

BASIC CONCEPTS - DEFINITIONS & CHARGING SECTION

MULTIPLE CHOICE QUESTIONS

- The Central Government has been empowered by ____ of Union List of the VII Schedule of the Constitution of India, to levy customs duty.
 - Entry 82
 - Entry 83
 - Entry 84
 - Entry 54
- The _____ is empowered to make regulations to carry out the purposes of the Customs Act, 1962.
 - Central Board of Indirect Taxes and Customs
 - Central Government
 - Finance Commission
 - Director General of Foreign Trade
- The _____ is empowered to make rules to carry out the purposes of the Customs Act, 1962.
 - Central Board of Indirect Taxes and Customs
 - Central Government
 - Finance Commission
 - Director General of Foreign Trade
- The following is not an adjudicating authority under the Customs Act, 1962.
 - Deputy Commissioner of Customs
 - Joint Commissioner of Customs
 - Principal Commissioner or Commissioner of Customs
 - Commissioner of Customs (Appeals)
- The following is not an adjudicating authority under the Customs Act, 1962.
 - Deputy Commissioner of Customs
 - Joint Commissioner of Customs
 - Principal Commissioner or Commissioner of Customs
 - Appellate Tribunal
- Read the following and choose the correct option:
 - Indian customs waters extend up to 12 nautical miles;
 - Indian customs waters extend up to 24 nautical miles;
 - 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.
- (a) Only (ii)
(b) (iii) and (iv)
(c) (ii) and (iv)
(d) Only (iv)
7. Adjudicating Authority" does not include _____.
- (a) Board
(b) Appellate Tribunal
(c) Commissioner of Customs (Appeals)
(d) All of the above
8. "Baggage" includes unaccompanied baggage but does not include _____.
- (a) Jewellery
(b) Plasma Television
(c) Laptop computer
(d) Motor vehicles
9. An exclusive economic zone extends from the baseline to a maximum of _____ nautical miles.
- (a) 200
(b) 12
(c) 24
(d) 100
10. Territorial water is a belt of coastal waters extending at most _____ from the baseline of a coastal state.
- (a) 200 nautical miles
(b) 12 nautical miles
(c) 24 nautical miles
(d) 100 nautical miles
11. The maximum depth of sea water in the continental shelf is ___ meters.
- (a) 200
(b) 12
(c) 144
(d) 24
12. "Coastal goods" means goods, other than _____, transported in a vessel from one port in India to another.
- (a) Imported goods
(b) Dutiable goods
(c) Smuggled goods
(d) Indian made goods
13. "Principal Commissioner or Commissioner of Customs", except for the purposes of Chapter XV of the Customs Act 1962, includes _____.
- (a) Joint Commissioner of Customs
(b) Assistant Commissioner of Customs
(c) Additional Commissioner of Customs
(d) Deputy Commissioner of Customs
14. Which of the following is included in conveyance—
- (a) Vessel
(b) Aircraft
(c) Vehicle
(d) All of the above
15. Which of the following is not included in the definition of goods for the purpose of Customs Act, 1962?
- (a) Vessels, aircrafts and vehicles
(b) Stores
(c) Baggage
(d) Immovable Property



16. "Vehicle" means conveyance of any kind used on land and includes a _____.
- (a) Motor car
 - (b) Bus
 - (c) Goods transport vehicle
 - (d) Railway vehicle
17. Foreign going vessel or aircraft include which of the following :
- (a) Any naval vessel of a foreign Government taking part in any naval exercises.
 - (b) Any vessel engaged in fishing or any other operations outside the territorial waters of India.
 - (c) Any vessel or aircraft proceeding to a place outside India for any purpose whatsoever.
 - (d) All of the above
18. The taxable event under the Customs Act, 1962 is _____
- (a) Supply of goods into India/ Supply of goods from India to outside India.
 - (b) Sale of goods into India/ Sale of goods outside India.
 - (c) Manufacture of goods into India for supply outside India.
 - (d) Import of goods into India/ export of goods from India.
19. The date for determination of rate of duty and tariff valuation of imported goods in the case of goods entered for home consumption u/s 46, is the _____.
- (a) date of presentation of bill of entry.
 - (b) date of entry inwards to the vessel.
 - (c) date of presentation of bill of entry or date of entry inwards to the vessel whichever is earlier.
 - (d) date of presentation of bill of entry or date of entry inwards to the vessel whichever is later.
20. An importer, imported consignment of goods, chargeable to duty @ 15% ad valorem. The vessel arrived on 31st May, 2025. W.e.f. 01-06-2025 the rate of custom duty was increased to 20%. A bill of entry for warehousing the goods was completed on 2nd June, 2025 and the goods were duly warehoused. In the meantime, an exemption notification was issued on 15th October, 2025 reducing the effective customs duty to 10% ad valorem. Thereafter, the importer filed a bill of entry for home consumption on 20th October, 2025. The applicable rate of custom duty is :
- (a) 15%
 - (b) 20%
 - (c) 10%
 - (d) 10% or 20% whichever is more.
21. Mr. Tapas has exported goods valuing ₹ 8,00,000 to UK by a vessel. He filed the shipping bill for export on 28-02-2025 (rate of duty 5%). The order permitting clearance and loading of the goods for exportation was made by the proper officer on 01-03-2025 (rate of duty 15%). The ship left for UK on 04-3-2025 (rate of duty 10%) and the ship crossed the territorial waters of India on 08-03-2025 (goods were made exempt from duty). The amount of duty payable by Mr. Tapas is _____
- (a) ₹ 40,000
 - (b) ₹ 1,20,000
 - (c) ₹ 80,000
 - (d) Nil
22. Compute export duty from the following data:



