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SCANNER'S APPENDIX

CS Final Gr. III

December 2005

Paper - 7

World Trade Organisation – International Trade Joint Ventures and Foreign Collaborations

Chapter - 2 : World Trade Organisation

2005 - Dec [1] {C} (a) "TRIMs inconsistent with GATT." Comment.

(4 marks)

(b) "Geographic proximity is not an important reason for economic integration," Comment.

(4 marks)

(c) "Non-tariff barriers have become hindrances than tariff barriers." Discuss.

(4 marks)

(d) What are 'trade policy reviews'? How are they achieved under WTO?

(4 marks)

(e) What do you mean by 'special and differential treatment' (S&DT)? Briefly explain its significance in WTO.

(4 marks)

2005 - Dec [4] Write notes on the following:

(iii) Rules of origin.

(4 marks)

Chapter - 3 : Anti-Dumping Duties

2005 - Dec [2] (a) An exporter in Country-E exports an item at a price of US \$1,500 per metric ton, CIF to an importer in Country-I. The payment term is 180 days. The same exporter sells the same item at US \$1,500 per metric ton, free delivery to his buyer in the domestic market. The payment term is 120 days. Identify four factors that affect the comparison of the two prices in determining whether there is dumping.

(6 marks)

(b) The normal value of a product at the *ex-works* level is Rs.5,000 and its export price at *ex-works* level is also Rs. 5,000. The cost of production 'including selling, general and administrative costs is Rs. 5,500. Does it amount to dumping? Why?

(3 marks)

(c) What do you understand by the terms '*de minimis* dumping margin' and '*de minimis* volume'?

(4 marks)

(d) Can a company in an advanced stage of setting-up its production facilities seek dumping action? Discuss only in the context of injury. (3 marks)

Chapter - 4 : Subsidies and Countervailing Duties

2005 - Dec [8] (a) State, giving brief reasons, whether the following constitute 'subsidy' under the agreement on subsidies and countervailing measures (ASCM):

- (i) The Government of India reduces the corporate tax to 25%. Would it make any difference in your answer if the reduction in corporate tax was applicable only to export profits? (3 marks)
- (ii) Government Service Investment Corporation (GSIC), a quasi-public corporation owned by the Singapore government, buys 100 million Singapore dollars worth of stock in Singapore Airlines @ 5 Singapore dollars per share. On the Singapore Stock Exchange, Singapore Airlines stock trades at 4.85 Singapore dollars per share. (3 marks)
- (iii) The Government of India levies an excise duty of 16% on certain articles. However, it exempts companies that export the said articles from the excise duty. (3 marks)
- (iv) The Thai Government provides a tax credit to companies that produce construction materials. In practice, the subsidy is used only by Thai ceramic tile producers that export their products. The Thai Government has denied applications for the tax credit from other types of companies. (3 marks)

(b) What are 'non-actionable subsidies'? Are they still in force? (4 marks)

Chapter - 5 : Competition Law and International Trade

2005 - Dec [6] (a) (i) What are the objectives of the Competition Act, 2002?

- (ii) How is 'dominance' defined by the committee on competition policy and competition law? (4 marks each)

2005 - Dec [7] (d) What is meant by 'predatory pricing'? How does the new Indian competition law propose to deal with the issue of predatory pricing? (4 marks)

Chapter - 6 : Intellectual Property

2005 - Dec [4] Write notes on the following:

- (iv) Industrial designs. (4 marks)

2005 - Dec [5] (a) "Biopiracy and patenting of indigenous knowledge is a double theft because firstly it allows theft of creativity and innovation, and secondly, the exclusive rights established by patents on stolen knowledge steals economic options of everyday survival." Comment on the statement and give illustrations. (4 marks)

(b) How have 'trade secrets' been defined in TRIPs and how it is different from the concept of 'undisclosed information' as per the Paris Convention? (4 marks)

(c) Discuss the issue of patentability in the light of article 27 of TRIPs. (4 marks)

(d) Explain the role and relationship of WTO with WIPO. (4 marks)

Chapter - 7 : Foreign Collaborations and Joint Ventures

2005 - Dec [3] (a) What are the implications of Press Note 1 on the foreign investments in India? (8 marks)

(b) State the advantages and disadvantages that arise on account of joint ventures. (4 marks)

(c) Explain the procedure to be followed for foreign technology collaboration. (4 marks)

2005 - Dec [4] Write notes on the following:

(i) New status holder categorisation. (4 marks)

(ii) Served from India scheme. (4 marks)

Chapter - 8 : Settlement of Disputes under WTO

2005 - Dec [7] (a) What is the importance of the dispute settlement procedure in WTO? (4 marks)

