

CUSTOMS

BROKERS LICENSING EXAMS, 2019

1. What is the time limit for filing refund claim for refund of duty u/s 27 of the Customs Act, 1962?

- A. One month from the relevant date
- B. Three months from the relevant date
- C. Six months from the relevant date
- D. One year from the relevant date

Answer: (D)

One year from the relevant date

Explanation:

The time-limit for filing a refund claim for duty under Section 27 of the Customs Act, 1962 is one year from the date of payment of duty. The one-year limit does not apply if the duty was paid under protest. Any application for refund must include proof that the burden of the duty was not transferred to another party. In this question relevant date for calculating this one-year period can vary depending on the circumstances. Generally, it's the date the duty was paid. However, if the duty was paid provisionally, the year begins from the date of final assessment adjustment. If the refund is a result of a court order or similar direction, the time starts from the date of that order.

2. Definition of imported goods as per Customs Act, 1962 includes...

- i. Any goods brought into India from a place outside India
 - ii. Goods which have been cleared for home consumption
- A. Only i
 - B. Only ii
 - C. i and ii
 - D. None of the Above

Answer: (A)

Only i

Explanation:

As per Section 2 of the Customs Act, 1962, imported goods means any goods brought

into India from a place outside India but does not include goods which have been cleared for home consumption. Once goods are cleared for home consumption, they cease to be classified as imported goods under the Act.

3. If the imported goods are found to be undeclared, can customs broker be penalized?

- A. No
- B. Yes, in all cases
- C. Yes, only if he is found to be aiding or abetting the doing or omission of an act which render such goods liable to confiscation
- D. No, even if he is found to be aiding or abetting the doing or omission of an act which render such goods liable to confiscation

Answer: (C)

Yes, only if he is found to be aiding or abetting the doing or omission of an act which render such goods liable to confiscation

Explanation:

As per the Customs Act, 1962, a customs broker can be penalized if found guilty of aiding or abetting acts that render goods liable to confiscation as importer has to declare complete information of goods while filing Entries (for import Bill of Entry & for Export Shipping Bill), in case he does not declare for any reason it shows an illegal import under section 111 & an illegal export under section 113 & by this his goods may get confiscated with penalties under section 112 (illegal Import) & 114 (illegal Export)

4. Which of the following taxes will be levied on imports?

- A. CGST only
- B. SGST only
- C. IGST
- D. GST is not applicable on all imports

Answer: (C)

IGST

Explanation:

As per Section 3(7) of the Customs Tariff Act, 1975 read with the IGST Act, 2017, Integrated Goods and Services Tax (IGST) is levied on all imports into India being considered as interstate supply of goods or services. Imports are treated as inter-State supplies and hence attract IGST in addition to Basic Customs Duty (BCD). CGST and SGST are not applicable on imports since both of them applies on intra-State supplies. The IGST paid at the time of import can be claimed as input tax credit by registered taxpayers.

5. Can goods restricted as per Foreign Trade policy, be imported?

- A. No
- B. Yes, with prior permission of Commissioner of Customs
- C. Yes, only when license has been issued by DGFT
- D. None of the above

Answer: (C)

Yes, only when license has been issued by DGFT

Explanation:

As per the Foreign Trade Policy and the Foreign Trade (Development and Regulation) Act, 1992, restricted goods can be imported only with a valid license issued by the Directorate General of Foreign Trade (DGFT). These goods are listed in the ITC (HS) classification and require prior authorization.

6. Which are the laboratories which work directly under Central Board of Indirect Taxes and Customs

- A. NABL
- B. Chennai Mettexlab
- C. National Metallurgical Lab
- D. CRCL

Answer: (D)

CRCL

Explanation:

The Central Revenues Control Laboratory (CRCL) is the primary laboratory functioning directly under the Central Board of Indirect Taxes and Customs (CBIC). Established in 1939, CRCL provides expert chemical analysis of samples drawn by Customs and GST formations. It plays a key role in classification, valuation, and detection of restricted or prohibited goods. CRCL is headquartered in New Delhi and is supported by regional revenue laboratories. Other labs like NABL, Chennai Mettexlab, and National Metallurgical Lab operate independently and are not under CBIC.

7. Which date is relevant for availing export incentives as per Foreign Trade Policy?

- A. LEO date
- B. Date of loading on vessel
- C. Date of examination
- D. Date of assessment

Answer: (A)

LEO date

Explanation:

Per the Foreign Trade Policy and Handbook of Procedures, the Let Export Order (LEO) date is the relevant date for availing export incentives. LEO is issued by the customs officer after verifying the shipping bill and export documents, indicating that goods are cleared for export. This date is used to determine eligibility for schemes like Duty Drawback, Advance Authorization, EPCG, and RoDTEP.