- (i) FOB price of goods : US \$ 1,00,000.
- (ii) Shipping bill presented electronically on 26-02-2025.
- (iii) Proper officer passed order permitting clearance and loading of goods for export on 04-03-2025.
- (iv) Rate of exchange and rate of export duty are as under :

	Rate of Exchange as notified by CBIC	Rate of Export Duty
On 26-02-2025	1 US \$ = ₹ 78	10%
On 04-03-2025	1 US \$ = ₹ 80	8%

- (a) ₹ 6,40,000
 - (b) ₹ 7,80,000
 - (c) ₹ 8,00,000
 - (d) ₹ 6,24,000
23. _____ refers to any cargo, vessel, etc. abandoned in the sea with no hope of recovery.
- (a) Derelict
 - (b) Jetsam
 - (c) Flotsam
 - (d) Wreck
24. _____ refers to goods jettisoned from the vessel to save her from sinking :
- (a) Derelict
 - (b) Jetsam
 - (c) Flotsam
 - (d) Wreck
25. _____ refers to Jettisoned goods which continue floating in the sea.
- (a) Derelict
 - (b) Jetsam
 - (c) Flotsam
 - (d) Wreck
26. _____ refers to cargo or vessel or any property which are cast ashore by tides after ship wreck.
- (a) Derelict
 - (b) Jetsam
 - (c) Flotsam
 - (d) Wreck
27. In order to claim pilferage which of the following circumstances should exist :
- (a) there should be evidence of tampering with the packages
 - (b) there should be blank space for the missing articles in the package
 - (c) the missing articles should be unit articles [and not part articles]
 - (d) All of the above
28. Abatement of duty is available if the goods are damaged/ deteriorated under which of the following circumstances —
- (a) any imported goods had been damaged or had deteriorated at any time before or during the unloading of the goods in India
 - (b) any imported goods, other than warehoused goods, had been damaged at any time after the unloading thereof in India but before their examination u/s 17, on account of any accident not due to any wilful act, negligence or default of the importer, his employee or agent
 - (c) any warehoused goods had been damaged at any time before clearance for home consumption on account of any accident not due to any wilful act, negligence or default of the owner, his employee or agent



- (d) Any of the above
29. For claiming exemption from customs duty on imported goods used for inward processing of goods in accordance with section 25A of the Customs Act, 1962, the goods shall be re-exported after such repair, further processing or manufacture, as the case may be, within a period of _____ from the date on which the order for clearance of the imported goods is made.
- (a) One month
 (b) Three months
 (c) Six Months
 (d) One Year
30. For claiming exemption from customs duty on re-imported goods used for outward processing in accordance with section 25B of the Customs Act, 1962, the goods shall be re-imported into India after such repair, further processing or manufacture, as the case may be, within a period of _____ from the date on which the order permitting clearance for export is made.
- (a) One month
 (b) Three months
 (c) Six Months
 (d) One Year
31. Provisional assessment u/s 18 of the Customs Act, 1962 can be resorted in respect of —
- (a) Only export goods
 (b) Only imported goods
 (c) For imported as well as export goods
 (d) Neither imported nor exported goods
32. As per Customs (Finalization of Provisional Assessment) Regulations, 2019, _____ will be allowed for importer/ exporter to

furnish the deficient information from the date of the provisional assessment order or as requested.

- (a) 15 days
 (b) One month
 (c) 45 days
 (d) 60 days
33. Upon receipt of the information from the importer or exporter, the provisional assessment is required to be finalized within _____ from the date when the last of the information was furnished by the importer/exporter.
- (a) Two months
 (b) One month
 (c) Three months
 (d) Four months
34. Moris Lal has imported goods from Germany and is finally re-assessed u/s 18(2) of the Customs Act, 1962 for consignments Particulars are as follows :

Date of provisional assessment	12 th Dec., 2024
Date of final re-assessment	2 nd Feb., 2025
Duty Demand for the consignment	₹ 1,80,000
Date of payment of duty demanded	5 th Feb., 2025

Determine the interest payable, if any, by Moris Lal on the final re-assessment.

- (a) Nil
 (b) ₹ 4,943
 (c) ₹ 4,956
 (d) ₹ 5,947



35. Moris Lal has imported goods from Germany and is finally re-assessed u/s 18(2) of the Customs Act, 1962 for such consignments.

Particulars are as follows :

Date of provisional assessment	12 th Dec., 2024
Date of final re-assessment	2 nd Feb., 2025
Refund for the consignment	₹ 4,20,000
Date of refund made by the department	28 th Apr, 2025

Determine the interest receivable, if any, by Moris Lal on the final re-assessment of the consignment.

- (a) Nil
 (b) ₹ 9,458
 (c) ₹ 3,590
 (d) ₹ 5,868
36. Which of the following statements is not correct for pilfered goods u/s 13 of the Customs Act, 1962?
- (a) The importer is not required to pay duty on imported goods which are pilfered after unloading but before order for clearance of goods for home consumption.
 (b) The importer is not required to pay duty on warehoused goods which are pilfered before being cleared for home consumption.
 (c) The onus to prove the pilferage does not lie on the importer.
 (d) If pilfered goods are restored to the importer, he becomes liable to pay duty.

