assessing Authority under the CST Act, 1956? (6)
- © Calculate the rate of tax under the Central Sales Tax Act, 1956 on the following goods, without production of declaration in form 'C' by the dealer:-
- (i) Cement.
  - (ii) Wooden Furniture.
  - (iii) Cotton.
  - (iv) Maize.
  - (v) Oil Seeds.
- (5)

- (d) Whether the rate of tax on declared- goods as specified under Section 14 of the Central Sales Tax Act, 1956 can be enhanced from 4% to 12.5% under the HPVAT Act, 2005 by the State Govt.? If so, quote relevant provisions. (3)

- Q.No.VII (a) What incentives are available to khadi and village industrial units under the HPVAT Act, 2005 and the rules framed there- under? (5)
- (b) Quote the names of at least five commodities on which input tax credit is not available to the registered dealer under the VAT Act, 2005? (3)
- © What are the lump- sum scheme under the VAT. Also explain who are eligible for such schemes?
- (d) Which dealers are required to file the monthly returns under the VAT Rules? (2)

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Q.No.VIII (a) What is the procedure laid down for:-

- (i) Scrutiny of returns; and
- (ii) The assessment of tax

Under the VAT regime?

(10)

(b) Define the following:-

- (i) Tax Invoice.
- (ii) Debit Note.
- (iii) Output tax.
- (iv) Value Added Tax.
- (v) Casual Dealer.
- (vi) Reverse Input tax.
- (vii) Declared Goods.
- (viii) Charge Code.
- (ix) Form 'C' and 'F'
- (x) Form 'H'.

(10)

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