Chapter 1

INTRODUCTION & LEVY OF CUSTOM DUTY

Index

Description	Pg.No.	Illust.
Sec 12:- Charging Section under Customs	2	1
Important Definitions like Goods, Imported Goods, Export Goods, Importer, etc.:-	2	7
		8

S.No.	Description	Chap.No.	Que. No.	No. Illus.
1	ICAI Material	1	Q. 0101	1
2	Examination	1	-	-
3	Rtp & MTP	1	Q. 02.08	1
4	Other	1	Q. 02.02 to 02.07	6
	Total No. of Illusttrations			8

01. Sec 12:- Charging Section under Customs

MCQ 01.01.01.00

The taxable event under the Customs Act, 1962 is: **[ICAI Material]**

a. import of goods into India/ export of goods from India.

b. supply of goods into India/ supply of goods from India to outside India.

c. sale of goods into India/ sale of goods outside India.

d. manufacture of goods in India for supply outside India.

[Hint:- Refer Section 12:- Charging Section under Customs]

02. Important Definitions like Goods, Imported Goods, Export Goods, Importer, etc.:-

MCQ 01.02.02.00

When a foreign ship coming into India for unloading of cargo then duty is payable on:

a. Only on cargo unloaded in India

b. Cargo including ship (as goods includes ship)

c. On value of Ship

d. None of above

[Hint:- It is Foreign Going vessel]

MCQ 01.02.03.00

Jet Airways of India has purchase aircraft from a foreign shipping company for transportation of goods or passenger within India. State whether such aircraft are liable to duty under Customs Act, 1962.

a. Not liable to duty as aircraft merely imported for carriage of goods or passenger within India

b. Liable to duty as aircraft is covered in the definition of goods

c. Duty is payable only if Aircraft use for carriage of goods or passenger outside India

d. None of the above

[Hint:- Refer Sec 2(22)- Goods]

MCQ 01.02.04.00

The goods are said to be imported into India or exported from India only when it crosses:

a. Territorial water b. High seas

c. Contiguous Zone

d. Indian Exclusive Economic Zone

[Hint:- Refer Sec 2(23), 2(18) & 2(27)]

MCQ 01.02.05.00

In case of import of goods, taxable event occurs when:

a. Goods crosses the territorial water

b. Goods crosses the customs barrier

c. Goods goods have been dispatched by the supplier

d. Goods become the part of land mass of India

[Hint:- Refer Caselaw- Garden Silk Mills Ltd. v/s UOI]

MCQ 01.02.06.00

Mr. Alex of Mumbai has imported goods from USA. When the goods were on high sea, he sold thosegoods to Mr. Peter of Mumbai. Mr. Peter clears the goods from Customs Barrier by filing Into Bond bill of entry. Identify the importer in the given case.

a. Mr. Alex b. Mr. Peter

c. Both, Mr. Alex & Mr. Peter

d. None of above as high sea sale is not treated as import

[Hint:- Refer Sec 2(26)- Importer]

MCQ 01.02.07.00

M/s Saturn Ltd. has imported sewing machines from Japan. Mr. Arjun, a clearing & forwarding agent, Who clears the goods on behalf of M/s Saturn Ltd. from custom port by filing the bill of entry for home consumption by using the Import Export Code of M/s Saturn Ltd. Identify the importer.

a. M/s Saturn Ltd. b. Mr. Arjun

c. Either a or b above d. both a & b above

[Hint:- Refer Sec 2(26)- Importer & here, agent is not holding himself out to be the importer]

MCQ 01.02.08.00

Which of the following options is/are correct?

(i) Indian customs waters extend up to 12 nautical miles.

(ii) Indian customs waters extend up to 24 nautical miles.

(iii) Indian customs waters extend up to exclusive economic zone of India.

(iv) Indian customs waters include territorial waters and extend up to 200 nautical miles. [CA Final MTP Oct 21][ICAI Material]

a. Only (ii)

b. (iii) and (iv)

c. (ii) and (iv)

d. Only (iv)

[Hint:- Refer Sec 2(28)- Indian Customs Waters]

Answer:-

01.01.01	a
01.02.02	a
01.02.03	b
01.02.04	a
01.02.05	b
01.02.06	b
01.02.07	a
01.02.08	b