37. X Ltd. imported goods from USA for ₹ 50,000. After damage these goods valued by customs officer is ₹ 10,000. Total Customs duty on the value of imported goods levied ₹ 6,180. Imported goods had been damaged after the unloading of goods in India but before their examination for assessment by customs authorities, and such damage is not due to any willful act of X Ltd. Find total duty payable by X Ltd.

- (a) ₹ 6,180
 (b) ₹ 1,236
 (c) ₹ 4,944
 (d) Nil

38. Who is liable to pay duty on pilfered goods?

- (a) Custodian
 (b) Importer
 (c) Proper Officer
 (d) None of the above

39. _____ is the stage where the declaration of liability is made and the persons or the properties in respect of which the tax or duty is to be levied is identified and charged.

- (a) Levy
 (b) Assessment
 (c) Collection of tax
 (d) All of the above

40. Where any re-assessment done is contrary to the self-assessment done by the importer and in cases other than those where the importer confirms his acceptance of the said re-assessment in writing, the proper officer shall pass a speaking order on the re-assessment,



within ____ from the date of re-assessment of the bill of entry.

- (a) 15 days
- (b) 30 days
- (c) 7 days
- (d) 45 days

41. Assessment includes ____.

- (a) Provisional assessment
- (b) Reassessment
- (c) Self assessment
- (d) All of the above

42. Where goods consist of a set of articles and articles are liable to duty with reference to value and if they are liable to duty different rates, duty will be chargeable on such articles at ____.

- (a) Highest of those rates
- (b) Lowest of those rates
- (c) Average of those rates
- (d) Nil rate

43. Mr. A imported certain goods comprising of set of articles at a consolidated price of ₹ 16 lakhs. Mr. A claims that the value of various articles is as follows (along with rate of duty prevalent on the date of presentation of bill of entry) –

- (a) Article 'P' ₹ 10 lakhs Exempt;
- (b) Article 'Q' ₹ 4 lakhs 5% ;
- (c) Article 'R' ₹ 2 lakhs 10%.

What is the amount of import duty of customs payable (including SWS @ 10%) by Mr. A if he fails to furnish evidence supporting the aforesaid values?

- (a) ₹ 1,76,000
- (b) Nil

- (c) ₹ 1,60,000
- (d) ₹ 44,000

44. Mr. A imported certain goods comprising of set of articles at a consolidated price of ₹ 16 lakhs. Mr. A claims that the value of various articles is as follows (along with rate of duty prevalent on the date of presentation of bill of entry) –

- (a) Article 'P' ₹ 10 lakhs Exempt;
- (b) Article 'Q' ₹ 4 lakhs 5% ;
- (c) Article 'R' ₹ 2 lakhs 10%.

What is the amount of import duty of customs payable (including SWS @ 10%) by Mr. A if he furnishes evidence supporting the aforesaid values?

- (a) ₹ 1,76,000
- (b) Nil
- (c) ₹ 1,60,000
- (d) ₹ 44,000

45. Mr. X imports a toy set (separately valued at ₹ 5,000) containing :

- (1) two soft dolls (separately valued at ₹ 1,000 each),
- (2) two racing cars (separately valued at ₹ 500 each), and
- (3) four soft teddys (separately valued at ₹ 500 each).

Determine duty payable (Ignore SWS) if the entire set is imported as a single pack and duty is levied at specific rate viz. ₹ 100 per soft doll, ₹ 50 per racing car, ₹ 75 per soft teddy.

- (a) ₹ 600
- (b) ₹ 500
- (c) ₹ 275
- (d) ₹ 875

46. Mr. X imports a toy set (separately valued at ₹ 5,000) containing :

- (1) two soft dolls (separately valued at ₹ 1,000 each),
- (2) two racing cars (separately valued at ₹ 500 each), and
- (3) four soft teddys (separately valued at ₹ 500 each).

Determine duty payable (Ignore SWS) if the entire set is imported as a single pack at a single price of ₹ 5,000 (no separate values available) and duty is levied ad valorem. The rate of duty applicable is 10% for soft dolls, 7.5% for racing cars, 0% (Nil) for soft teddys.

- (a) ₹ 600
- (b) ₹ 500
- (c) ₹ 275
- (d) ₹ 875

47. Mr. X imports a toy set (separately valued at ₹ 5,000) containing :

- (1) two soft dolls (separately valued at ₹ 1,000 each),
- (2) two racing cars (separately valued at ₹ 500 each), and
- (3) four soft teddys (separately valued at ₹ 500 each).

Determine duty payable (Ignore SWS) if the entire set is imported at a price of ₹ 5,000 and duty is levied ad valorem. The rate of duty applicable is 10% for soft dolls, 7.5% for racing cars, 0% (Nil) for soft teddys. The importer is able to show evidence of separate values.

- (a) ₹ 600
- (b) ₹ 500
- (c) ₹ 275
- (d) ₹ 875

48. In case of provisional assessment, if duty finally assessed is more than provisional duty, importer shall be liable the importer or exporter shall be liable to pay interest, on any amount payable to Central Government, consequent to the final assessment order or reassessment order, at the rate specified in Section 28AA of the Customs Act, 1962 from _____ till the date of payment thereof.