8. The tariff item as per the Customs Tariff consists of digits.

- A. 8
- B. 7
- C. 6
- D. 5

Answer: (A)

8

Explanation:

As per the Customs Tariff Act, 1975, the tariff item is represented using an 8-digit code. The tariff item consists of 8 digits, subheading is of 6-digits, heading 4-digits & Chapter is of 2 digits. This coding system is aligned with the Harmonized System of Nomenclature (HSN) adopted internationally. The first six digits represent the HS code, and the last two digits are used for further national classification of goods.

9. Declaration of standard unit quantity code (SUQC) by importer is-

- A. Mandatory in all cases
- B. Optional
- C. Mandatory only for capital goods
- D. Mandatory only for packaged goods

Answer: (A)

Mandatory in all cases

Explanation:

Declaration of Standard Unit Quantity Code (SUQC) is mandatory in all cases as per the Customs procedures. DGFT in its ITC (HS) prescribes Unit Quantity Code for each and every item. SUQC ensures uniformity in reporting quantities of imported goods in the Bill of Entry. It is essential for accurate assessment, valuation, and statistical analysis. The importer must declare the quantity in the prescribed unit such as kilograms, Liters, numbers, etc., based on the tariff item.

10. Provisional release of seized goods can be allowed by-

- A. Inspector of Customs
- B. The adjudicating authority
- C. Any officer of Customs
- D. Intelligence officer of Directorate of Revenue Intelligence

Answer: (B)

The Adjudicating Authority

Explanation:

As per Section 110A of the Customs Act, 1962, the provisional release of seized goods can be ordered by the adjudicating authority.

This provision allows release of goods pending adjudication, subject to conditions such as execution of bond, furnishing of security, or payment of duty. The adjudicating authority is empowered to assess the case and decide whether provisional release is appropriate. Other officers, including inspectors or intelligence officers, do not have the authority to order such release independently.

11. The Nodal Ministry to deal with the trans-boundary movement of the hazardous wastes is-

- A. Ministry of Environment and Forest
- B. Ministry of Finance
- C. Ministry of Home Affairs
- D. Ministry of Agriculture

Answer: (A)

Ministry of Environment and Forest

Explanation:

The Ministry of Environment, Forest and Climate Change is the nodal ministry responsible for regulating the trans-boundary movement of hazardous wastes under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. This is in line with India's obligations under the Basel Convention. It is the authority that grants permission for the import or export of these wastes for recycling, reuse, or utilization. The import of hazardous waste for disposal is prohibited in India. Imports are only permitted for recycling, reuse, recovery, and utilization.

12. From which date, interest is payable by the importer on amount payable consequent to the final assessment?

- A. From the 1st day of the month in which the duty is provisionally assessed.
- B. From the last day of the month in which the duty is provisionally assessed.
- C. From the 1st day of the month in which the duty is finally assessed.
- D. From the last day of the month in which the duty is finally assessed.

Answer: (A)

From the 1st day of the month in which the duty is provisionally assessed.

Explanation:

As per Section 18(3) of the Customs Act, 1962, an importer or exporter must pay interest on any amount they owe to the government after the final assessment, at a rate fixed (15%) by the Central Government. This interest is charged from the first day of the month when the provisional assessment was made until the date of final payment. The rate of interest is determined by the Central Government, as per Section 28AA of the Act which is not below 10% and not exceeding 36% per annum as the Central Government notify.

13. The amount of Penalty that can be imposed on a G card holder (for contravention or the Regulation or failure to comply with provision of these regulations) under the provisions of Regulation 18 of Customs Broker Licensing Regulations, 2018

- A. Not exceeding Fifty thousand Rupees
- B. Not exceeding Ten thousand Rupees
- C. Not exceeding One lakh Rupees
- D. No penalty can be imposed on G card holder

Answer: (B)

Not exceeding Ten thousand Rupees

Explanation:

Regulation 18 of the Customs Broker Licensing Regulations, 2018 empowers the Deputy Commissioner or an Assistant Commissioner of Customs to impose a penalty not exceeding Ten thousand Rupees on a G card holder who contravenes any provisions of these regulations in connection with the proceedings against.

14. The goods were provisionally assessed on 01.01.2019 and the same were finally assessed as well as duty adjusted on 15.03.2019. The limitation of one year for claiming refund u/s 27 of the Customs Act, 1962 shall begin from...

