PAPER : 4

Taxation

Part – II : Indirect Taxes

[Relevant for May, 2017 and November, 2017 Examinations]

As amended by the Finance Act, 2016

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This Practice Manual has been prepared by the faculty of the Board of Studies. The objective of the Practice Manual is to provide teaching material to the students to enable them to obtain knowledge and skills in the subject. In case students need any clarifications or have any suggestions to make for further improvement of the material contained herein, they may write to the Director of Studies.

All care has been taken to provide interpretations and discussions in a manner useful for the students. However, the Practice Manual has not been specifically discussed by the Council of the Institute or any of its Committees and the views expressed herein may not be taken to necessarily represent the views of the Council or any of its Committees.

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Syllabus

Paper – 4: Taxation

(One paper — Three hours – 100 Marks)

Level of Knowledge: Working knowledge

Part II – Indirect Taxes (50 Marks)

Objective: To develop an understanding of the basic concepts of the different types of indirect taxes and to acquire the ability to analyse the significant provisions of service tax.

1. Introduction to excise duty, customs duty, central sales tax and VAT — Constitutional aspects, Basic concepts relating to levy, taxable event and related provisions

2. Significant provisions of service tax
   (i) Constitutional Aspects
   (ii) Basic Concepts and General Principles
   (iii) Charge of service tax including negative list of services
   (iv) Point of taxation of services
   (v) Exemptions and Abatements
   (vi) Valuation of taxable services
   (vii) Invoicing for taxable services
   (viii) Payment of service tax
   (ix) Registration
   (x) Furnishing of returns
   (xi) CENVAT Credit [Rule 1 -9 of CENVAT Credit Rules, 2004]

Note – If new legislations are enacted in place of the existing legislations the syllabus will accordingly include the corresponding provisions of such new legislations in place of the existing legislations with effect from the date to be notified by the Institute. Students shall not be examined with reference to any particular State VAT Law.

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A WORD ABOUT PRACTICE MANUAL

The distinctive characteristic of the Chartered Accountancy Course i.e., distance learning, emphasizes the need for bridging the gap between the students and the Institute. For this purpose, Board of Studies, the academic wing of the Institute, provides a variety of educational inputs to the students. Subject-wise Practice Manual is one among the many of such inputs provided by the Board of Studies. Practice Manual of a subject is basically a comprehensive question bank comprising of a variety of questions along with model answers on all Chapters covered in the Study Material. They are highly useful to the students preparing for the examinations, since the students get answers to all significant questions relating to a subject at one place and that too, grouped chapter-wise.


Practice Manual of Part II: Indirect Taxes is divided into seven chapters in line with the Study Material on Indirect Taxes to enable the students to co-relate the Practice Manual with the Study Material and facilitate in revision of each chapter. “Key Points” have been included at the beginning of Chapter 1, Chapter 3 and Chapter 4 in order to facilitate the students in answering the questions and solving the problems in respect of topics contained therein. Such “Key Points” would also facilitate quick revision of these chapters. The questions included in this Practice Manual have been adapted and answered on the basis of the indirect tax laws as amended by the Finance Act, 2016 and Notifications/Circulars issued till 1st June, 2016.

This Practice Manual will serve as a useful and handy reference guide to the students preparing for Intermediate (IPC) Examination and would facilitate in understanding the application of the provisions contained in the Chapters of the Study Material. Further, it will also enable the students to answer the questions in the best possible manner and would thus, guide them in improving their performance in the examinations. Students should strive to attempt these questions on their own and compare their answers with the model answers given in the Practice Manual to identify their gray areas and plan a strategy to tackle theoretical as well as practical problems. For further clarifications/guidance, students may send their queries at swati.bos@icai.in

Happy Reading and Best Wishes!

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