- (a) the first day of the month in which the duty is provisionally assessed
- (b) the first day of the month in which the duty is finally assessed
- (c) the date of provisional assessment
- (d) the date of final assessment

49. If any amount is refundable on final assessment is not refunded within _____ from the date of assessment of duty finally, there shall be paid an interest on such un-refunded amount at such rate fixed by the Central Government u/s 27A till the date of refund of such amount.

- (a) One month
- (b) Two months
- (c) Three months
- (d) 45 days

50. If any imported goods are pilfered _____ the unloading thereof and _____ the proper officer has made an order for clearance for home consumption or deposit in a warehouse, the importer shall not be liable to pay the duty leviable on such goods except where such goods are restored to the importer after pilferage.

- (a) Before, after
- (b) After, before
- (c) Before, before
- (d) After, after



51. If the value of goods before damage was ₹ 10,00,000 and duty payable was ₹ 1,00,000 and value of goods after damage is ₹ 2,00,000, the duty payable after damage will be _____.
- (a) ₹ 1,00,000
(b) ₹ 20,000
(c) Nil
(d) ₹ 80,000
52. Which of the following is correct for destroyed goods u/s 23?
- (a) It is only applicable in case of total loss of goods even if same can be recovered.
(b) The importer is not required to pay duty on such goods.
(c) The provisions are also applicable even if goods are destroyed after warehousing.
(d) The importer need not prove the loss to the proper officer.
53. In which of the following cases, importer can claim pilferage and choose not to pay duty u/s 13 of Customs Act?
- (i) Goods pilfered while on high seas;
(ii) Goods pilfered after unloading but before 'out of charge' order passed by customs officers;
(iii) Goods pilfered after unloading but before order for home consumption given by proper officer;
(iv) Goods cleared for home consumption.
- (a) (i) and (ii)
(b) (i) and (iii)
(c) Only (ii)
(d) Only (iii)
54. The power to make rules for denaturing or mutilation of goods vests with the _____.
- (a) CBIC
(b) Central Government
(c) Assistant Commissioner of Customs
(d) Joint Commissioner of Customs
55. Remission of duty is granted u/s 23 of the Customs Act, 1962 in case the goods are _____.
- (a) Pilfered
(b) Lost otherwise than as pilferage
(c) Damaged
(d) Deteriorated
56. Abatement of duty is granted u/s 22 of the Customs Act, 1962 in case the goods are _____.
- (a) Pilfered
(b) Lost otherwise than as pilferage
(c) Destroyed
(d) Damaged or Deteriorated
57. An application for refund of duty u/s 26A of the Customs Act, 1962 shall be made before the expiry of _____ from the relevant date in prescribed form.
- (a) One month
(b) Three months
(c) Six months
(d) One year
58. For claiming refund of duty under section 26A of the Customs Act, 1962, such goods are destroyed or rendered commercially valueless in the presence of the proper officer within a period not exceeding _____ from the date on which the proper officer makes an order for the clearance of



imported goods for home consumption under section 47.

- (a) 45 days
- (b) 60 days
- (c) 30 days
- (d) 7 days

59. The importer shall have an option to clear the capital goods imported, after having been used for the specified purpose, on payment of duty equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest @ 15% p.a., on the depreciated value allowed in straight line method @ _____ for every quarter in the first year,

- (a) @ 2.5%
- (b) @ 3%
- (c) @ 4%
- (d) @ 1%

60. The importer shall have an option to clear the capital goods imported, after having been used for the specified purpose, on payment of duty equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest @ 15% p.a., on the depreciated value allowed in straight line method @ _____ for every quarter in the third year,

- (a) 2.5%
- (b) 3%
- (c) 4%
- (d) 1%

61. The importer shall have an option to clear the capital goods imported, after having

been used for the specified purpose, on payment of duty equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest @ 15% p.a., on the depreciated value allowed in straight line method @ _____ for every quarter in the fourth year,

- (a) 2.5%
- (b) 3%
- (c) 4%
- (d) 1%

62. The importer shall have an option to clear the capital goods imported, after having been used for the specified purpose, on payment of duty equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest @ 15% p.a., on the depreciated value allowed in straight line method @ _____ for every quarter in the second year,

- (a) 2.5%
- (b) 3%
- (c) 4%
- (d) 1%

63. Mr. X, a chemical manufacturer, imports a machine from Germany on 12th January, 2023 for ₹ 20 lakhs under the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022. Machinery was put to use on 1st February, 2023. On 5th April, 2026, Mr. X wants to clear the machine for home consumption after having used the machine for the specified purpose for which it was imported. Mr. X requires your help in calculating the customs duty he will be liable to pay for such clearance as such



under the said Rules. Concessional rate of basic customs duty is 5%. Normal rate of basic customs duty is 20%. Calculate the basic customs duty payable by Mr. X on clearance of such capital goods for home consumption on 5th April, 2026. Ignore interest calculation.