(b) Country-X won a dispute against Country-Y in WTO's Dispute Settlement Body (DSB). However, Country-Y refuses to comply with the decision of WTO's DSB. What recourse is available to Country-X? (4 marks)

(c) Country-A loses a case to Country-B in the Dispute Settlement Body (DSB) of the WTO on the issue of agreement on subsidies and countervailing measures (ASCM). The DSB of the WTO asks Country-A to comply with its ruling within a 'reasonable time period'. What is meant by the term 'reasonable time period' and how is this time period computed? (4 marks)

Chapter - 9 : International Commercial Arbitration

2005 - Dec [6] (b) "The defendant Abhijit failed to appoint an arbitrator and the plaintiff Baljit sought the appointment of an arbitrator by the court on behalf of the defendant pursuant to article 11(4)(a) of UNCITRAL model law of arbitration. One day before the hearing, Abhijit indicated his willingness to consent to the appointment of an arbitrator by the court provided that each party would bear its share of the costs of the proceedings. Baljit, who had some difficulty in getting the matter before the court because of problems concerning service of documents, rejected Abhijit's offer and asked the court to appoint an arbitrator and order Abhijit to pay for the costs of the proceedings." Decide the dispute as per the UNCITRAL model law of International Commercial Arbitration. (8 marks)

Paper - 8
Direct and Indirect Taxation – Law and Practice
PART – A

Chapter - 2 : Corporate Income Tax in India

2005 - Dec [3] Write notes on the following:

- (i) Minimum Alternate Tax (MAT) under Section 115JB of the Income-tax Act, 1961. (5 marks)

Chapter - 4 : Setting up New Business and Tax Planning

2005 - Dec [1] (a) Undertaking-A is set-up by Amol Ltd. in Domestic Tariff Area (DTA) and started manufacture or production of computer software in the financial year 1999-2000. It got approval as 100% EOU on 7th June, 2004. Discuss whether it will be eligible for deduction under Section 10B of the Income-tax Act, 1961. If yes, how and for what period the deduction will be allowed? (5 marks)

(d) What is 'tonnage tax'? Explain briefly. (5 marks)

2005 - Dec [2] (a) Prudent Ltd. is an Indian company. It owns an industrial undertaking engaged in the manufacture of articles and started production during 2000-01. On 31st March, 2004, it has 80 workmen out of which 20 are casual workmen. On 15th May, 2004, the company appoints, 30 regular workmen and paid Rs. 4,000 per month to each such workman. Find out the amount of deduction under Section 80JJAA of the Income-tax Act, 1961 for the assessment year 2005-06. (10 marks)

Chapter - 5 : Corporate Restructuring and Tax Planning

2005 - Dec [2] (b) Define 'demerged company' and 'resulting company' under the Income-tax Act, 1961. What are the tax concessions available to a demerged company and its shareholders under the Act? (10 marks)

Chapter - 7 : Taxation of Non-residents

2005 - Dec [1] (b) Can advance ruling be sought on a question relating to tax liability of a resident under the Income-tax Act, 1961? Discuss. (5 marks)

Chapter - 12 : Tax Management

2005 - Dec [1] (c) Is it right to say that once penalties under Section 271(1)(c) of the Income-tax Act, 1961 are cancelled on the ground that there is no concealment, quashing of prosecution under Section 276C is automatic? (5 marks)

2005 - Dec [3] Write notes on the following:

- (ii) Tax deducted at source on fees paid for professional or technical services. (5 marks)

2005 - Dec [3] Write notes on the following:

- (iv) Tax management in respect of advance payment of income-tax in the case of a company. (5 marks)

Chapter - 13 : Wealth Tax Act, 1957

2005 - Dec [3] Write notes on the following:

- (iii) Deemed assets under the Wealth-tax Act, 1957. (5 marks)

PART – B

Chapter - 2 : Basis of Chargeability of Excisable Goods

2005 - Dec [6] (c) Ever Fresh Ltd. purchases edible vegetable oil from the open market. The oil is subjected to certain processes for the purpose of refining it. The refined edible oil is sold in the market but no excise duty is being paid by Ever Fresh Ltd. claiming, that since no manufacturing activity is involved, no duty is payable on their clearances. A show cause notice has been issued by the proper officer demanding duty on clearance of refined edible oil classifying the product under Tariff Item 1503.10. The contention of the excise department is that refining the edible oil amounted to manufacture, as the process undertaken by Ever Fresh Ltd. is mentioned in Tariff Item 1503.10 which is not disputed. Since subsequent to the refining process, a new and distinct product has emerged, hence, duty is payable on the same.