- A. 01.01.2019
- B. 15.03.2019
- C. 31.03.2019
- D. None of the Above

Answer: (B)

15.03.2019

Explanation:

The one-year limitation for claiming a refund under Section 27 of the Customs Act, 1962, begins from the date of adjustment of duty, after final assessment, which in this case is 15.03.2019. For provisional assessments, the time for claiming a refund runs from the date the final assessment is determined and the duty is adjusted

15. Who is the proper officer to give Out of Charge (OOC) for imported goods under Section 47 of the Customs Act, 1962?

- A. Preventive Officer/Examiner Officer/Inspector
- B. Deputy/Assistant Commissioner
- C. Appraiser/Superintendent
- D. Custodian of the imported goods

Answer: (C)

Appraiser/Superintendent

Explanation:

As per Section 47 of the Customs Act, 1962, the proper officer authorized to give Out of Charge (OOC) clearance for imported goods is the Appraiser or Superintendent of Customs. OOC is the final clearance granted after assessment, examination, and payment of duty, allowing goods to be released from customs control. The Appraiser/Superintendent ensures that all legal and procedural requirements are fulfilled before issuing OOC.

16. As per Deferred Payment of Import Duty Rules, 2016, duty for goods corresponding to Bill of Entry returned for payment from 1st day to 15th day of any month has to be paid by which day?

- A. 17th day of the month
- B. 16th day of the month
- C. 18th day of the month

D. 21st day of the month

Answer: (B)

16th day of the month

Explanation:

Under the Deferred Payment of Import Duty Rules, 2016, importers certified as Authorized Economic Operators Tier II, AEO Tier III and Public sector undertakings are allowed to defer payment of customs duty. It allows-

- i) For Bills of Entry returned for payment between the 1st and 15th of a month, the duty must be paid by the 16th of that same month.
- ii) For Bills of Entry returned for payment between the 16 and 30/31 of a month except March, the duty must be paid by the 1 day of the following month.
- iii) For 16th day till 31st March duty shall be paid on 31st March.

This facility eases liquidity and promotes trade facilitation. Timely payment is essential to avoid interest and penalties.

17. After assessment, if the payment of duty is delayed by the importer, what is the applicable rate of interest to be paid by the importer?

- A. 13%
- B. 15%
- C. 18%
- D. None of the Above

Answer: (B)

15%

Explanation:

As per Section 47(2) of the Customs Act, 1962, If the Importer fails to pay the duty within the specified time, he shall pay interest on the duty not paid or short-paid till the date of its payment at the rate not less than ten percent but not exceeding thirty percent as fixed (15%) by the Central Government by notification in the Official Gazette.

18. First check assessment can be carried out on the request/directions of-

- A. Only proper officer of customs
- B. Only Import or his authorized representative
- C. Both proper officer of customs as well as importer
- D. Shed Appraiser

Answer: (C)

Both proper officer of customs as well as importer

Explanation:

First check assessment is a process under customs where examination of goods is conducted before assessment. The actual powers to grant first check assessment lies with the proper officer however this can also be carried out on the request of the importer for the physical examination, often at the time of filing the Bill of Entry, for reasons such as providing incomplete information. When Customs officers deem a physical inspection necessary because the assessment cannot be made based solely on the submitted documents.

19. What if an importer does not present Bill of Entry within the time limit specified?

- A. Penalty of Rs. 5000/- per day has to be paid
- B. Penalty of Rs. 5000/- per day for first day and Rs. 10000/- for second day onwards has to be paid
- C. Penalty of Rs. 5000/- per day for first three days and Rs. 10000/- for fourth day onwards has to be paid
- D. None of the Above

Answer: (C)

Penalty of Rs. 5000/- per day for first three days and Rs. 10000/- for fourth day onwards has to be paid

Explanation:

As per Section 46(3) of the Customs Act, 1962 read with Regulation 3 of the Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations, 2018, an importer is required to file the Bill of Entry within one day of the arrival of goods at a customs station. If the importer fails to do so,

a late presentation fee is levied at him which is Five thousand Rupees per day for the first three days of delay and Ten Thousand per day from the fourth day onwards.