- (a) ₹ 1,20,000
- (b) ₹ 3,00,000
- (c) ₹ 1,65,000
- (d) ₹ 1,00,000

ANSWERS TO MCQ'S

Question No.	Answer
1.	(b) The Central Government has been empowered by Entry 83 of Union List of the VII Schedule of the Constitution of India, to levy customs duty.
2.	(a) The CBIC is empowered to make regulations to carry out the purposes of the Customs Act, 1962.
3.	(b) The Central Government is empowered to make rules to carry out the purposes of the Customs Act, 1962.
4.	(d) According to Section 2(1) of the Customs Act, 1962, Adjudicating authority means any authority competent to pass any order or decision under this Act, but does not include the Board, Commissioner (Appeals) or Appellate Tribunal.
5.	(d) According to Section 2(1) of the Customs Act, 1962, Adjudicating authority means any authority competent to pass any order or decision under this Act, but does not include the Board, Commissioner (Appeals) or Appellate Tribunal.
6.	(b) According to Section 2(28), Indian customs waters means the waters extending into the sea up to the limit of Exclusive Economic Zone u/s 7 of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 and includes any bay, gulf, harbour, creek or tidal river. Exclusive Economic zone extends to 200 nautical miles.
7.	(d) According to Section 2(1) of the Customs Act, 1962, Adjudicating authority means any authority competent to pass any order or decision under this Act, but does not include the Board, Commissioner (Appeals) or Appellate Tribunal.

8.	(d)	According to Section 2(3), Baggage includes unaccompanied baggage but does not include motor vehicles.
9.	(a)	An exclusive economic zone extends from the baseline to a maximum of 200 nautical miles.
10.	(b)	Territorial waters is a belt of coastal waters extending at most 12 nautical miles from the baseline of a coastal state.
11.	(a)	The maximum depth of sea water in the continental shelf is 200 meters.
12.	(a)	"Coastal goods" means goods, other than imported goods, transported in a vessel from one port in India to another.
13.	(c)	"Principal Commissioner or Commissioner of Customs", except for the purposes of Chapter XV of the Customs Act 1962, includes Additional Commissioner of Customs.
14.	(d)	Conveyance Includes a vessel, an aircraft and a vehicle. [Section 2(9)]
15.	(d)	Goods Includes, Vessels, aircrafts and vehicles; Stores; Baggage; Currency and negotiable instruments; and any other kind of movable property. [Section 2(22)]
16.	(d)	"Vehicle" means conveyance of any kind used on land and includes a railway vehicle.
17.	(d)	Foreign-going vessel or aircraft means any vessel or aircraft for the time being engaged in the carriage of goods or passengers between any port or airport in India and any port or airport outside India, whether touching any intermediate port or airport in India or not, and includes – (i) Any naval vessel of a foreign Government taking part in any naval exercises; (ii) Any vessel engaged in fishing or any other operations outside the territorial waters of India; (iii) Any vessel or aircraft proceeding to a place outside India for any purpose whatsoever.
18.	(d)	According to Section 12, the taxable event under the Customs Act, 1962 is Import of goods into India/ export of goods from India.
19.	(d)	According to Section 15 of the Customs Act, 1962, the date for determination of rate of duty and tariff valuation of imported goods in the case of goods entered for home consumption u/s 46, is the date of presentation of bill of entry or date of entry inwards to the vessel whichever is later.
20.	(c)	According to section 15(1)(b) of the Customs Act, 1962 the relevant date for determination of rate of duty and tariff value in case of goods cleared from a warehouse is the date on which a bill of entry for home consumption in respect of such goods is presented. Therefore, the relevant date for determining the duty in the given case will be 20-10-2025 (the date on which the bill of entry for home consumption is presented). Therefore, the relevant rate will be 10%.

21.	(b)	As per section 16(1)(a), the relevant date for determination of rate of duty and tariff valuation in case of export goods is the date on which the proper officer makes an order for clearance and loading of the goods for exportation u/s 51. Hence, relevant date, in this case, is 01-03-2025 and rate of duty is 15%. Export duty payable by Mr. Tapas = ₹ 8,00,000 × 15% = ₹ 1,20,000. No SWS is levied on export goods.										
22.	(d)	Computation of export duty is as under – <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>FOB price of goods</td> <td style="text-align: right;">US \$ 1,00,000</td> </tr> <tr> <td>Rate of exchange and rate of export duty are as under</td> <td style="text-align: right;">1 US \$ = ₹ 78</td> </tr> <tr> <td>FOB price of goods (In Indian Rupees)</td> <td style="text-align: right;">78,00,000</td> </tr> <tr> <td>Export duty rate</td> <td style="text-align: right;">8%</td> </tr> <tr> <td>Total Export duty payable (No SWS is leviable on export duty)</td> <td style="text-align: right;">6,24,000</td> </tr> </table>	FOB price of goods	US \$ 1,00,000	Rate of exchange and rate of export duty are as under	1 US \$ = ₹ 78	FOB price of goods (In Indian Rupees)	78,00,000	Export duty rate	8%	Total Export duty payable (No SWS is leviable on export duty)	6,24,000
FOB price of goods	US \$ 1,00,000											
Rate of exchange and rate of export duty are as under	1 US \$ = ₹ 78											
FOB price of goods (In Indian Rupees)	78,00,000											
Export duty rate	8%											
Total Export duty payable (No SWS is leviable on export duty)	6,24,000											
23.	(a)	Derelict refers to any cargo, vessel, etc. abandoned in the sea with no hope of recovery.										
24.	(b)	Jetsam refers to goods jettisoned from the vessel to save her from sinking.										
25.	(c)	Flotsam – Jettisoned goods which continue floating in the sea are called flotsam.										
26.	(d)	Wreck – This refers to cargo or vessel or any property which are cast ashore by tides after ship wreck.										
27.	(d)	In order to claim pilferage the following circumstances should exist: (a) there should be evidence of tampering with the packages; (b) there should be blank space for the missing articles in the package; and (c) the missing articles should be unit articles [and not part articles].										
28.	(d)	Where it is shown to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs— (a) that any imported goods had been damaged or had deteriorated at any time before or during the unloading of the goods in India; or (b) that any imported goods, other than warehoused goods, had been damaged at any time after the unloading thereof in India but before their examination u/s 17, on account of any accident not due to any wilful act, negligence or default of the importer, his employee or agent; or (c) that any warehoused goods had been damaged at any time before clearance for home consumption on account of any accident not due to any wilful act, negligence or default of the own-er, his employee or agent, (d) Abatement shall be allowed as per the provisions of Section 22.										