You have been asked to advise whether refining/ processing of edible oil can be deemed as manufacture or not? Cite case law in support of your views.

(5 marks)

Chapter - 3 : Valuation of Goods under Central Excise Law

2005 - Dec [5] (a) Explain the different types of valuation under the Central Excise Act, 1944. (6 marks)

Chapter - 6 : Set off Duties under Central Excise Law

2005 - Dec [4] (a) Define the following terms under the CENVAT Credit Rules, 2004:

- (i) Input service distributor,
(ii) Output service. (3 marks each)

2005 - Dec [7] (c) Link Engineering Ltd. purchases a machine for manufacturing of certain mechanical parts which are exempt from payment of central excise duty. It also occasionally uses the machine for manufacture of small quantities of components which are cleared on payment of duty. Is Link Engineering Ltd. entitled to take credit of the excise duty paid on the machine? Decide by referring to specific legal provisions. (5 marks)

2005 - Dec [8] (c) What are the conditions for taking the CENVAT credit under the CENVAT Credit Rules, 2004? (5 marks)

Chapter - 8 : Refunds, Demands and Recovery action in Central Excise

2005 - Dec [6] (a) An SSI unit paid central excise duty for the month of December, 2004 on 15th January, 2005 by demand draft with TR-6 challan. However, the bank received and stamped TR-6 challan on 17th January, 2005 on account of weekly holiday. Whether any interest will be charged on the SSI unit for late payment of duty? If yes, then whether such interest will be charged as per the provisions of Rule 8(3) of the Central Excise Rules, 2002 or as per provisions of delayed payment of duty under Section 11AB of the Central Excise Act, 1944? Also calculate the amount of interest payable by the SSI unit, if the amount of duty is Rs. 31 lakh. (5 marks)

Chapter - 9 : Small Scale Industries Excise Duty concessions

2005 - Dec [6] (b) Rosy Di-Gen Co. is a manufacturer of diesel generating sets. In the process of manufacture, it uses certain components manufactured by Cosy & Co. The diesel generating sets manufactured by Rosy Di-Gen Co., do not bear the brand name of Cosy & Co., but in the invoices issued to the purchasers, the diesel generating sets are described as 'Cosy & Co. Diesel Generating Sets'. Discuss with the help of decided case law, if any, whether the SSI exemption is available to Rosy Di-Gen Co. or not? (5 marks)

Chapter - 12 : Service Tax

2005 - Dec [4] (d) What is service tax liability of an insurer carrying on life insurance business under the Service Tax Rules, 1994? (2 marks)

2005 - Dec [5] (c) Anderson is a consulting engineer and citizen of Canada. He does not have any office in India. He renders taxable service in India to an Indian company. Advise whether Anderson is liable to pay service tax in India. (2 marks)

Chapter - 13 : Levy of and Exemption of Customs Duty

2005 - Dec [5] (b) Write a note on 'additional duty' (countervailing duty) under the Customs Tariff Act, 1975. (5 marks)

2005 - Dec [7] (a) Green Gel Ltd. imports chemicals from Russia. Compute the education cess payable by the company on the basis of following data:

(i) Landed value (CIF)	Rs. 5,00,000
(ii) Customs duty	@ 16%
(iii) Countervailing duty (CVD)	@ 16%
(iv) Education cess	@ 2%

(5 marks)

Chapter - 15 : Clearance of Export Cargo

2005 - Dec [4] (b) What is meant by 'Export General Manifest' (EGM) under the Customs Act, 1962? Who is liable to submit EGM and what is the time period for filing the same? (4 marks)

Chapter - 19 : Searches, Seizure, Arrest, Confiscation etc.

2005 - Dec [7] (b) Enumerate the list of persons who can be searched under section 100 of the Customs Act, 1962. (5 marks)

Chapter - 22 : Enactment of the CST Act, 1956

2005 - Dec [4] (c) Explain with reasons whether 'canned software' (i.e., computer software packages off the shelf) like Oracle, Lotus, Master key, N-Export, Unigraphics, etc., can be termed as 'goods' and as such be assessable to sales tax. (3 marks)

2005 - Dec [5] (d) Ashok sells goods in the course of export out of the territory of India. Is he liable to pay central sales tax? (2 marks)

2005 - Dec [8] (b) Discuss the instances wherein the goods move out of the selling State, but do not amount to inter-State sales under Section 3 of the Central Sales Tax Act, 1956. (4 marks)

Chapter - 26 : Objective Questions

2005 - Dec [8] (a) State, giving reasons in brief, whether the following statements are correct or incorrect:

