



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Customs Laws and Allied
Taxes including Federal
Excise Duty and Revenue
Accounting (Application)**

AGP

Winter Exam-2024

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Q.1. Import value = Rs. 840,291/-

After reclassification of imported goods under PCT heading suggested by Audit and agreed by the DAC i.e. 2103.9000, the recoverable duty & taxes from the importer are as under;

Particulars	Amount recovered	Amount recoverable	Short-paid amount
Customs Duty	168,058	168,058	-
Additional Customs Duty	50,417	50,417	-
Regulatory Duty	252,087	420,146	168,058
Sales Tax	222,845	251,415	28,570
Value Addition Tax	39,326	44,367	5,042
Income Tax	86,516	97,608	11,092
Late Payment Surcharge-W1	-	6,711	6,711
Total	819,250	1,038,722	219,473

W-1: Delay in depositing assessed dues 23 days (33-10)
Late Payment Surcharge = $819,250 \times 13\% \times (23/365)$ = Rs. 6,711/-

Q.2. (i) Import value = $25,000 \times 2.7 \times 1\% \times 1\% \times 220$ = Rs. 15,148,485/-

(ii) PCT heading = 0902.3000

(iii) Sales tax on retail price

Import value		15,148,485
Particulars		
1	Customs duty @ 11%	1,666,333
2	Additional Customs Duty @ 2%	302,970
3	I.Tax @ 5.5%	941,478
4	Total duty & taxes including value (1+2+3)	18,059,266
5	130% in terms of STGO 103/2019 (4 x 130%)	23,477,046
6	S.Tax on retail price (5 x 17%)	3,991,098

Q.3. (i) Item-wise input goods consumed

Input goods	Production	Per unit requirement (Gross)	Material consumed	Unit
Polyester Fabric	25,000	5	$(25,000 \times 5) = 125,000$	Mtr
Lining Material	25,000	3	$(25,000 \times 3) = 75,000$	Mtr
Zipper	25,000	1	$(25,000 \times 1) = 25,000$	Mtr
Stitching Yarn	25,000	500	$(25,000 \times 500) = 12,500,000$	Grams

(ii) Quantity of input goods consumed in exported goods

Input goods	Export	Per unit requirement (Gross)	Material consumed	Unit
Polyester Fabric	22,530	5	$(22,530 \times 5) \times 95\% = 107,018$	Mtr
Lining Material	22,530	3	$(22,530 \times 3) \times 95\% = 64,211$	Mtr
Zipper	22,530	1	$(22,530 \times 1) \times 97\% = 21,854$	Mtr
Stitching Yarn	22,530	500	$(22,530 \times 500) \times 98\% = 11,039,700$	Grm



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(iii) Item-wise wastage produced

Input goods	Production	Per unit requirement (Gross)	Material consumed	Unit
Polyester Fabric	25,000	5	$(25,000 \times 5) \times 5\% = 6,250$	Mtr
Lining Material	25,000	3	$(25,000 \times 3) \times 5\% = 3,750$	Mtr
Zipper	25,000	1	$(25,000 \times 1) \times 3\% = 750$	Mtr
Stitching Yarn	25,000	500	$(25,000 \times 500) \times 2\% = 250,000$	Grm

- Q.4.**
- (i) Oil cake of Coconut (2306.5000)
 - (ii) Potassium Sulphate (3104.3000)
 - (iii) Double-side Adhesive Tape of Paper (4823.9040)
 - (iv) Circuit Breaker Below 10 Ampere (8536.2090)
 - (v) Chandelier (9405.1010)

Q.5. (i) Receipts forming part of divisible pool taxes

Sales tax on services and Punjab infrastructure development cess are provincial levies/taxes, therefore, these are not part of divisible pool taxes and remaining duties/taxes namely sales tax on import, value addition tax and regulatory duty on export of pulses shall form part of divisible pool taxes during the FY 2021-22.

(ii) Share of each province

Sales tax on imports	80,400,000
Value addition tax	59,000,000
Regulatory duty on export of pulses	41,440,000
Total – A	180,840,000
Share of KP government on account of war on terror - B (A x 1%)	1,808,400
Divisible Pool-C (A-B)	179,031,600
Federal Government share-D (C x 42.5%)	76,088,430
Provinces' share-E (C x 57.5%)	102,943,170
KP (E x 14.62%)	15,050,291