29.	(d)	For claiming exemption from customs duty on imported goods used for inward processing of goods in accordance with Section 25A of the Customs Act, 1962, the goods shall be re-exported after such repair, further processing or manufacture, as the case may be, within a period of one year from the date on which the order for clearance of the imported goods is made.																
30.	(d)	For claiming exemption from customs duty on re-imported goods used for outward processing in accordance with section 25B of the Customs Act, 1962, the goods shall be re-imported into India after such repair, further processing or manufacture, as the case may be, within a period of one year from the date on which the order permitting clearance for export is made;																
31.	(c)	Provisional assessment is allowed both in respect of imports as well as exports.																
32.	(b)	One month will be allowed for importer/exporter to furnish the deficient information from the date of the provisional assessment order or as requested.																
33.	(a)	Upon receipt of the information from the importer or exporter, the provisional assessment is required to be finalized within two months from the date when the last of the information was furnished by the importer/exporter.																
34.	(b)	<p>If any amount refundable is not refunded within 3 months from the date of assessment of duty finally or reassessment of duty, as the case may be, there shall be paid an interest on such unrefunded amount @ 6% p.a. till the date of refund of such amount.</p> <p>Thus, the interest liability shall be calculated as under—</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Interest Liability</th> </tr> </thead> <tbody> <tr> <td>Duty paid</td> <td>1,80,000</td> </tr> <tr> <td>Interest period starts from 1st day of the month in which the duty is provisionally assessed</td> <td>01-12-2024</td> </tr> <tr> <td>Interest period ends on the date of payment of duty</td> <td>05-02-2025</td> </tr> <tr> <td>No. of days for which interest payable</td> <td>67</td> </tr> <tr> <td>Rate of interest notified u/s 28AA of the Customs Act, 1962</td> <td>15%</td> </tr> <tr> <td>Interest ($\text{₹}1,80,000 \times 15\% \times 67/366$)</td> <td>4,943</td> </tr> <tr> <td>Total Sum paid (including interest)</td> <td>1,84,943</td> </tr> </tbody> </table>	Particulars	Interest Liability	Duty paid	1,80,000	Interest period starts from 1 st day of the month in which the duty is provisionally assessed	01-12-2024	Interest period ends on the date of payment of duty	05-02-2025	No. of days for which interest payable	67	Rate of interest notified u/s 28AA of the Customs Act, 1962	15%	Interest ($\text{₹}1,80,000 \times 15\% \times 67/366$)	4,943	Total Sum paid (including interest)	1,84,943
Particulars	Interest Liability																	
Duty paid	1,80,000																	
Interest period starts from 1 st day of the month in which the duty is provisionally assessed	01-12-2024																	
Interest period ends on the date of payment of duty	05-02-2025																	
No. of days for which interest payable	67																	
Rate of interest notified u/s 28AA of the Customs Act, 1962	15%																	
Interest ($\text{₹}1,80,000 \times 15\% \times 67/366$)	4,943																	
Total Sum paid (including interest)	1,84,943																	
35.	(a)	The refund is to be paid within 3 months from finalization of provisional assessment. In this case since the assessment is finalized on 2 nd February 2025, the refund is to be paid upto 2 nd May, 2024. Since the refund is granted on 28 th April, 2025, no interest will be paid on refund.																
36.	(b)	The benefit of Section 13 is available if any imported goods are pilfered after the unloading thereof but before the proper officer has made an order for clearance for																

		home consumption or deposit in a warehouse the importer shall not be liable to pay the duty leviable on such goods except where such goods are restored to the importer after pilferage.
37.	(b)	Customs Duty = ₹ 1,236 i.e. $6,180 - ₹ [(40,000/50,000) \times 6,180] = ₹ 1,236$
38.	(a)	As per section 45, custodian is liable to pay duty on pilfered goods.
39.	(a)	Levy is the stage where the declaration of liability is made and the persons or the properties in respect of which the tax or duty is to be levied is identified and charged.
40.	(a)	Where any re-assessment done is contrary to the self-assessment done by the importer and in cases other than those where the importer confirms his acceptance of the said re-assessment in writing, the proper officer shall pass a speaking order on the re-assessment, within 15 days from the date of re-assessment of the bill of entry.
41.	(d)	<p>According to Section 2(2), Assessment means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum so payable, if any, under this Act or under the Customs Tariff Act, 1975 or under any other law for the time being in force, with reference to—</p> <ul style="list-style-type: none"> (a) the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act; (b) the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act; (c) exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefor under this Act or under the Customs Tariff Act or under any other law for the time being in force; (d) the quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods; (e) the origin of such goods determined in accordance with the provisions of the Customs Tariff Act or the rules made thereunder, if the amount of duty, tax, cess or any other sum is affected by the origin of such goods; (f) any other specific factor which affects the duty, tax, cess or any other sum payable on such goods, <p>and includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is nil.</p>
42.	(a)	According to Section 19, where goods consist of a set of articles and articles are liable to duty with reference to value and if they are liable to duty different rates, duty will be chargeable on such articles at highest of those rates.
43.	(a)	If Mr. A fails to furnish evidence supporting the aforesaid values, then, in view of the provisions of section 19 of the Customs Act, the set of articles shall be chargeable to duty at the highest of the rates. Those articles which are not liable to duty shall also