- (i) A person, who is not a dealer registered under the Central Sales Tax Act, 1956, can collect central sales tax on the sales made by him in the course of inter-State trade and commerce. (2 marks)
- (ii) Newspapers, actionable claims, stocks, shares and securities are 'goods' under the Central Sales Tax Act, 1956. (2 marks)
- (iii) The cost of freight does not form part of the sale price under the Central Sales Tax Act, 1956 if it is separately charged in the invoice. (2 marks)

Paper - 9

**Human Resource Management
and Industrial Relations**

Chapter - 1 : Introduction to Human Resources Management

2005 - Dec [2] (a) "HRD is not a mere technical concept, it is a professional innovation necessitated by the exigencies of the situation." Comment. (5 marks)

Chapter - 2 : Structure and Role of Human Resources Management

2005 - Dec [2] (b) How do you conceptualise the 'new' role of HR Manager in the present millennium? (5 marks)

Chapter - 3 : Human Resource Planning and Procurement

2005 - Dec [2] (c) "Six 'whats' make hiring practices most effective." What are they? (5 marks)

2005 - Dec [3] Write notes on the following:

- (ii) Work-load analysis vs workforce analysis. (5 marks)
- (iii) Career anchors. (5 marks)

Chapter - 4 : Human Resource Training and Development

2005 - Dec [1] {C} I am an MBA (IIM, Kolkata) and an Associate Member of the ICSI with three years experience as a Human Resources Manager in Ananya Screen Printers, Gurgaon (Haryana). It was a medium sized factory with 150 workforce headed by an entrepreneur to whom I reported. We paid special attention to training and welfare of the employees as a result of which production increased four-fold in two years. Labour and management alike appreciated our sincere efforts. But, the organisation could not give me higher salary than Rs. 10,000 per month. So, I looked for a change.

When the Bharat Oil Corporation – a public sector undertaking – advertised for Deputy Company Secretary-cum-General Manager (HR), I applied for it. I got the appointment on a salary of Rs.30,000 per month plus perks. My foremost task was to implement an HRD Course for managers, executives and non-executives; and campaign for its success. 6,000 Executives and non-executives spread all over India posed a communication, coordination, scheduling and feedback challenge. As it was a new experience, senior managers were enthusiastic. All the 15 managers were inducted in the task-group to give lectures to the executives and non-executives highlighting the advantages of joining the development programme of the corporation and ensuring compliance with labour laws.

After six months, the campaign was reviewed. It was found that for no apparent reasons, only a dozen non-executives had applied for the course. An area manager left with one year to retire and six executives in their mid-thirties too had applied. Was this programme a non-starter? Were all the managers fully trained and developed to stay out?

In the review meeting, the Chairman, Pramod Sood, IAS, surmised that the lack of adequate motivation may be a reason for poor response. He hinted that three years back, another company too had carried out similar exercise and experienced a similar situation. Later on, with some secret changes in their programme, they had succeeded quickly.

He wanted me to ascertain those changes. But with my best efforts, I could not. The Chairman had also indicated that HRD might sound appealing as promoting harmonious human relations, but not industrial relations. In areas like self-study schemes and heavy menu canteens, sagging productivity was his experience. So, he advised cautious approach.

I am confused as all this is quite contrary to what we learnt in academics. Could you enlighten me on the following points:

- (i) Why did we fail and why could another company succeed in its HRD programme? What should be the scope, main items and approach in our programme?
- (ii) Is our Chairman right in his experience-based views? Why? Is not HRD a new attractive name for traditional HRM activities like welfare, training or manpower planning? (10 marks each)

Chapter - 5 : Compensation Management**2005 - Dec [3]** Write notes on the following:

- (iv) Principles of wage administration. (5 marks)

Chapter - 6 : Performance Appraisal**2005 - Dec [4]** (a) Explain the concept of 'management by objectives and self control' enunciated by Peter F. Drucker as a method of performance appraisal. How is it an improvement over the traditional methods of performance appraisal? (8 marks)**(b)** Personnel audit refers to an examination and evaluation of policies, procedures and practices to determine the effectiveness of personnel management." Discuss and highlight the objectives and scope of personnel audit. (7 marks)**Chapter - 8 : Industrial Relations****2005 - Dec [6]** "Effective grievance redressal is a sure antidote to industrial strife - yet largely ignored in India." Discuss and work out the outline of Model Grievance Redressal Procedure for Bharat Sanchar Nigam Ltd., a public sector telecom company. (15 marks)**Chapter - 9 : Anatomy of Industrial Relations****2005 - Dec [7]** (a) What can today's Company Secretary do for minimising industrial conflict in the light of Prof. Lester's observations on conflict of interests of employees and management; and the Economic Policy, 1991? (8 marks)**Chapter - 11 : Industrial Disputes****2005 - Dec [5]** {C} Pearl Plastics Ltd., Ghaziabad (U.P.) produces plastic jars and kitchenware. It employs 250 regular and 58 casual workmen. Its Accounts Executive, Arvind, M.Com., BBA (Personnel Management) handles all the company cash for which he has given combined cash-in-transit fidelity insurance bond for Rs. 5 lakh. Besides usual accounts and audit work, he attends company meetings to advise on accounts procedures. Two clerks work under him, but for all orders and decisions he has to report to the Company Secretary, Gopaljee, a Fellow Member of the Institute of Company Secretaries of India (ICSI).

