



## CII Institute of Logistics

Post Graduate Diploma in Supply Chain Management  
Semester-end Examination June 2008

### BUSINESS LAWS & TAXES

Time : Three Hours

Marks : 100

#### Part A

Answer all questions (10 x 1 = 10 Marks)

1. Which of the following is not a head of income under the Income Tax Act :
  - a. Income from salary
  - b. Income from Business or Profession
  - c. Income from House Property
  - d. Diplomatic pension
  
2. The Central Excise Duty is a levy on manufactured goods.
  - a. True
  - b. False
  
3. India does not levy export duty on any commodity.
  - a. True
  - b. False
  
4. A cheque is one kind of bill of exchange.
  - a. True
  - b. False
  
5. Cross offers do not give rise to a contract.
  - a. True
  - b. False
  
6. A company can have a domicile
  - a. True
  - b. False
  
7. Sweat Equity Shares are an exception to the rule that there cannot be an issue of shares at a discount to the face value.

- a. True
- b. False

8. The current rate of Central Sales Tax is :
  - a. 4%
  - b. 3%
  - c. 2%
  - d. 1%

9. Value Added Tax can be levied on import of goods.
  - a. True
  - b. False

10. The liability to pay fringe benefit tax is there even if there is no liability to pay income tax by an employer.
  - a. True
  - b. False

#### Part B

Answer any three (3 x 15 = 45)

1. Explain the salient features of Foreign Trade Policy and describe some of the export promotion schemes.
  
2. What is Central Excise Duty? Describe the essential aspects of Central Excise Law.
  
3. Explain the concept of capital for the purposes of Companies Act and enumerate the different ways of alteration of capital.
  
4. Write a note on the salient features of Environment Protection Act and discuss how the Act has contributed to Environmental Regeneration in India.
  
5. Describe the purpose of Customs Act 1962 and write short notes on Duty Drawback and Customs Warehousing.

**Part C**

1. Your friend approaches you seeking your help to work out his income tax liability. He furnishes the following annual details. Please help him. (25 Marks)

i.	Basic Pay	Rs.1,00,000/-
ii.	Dearness Allowance	Rs. 50,000/-
iii.	H.R.A.	Rs. 30,000/-
iv.	Other allowances	Rs. 20,000/-
v.	Public Provident Fund Contribution	Rs. 40,000/-
vi.	Insurance Premium	Rs. 30,000/-
vii.	Winnings from Lottery	Rs. 10,000/-

2. Explain the concept of Special Economic Zones and describe their functioning in India. Discuss the scope of utility of such Zones. (20 Marks)

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