		be chargeable at highest of the rates. Therefore, the amount of duty payable by Mr. A = ₹ 16 lakhs × 11% (including SWS) = ₹ 176,000.										
44.	(d)	In case Mr. A furnishes evidence supporting the value of individual articles, the duty shall be chargeable on the individual articles at the rates applicable to them. Accordingly, duty payable by Mr. A = Nil on Article 'P' + ₹ 4 lakh × 5.5% + ₹ 2 lakh × 11% = ₹ 44,000.										
45.	(a)	<p>The duty payable as per section 19 is as follows : Since duty is leviable on the basis of quantity, the duty shall be calculated as under —</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>(1) Two soft dolls (Applicable duty ₹ 100 per soft doll) (₹ 100 × 2)</td> <td>200</td> </tr> <tr> <td>(2) Two racing cars (Applicable duty ₹ 50 per car) (₹ 50 × 2)</td> <td>100</td> </tr> <tr> <td>(3) Four soft teddys (Applicable duty ₹ 75 per soft teddy) (₹ 75 × 4)</td> <td>300</td> </tr> <tr> <td>Total duty payable</td> <td>600</td> </tr> </tbody> </table>	Particulars	₹	(1) Two soft dolls (Applicable duty ₹ 100 per soft doll) (₹ 100 × 2)	200	(2) Two racing cars (Applicable duty ₹ 50 per car) (₹ 50 × 2)	100	(3) Four soft teddys (Applicable duty ₹ 75 per soft teddy) (₹ 75 × 4)	300	Total duty payable	600
Particulars	₹											
(1) Two soft dolls (Applicable duty ₹ 100 per soft doll) (₹ 100 × 2)	200											
(2) Two racing cars (Applicable duty ₹ 50 per car) (₹ 50 × 2)	100											
(3) Four soft teddys (Applicable duty ₹ 75 per soft teddy) (₹ 75 × 4)	300											
Total duty payable	600											
46.	(b)	The entire set is imported as a single pack at a single price of ₹ 5,000 (no separate values available) and duty is levied ad valorem. Highest rate of duty shall be applicable on the entire set i.e. ₹ 5,000 × 10% = ₹ 500.										
47.		<p>In case importer is able to show evidences of individual value of articles the duty shall be calculated as under—</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Two soft dolls (separately valued at ₹ 1,000 each) (Applicable duty 10%) (₹ 1000 × 2 × 10%)</td> <td>200</td> </tr> <tr> <td>Two racing cars (separately valued at ₹ 500 each) (Applicable duty 7.5%) (₹ 500 × 2 × 7.5%)</td> <td>75</td> </tr> <tr> <td>Four soft teddys (Applicable duty NIL rate)</td> <td>NIL</td> </tr> <tr> <td>Total duty payable</td> <td>275</td> </tr> </tbody> </table>	Particulars	₹	Two soft dolls (separately valued at ₹ 1,000 each) (Applicable duty 10%) (₹ 1000 × 2 × 10%)	200	Two racing cars (separately valued at ₹ 500 each) (Applicable duty 7.5%) (₹ 500 × 2 × 7.5%)	75	Four soft teddys (Applicable duty NIL rate)	NIL	Total duty payable	275
Particulars	₹											
Two soft dolls (separately valued at ₹ 1,000 each) (Applicable duty 10%) (₹ 1000 × 2 × 10%)	200											
Two racing cars (separately valued at ₹ 500 each) (Applicable duty 7.5%) (₹ 500 × 2 × 7.5%)	75											
Four soft teddys (Applicable duty NIL rate)	NIL											
Total duty payable	275											
48.	(a)	According to Section 18, in case of provisional assessment, if duty finally assessed is more than provisional duty, importer shall be liable the importer or exporter shall be liable to pay interest, on any amount payable to Central Government, consequent to the final assessment order or reassessment order, at the rate specified in Section 28AA of the Customs Act, 1962 from the first day of the month in which the duty is provisionally assessed till the date of payment thereof.										
49.	(c)	If any amount is refundable on final assessment is not refunded within three from the date of assessment of duty finally, there shall be paid an interest on such un-refunded amount at such rate fixed by the Central Government under section 27A till the date of refund of such amount.										

