



Subject Code: IMT-118

Subject Name : SERVICE TAX - II

Notes:

- Write answers in your own words as far as possible and refrain from copying from the text books/handouts.
- Answers of Ist Set (Part-A), IInd Set (Part-B), IIIrd Set (Part – C) and Set-IV (Case Study) must be sent together.
- Mail the answer sheets alongwith the copy of assignments for evaluation & return.
- Only hand written assignments shall be accepted.

- First Set of Assignments: 5 Questions, each question carries 1.5 marks.
- Second Set of Assignments: 5 Questions, each question carries 1.5 marks.
- Third Set of Assignments: 5 Questions, each question carries 1.5 marks. Confine your answers to 150 to 200 Words.
- Forth Set of Assignments: Two Case Studies : 7.5 Marks. Each case study carries 3.75 marks.

ASSIGNMENTS

FIRST SET OF ASSIGNMENTS
Marks

Assignment-I = 5

PART- A

- Explain the Meaning of works contract.
- What are the provisions under service tax law for taxation of Work Contract service?
- Assessment under service tax is principally 'Self-Assessment'. Do you agree? Discuss.
- Briefly mention the provisions for issuing notice in respect of service tax not paid/short paid.
- What is the time limit for issue of show case notice for demand.

SECOND SET OF ASSIGNMENTS

Assignment-II = 5 Marks

PART- B

- What are the Powers of 'rectification' available to excise officer in service tax matters.
- What are the modes of recovery of service tax.
- Mr. X, a custom house agent, charges Rs. 1, 00,000 from a client This sum includes Rs. 10,000 towards payment of customs duty on behalf of the client Compute the service tax to be charged from the client.
- Assessment under service tax is principally 'self assessment'. Do you agree? Discuss.
- Enumerate the specified services, other than accounting and auditing, provided by a practicing Chartered Accountant, liable to service tax.

PART- C

1. A mandap keeper is providing catering services of full meals along with mandap services. His total Bill for services came to Rs.1,00,000, including catering charges. Calculate the service tax payable.
2. What type of insurance schemes are exempted under general insurance service?
3. What is the minimum and maximum penalty imposable for failure to collect or pay service tax under the Finance Act,1994?
4. Discuss the provisions of the Finance Act, 1994 relating to service tax with respect to Internet Telephony Service.
5. Answer as to whether the aggregate of commission or brokerage charged by a broker on the sale or purchase of securities is to be included for purpose of determining the value of taxable services.

CASE STUDY - I

In case of Goods Transport service tax is paid by the recipient of service and in some cases by service provider. In the following situations please determine the person liable to pay the service tax –

1. A limited sells goods to B& co, a partnership firm. The freight is paid by B& co. The service tax has to be paid by B &co.
2. A& co, a proprietary concern sells goods to B limited. The goods are sold on door delivery basis and therefore the freight is paid by A& co. The service tax has to be paid by A& co.
3. A limited sells goods to B, an individual. The freight is paid by B. The service tax has to be paid by B.
4. A, an individual sells goods to B, an individual. The freight is paid by A.
5. A limited has sold goods to B limited who in turn sells the goods to C limited. The delivery is arranged directly by A limited to C limited. However, the transport cost is paid by B limited. However, the transport cost is paid by B limited. The service tax to be paid by B Limited.

CASE STUDY-II

Rosy Tours Co. has arranged three package tours during F.Y 2010-11. The particulars of the services and charges are as under:

- (i). Tour 1: april, 2010 – Charges received Rs.3.5 lakhs
The package includes transportation, accommodation, food, tourist guide and entry fees for monuments.
- (ii). Tour 2: October 2010 charges received Rs.6.5 lakhs
The package includes transportation and accommodation for stay
- (iii). Tour 3: December 2010 – Charges received Rs.4 lakhs
The charges are solely for arranging accommodation for stay. However, the bills issued to the clients do not mention it clearly that the charges are solely for arranging the accommodation for stay.

All charges are excluding service tax. The rate of service tax is 10% + Education Cess. Compute the taxable service and tax thereon.