In August, 2005, the company's Assistant Personnel Manager, Ms. Shiney, retired. As she too was reporting to the Company Secretary, Arvind was asked to take over her charge for performing all the HRM functions. Two

more clerks were put under him. An honorarium of Rs. 4,000 per month was added to his salary of Rs. 9,000 per month. Arvind continued to report to Gopaljee for all the decision and sanctions.

On 13th September, 2005, when Arvind was going to Bank of India, Ghaziabad, in a city bus for depositing company's cash of Rs.3 lakh in a duly locked suitcase, four robbers snatched from him the suitcase hitting him on the head. The fellow commuters raised alarm but the robbers jumped off the bus moving slowly in city traffic. He was taken to the District Hospital and was discharged after 20 days. The police did not register any FIR. Holding him responsible for the loss, the company dismissed him from the service.

On this injustice, the company's trade union raised a dispute before the Labour Court, which dismissed the union's claim on two grounds:

- (i) Arvind was not a workman; and
- (ii) Arvind was guilty of negligence in carrying cash in the bus. His plea that he was given only bus fare for this work fell flat.

The union appeals to Allahabad High Court. In your considered opinion, discuss whether the appeal should be allowed or dismissed as per the Industrial Disputes Act, 1947. Cite case law, if any. (20 marks)

2005 - Dec [7] (b) Can the following be treated as 'industry' under the Industrial Disputes Act, 1947:

- (i) Fire brigade of Vadodara Municipal Corporation.
- (ii) Delhi University's department plying buses for staff, teachers and students.
- (iii) Recreation Club, New Delhi.
- (iv) Hi-Fashion Hair Dressing Salon employing 25 hair-dressers in Varanasi (U.P.).
- (v) Slim-Trim Beauty Parlour (only for ladies) with three employees in Patiala (Punjab). (1 mark each)

Chapter - 12 : Collective Bargaining

2005 - Dec [7] (c) Does 'industrial jurisprudence' refer to 'industrial laws'? Why? " (2 marks)

Chapter - 15 : Industrial Relations related Laws

2005 - Dec [8] (b) (i) Is the deduction of Rs.100 per month for Prime Minister's Relief Fund (approved by the Central Government) from the wages of Imtiyaz Khan, a cleaner, getting wages of Rs.1,035 per month in the Kolkata Transport Company (a tramway public utility) a valid deduction, simply because it is being deducted from the wages of all other employees?

(1 mark)

- (ii) Is Peter getting a salary of Rs.3,500 per month as a manager in Government Polytechnic, Patna, employing 22 persons, entitled to get bonus, under the Payment of Bonus Act, 1965? (1 mark)

- (iii) Babul is laid off by his employer because of a strike in another part of the establishment. Is Babul entitled to lay off compensation?

(1 mark)

Chapter - 16 : Union Negotiations

2005 - Dec [8] (c) What is meant by 'quality circles'? Mention the objectives which quality circles seek to achieve. (6 marks)

Chapter - 17 : Voluntary Retirement Schemes

2005 - Dec [8] (b) (iv) Whether the income-tax needs to be deducted at source by the employer from the amount payable under the voluntary retirement scheme? (1 mark)

Chapter - : Objective Questions

2005 - Dec [8] (a) State, with reasons in brief, whether the following statements are correct or incorrect:

- (i) Voluntary arbitration is more suitable for lasting industrial peace in railways.
- (ii) The appropriate government can refer a dispute to the industrial tribunal even without the report from the Conciliation Officer.
- (iii) The registration of a duly registered trade union cannot be cancelled under any circumstances.
- (iv) The standing orders are the foundation of industrial harmony.
- (v) The appropriate government should immediately fix minimum wages @ Rs. 50 per day for workers engaged in 'woollen carpet' making industry in Bhadoi (U.P.) as it is employing 750 workers.

(1 mark each)

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