50.	(b)	According to Section 13, if any imported goods are pilfered after the unloading thereof and before the proper officer has made an order for clearance for home consumption or deposit in a warehouse, the importer shall not be liable to pay the duty leviable on such goods except where such goods are restored to the importer after pilferage.
51.	(b)	<p>According to Section 13, if any imported goods are pilfered after the unloading thereof and before the proper officer has made an order for clearance for home consumption or deposit in a ware-house, the importer shall not be liable to pay the duty leviable on such goods except where such goods are restored to the importer after pilferage.</p> <p>The goods shall be chargeable to duty determined in the following manner – Duty leviable on such damaged or deteriorated goods = (Duty chargeable on the goods before the damage or deterioration ÷ Value of the goods before damage or deterioration) × Value of the dam-aged or deteriorated goods Abatement of duty on damaged or deteriorated goods = Duty leviable on the goods before damage — Duty leviable on the goods after damage Thus, duty payable after damage will be ₹ 20,000.</p>
52.	(c)	Section 23 is applicable even if goods are destroyed after warehousing.
53.	(d)	According to Section 13, if any imported goods are pilfered after the unloading thereof and before the proper officer has made an order for clearance for home consumption or deposit in a warehouse, the importer shall not be liable to pay the duty leviable on such goods except where such goods are restored to the importer after pilferage.
54.	(b)	The power to make rules for denaturing or mutilation of goods vests with the Central Government.
55.	(b)	Remission of duty is granted u/s 23 of the Customs Act, 1962 in case the goods are lost otherwise than as pilferage.
56.	(d)	Abatement of duty is granted u/s 22 of the Customs Act, 1962 in case the goods are damaged or deteriorated.
57.	(b)	An application for refund of duty u/s 26A of the Customs Act, 1962 shall be made before the expiry of three months from the relevant date in prescribed form.
58.	(c)	For claiming refund of duty u/s 26A of the Customs Act, 1962, such goods are destroyed or rendered commercially valueless in the presence of the proper officer within a period not exceeding 30 days from the date on which the proper officer makes an order for the clearance of imported goods for home consumption u/s 47.
59.	(c)	The importer shall have an option to clear the capital goods imported, after having been used for the specified purpose, on payment of duty equal to the difference between the duty leviable on such goods but for the exemption availed and that

		already paid, if any, at the time of importation, along with interest @ 15% p.a., on the depreciated value allowed in straight line method as under - for every quarter in the first year @ 4%;																						
60.	(b)	The importer shall have an option to clear the capital goods imported, after having been used for the specified purpose, on payment of duty equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest @ 15% p.a., on the depreciated value allowed in straight line method as under - for every quarter in the third year @3%;																						
61.	(a)	The importer shall have an option to clear the capital goods imported, after having been used for the specified purpose, on payment of duty equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest @ 15% p.a., on the depreciated value allowed in straight line method as under - for every quarter in the fourth year @ 2.5%;																						
62.	(b)	The importer shall have an option to clear the capital goods imported, after having been used for the specified purpose, on payment of duty equal to the difference between the duty leviable on such goods but for the exemption availed and that already paid, if any, at the time of importation, along with interest @ 15% p.a., on the depreciated value allowed in straight line method as under - for every quarter in the second year @ 3%;																						
63.	(b)	<p>Computation of basic Custom duty payable –</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Date on which machinery was put to use</td> <td>01-02-2023</td> </tr> <tr> <td>Date of clearance of goods for home consumption</td> <td>05-04-2026</td> </tr> <tr> <td>No. of quarters from date on which machinery was put to use [01-02-2023 to 31-12-2023] = 4 quarters</td> <td>14</td> </tr> <tr> <td>01-01-2024 to 31-12-2024] 4 quarters [01-01-2025 to 31-12-2025] 4 quarters and [01-01-2026 to 05-04-2026] = 2 quarter</td> <td></td> </tr> <tr> <td>Value of capital goods at the time of import</td> <td>20,00,000</td> </tr> <tr> <td>Total reduction for 14 quarters [16% for first year + 12% for second year + 12% for third year + 5% for two quarter of fourth year.</td> <td>45%</td> </tr> <tr> <td>Depreciated value of capital goods</td> <td>11,00,000</td> </tr> <tr> <td>Duty payable on depreciated value @ 20%</td> <td>2,20,000</td> </tr> <tr> <td>Duty paid at time of import (₹ 20 lakh × 5%)</td> <td>1,00,000</td> </tr> <tr> <td>Differential Basic Custom Duty payable</td> <td>1,20,000</td> </tr> </tbody> </table>	Particulars	₹	Date on which machinery was put to use	01-02-2023	Date of clearance of goods for home consumption	05-04-2026	No. of quarters from date on which machinery was put to use [01-02-2023 to 31-12-2023] = 4 quarters	14	01-01-2024 to 31-12-2024] 4 quarters [01-01-2025 to 31-12-2025] 4 quarters and [01-01-2026 to 05-04-2026] = 2 quarter		Value of capital goods at the time of import	20,00,000	Total reduction for 14 quarters [16% for first year + 12% for second year + 12% for third year + 5% for two quarter of fourth year.	45%	Depreciated value of capital goods	11,00,000	Duty payable on depreciated value @ 20%	2,20,000	Duty paid at time of import (₹ 20 lakh × 5%)	1,00,000	Differential Basic Custom Duty payable	1,20,000
Particulars	₹																							
Date on which machinery was put to use	01-02-2023																							
Date of clearance of goods for home consumption	05-04-2026																							
No. of quarters from date on which machinery was put to use [01-02-2023 to 31-12-2023] = 4 quarters	14																							
01-01-2024 to 31-12-2024] 4 quarters [01-01-2025 to 31-12-2025] 4 quarters and [01-01-2026 to 05-04-2026] = 2 quarter																								
Value of capital goods at the time of import	20,00,000																							
Total reduction for 14 quarters [16% for first year + 12% for second year + 12% for third year + 5% for two quarter of fourth year.	45%																							
Depreciated value of capital goods	11,00,000																							
Duty payable on depreciated value @ 20%	2,20,000																							
Duty paid at time of import (₹ 20 lakh × 5%)	1,00,000																							
Differential Basic Custom Duty payable	1,20,000																							