20. Item wise import policy is given under?

- A. Foreign Trade Policy
- B. ITC(HS)
- C. Handbook of Procedure
- D. Customs Tariff

Answer: (B)

ITC(HS)

Explanation:

The Indian Trade Classification Harmonized System or ITC(HS) provides item-wise import and export policy. It lists all goods with their corresponding HS codes and specifies whether they are freely importable, restricted, prohibited, or subject to licensing. It is a compilation of codes that categorize products based on a hierarchical structure till 8 digits to determine import/export policies, regulations, and customs duties for each item. The codes are organized as Chapter (first two digits), Heading (first four digits), Sub-heading (The first six digits) Item Description (Eight Digits). This classification is maintained by the Directorate General of Foreign Trade (DGFT) and is updated periodically to reflect changes in trade regulations.

21. What is the difference between Standing Order and Public/Facility Notice issued by Custom Houses?

- A. No difference
- B. Standing Order is for the trade and Public/Facility Notice is for the officers
- C. Standing Order is for the officers and Public/Facility Notice is for the trade
- D. None of the Above

Answer: (C)

Standing Order is for the officers and Public/Facility Notice is for the trade

Explanation:

Standing Orders are issued by Custom Houses to guide departmental officers on internal procedures, operational instructions, and enforcement protocols under customs law. These are meant for official use within the department. On the other hand, Public Notices or Facility Notices are issued for the trade community importers, exporters, and customs brokers to inform them about procedural changes, facility updates, or compliance requirements.

22. The minor amendments to IGM ...

- A. Are done by proper officer without adjudication not below the rank of Assistant /Deputy Commissioner
- B. Are done with adjudication by Assistant /Deputy Commissioner
- C. Are done with adjudication by Supdt./Appraiser
- D. Are done without adjudication by Supdt./Appraiser

Answer: (D)

Are done without adjudication by Supdt/Appraiser

Explanation:

Minor amendments to the Import General Manifest (IGM) can be carried out without adjudication by the Superintendent or Appraiser of Customs. These amendments typically involve clerical corrections or minor factual updates that do not impact the assessment, classification, or valuation of goods, they will come under Major Amendment.

23. Appeal against order in original passed by Assistant Commissioner of Customs lies with—

- A. Chief Commissioner of Customs
- B. Commissioner of Customs
- C. CESTAT
- D. Commissioner (Appeals)

Answer: (D)

Commissioner (Appeals)

Explanation:

As per Section 128 of the Customs Act, 1962, any person aggrieved by a decision or order passed by an adjudicating authority below the rank of Commissioner of Customs such as Assistant Commissioner or Deputy Commissioner may file an appeal before the Commissioner (Appeals).

24. An Advance Bill of Entry is presented on 27th October, 2017 and entry inwards to the vessel is given on 2nd November, 2017. What should be the rate of duty?

- A. The rate of duty as on 27th Oct., 2017
- B. The rate of duty as on 2nd Nov., 2017
- C. The rate which is higher of the two
- D. None of the above

Answer: (B)

The rate of duty as on 2nd Nov., 2017

Explanation:

As per Section 15 of the Customs Act, 1962, the applicable rate of duty and tariff valuation for imported goods is determined based on the date of entry inwards of the vessel, not the date of filing the Bill of Entry. Even if an advance Bill of Entry is filed prior to the arrival of the vessel, the rate of duty is fixed as on the date when the vessel is granted entry inwards. In this case, since entry inwards was given on 2nd November, 2017, that date determines the applicable rate of duty.

25. At present which of the following is not includible in the value of the imported goods?

- A. Cost of transport up to the place of importation
- B. Cost of insurance up to the place of importation
- C. Ship demurrage charges
- D. Landing charges

Answer: (D)

Landing charges

Explanation:

As per Rule 10 of the Customs Valuation (Determination of Value of Imported Goods)

Rules, 2007, the assessable value includes cost of transport, insurance, and handling charges incurred up to the place of importation. However, landing charges are no longer separately added to the assessable value on notional basis if incurred on actual basis can be added.

26. E-Sanchit is....

- A. Paperless processing of documents wherein supporting documents can be uploaded online
- B. Online assessment
- C. Uploading of manual assessment Bill of Entry in EDI
- D. None of the Above

Answer: (A)

Paperless processing of documents wherein supporting documents can be uploaded online

Explanation:

E-Sanchit (Electronic Storage and Computerized Handling of Indirect Tax documents) is a digital initiative by CBIC that enables paperless processing of customs documents. It allows importers, exporters, and customs brokers to upload supporting documents online, eliminating the need for physical submission. It is integrated with the Indian Customs EDI system and supports the ease of doing business under the Digital India initiative.

27. The Brand Rate of Duty Drawback is fixed by—

- A. The Jurisdictional Central Excise Authority
- B. The jurisdictional GST Authority
- C. Jurisdictional Custom Houses from where the goods are exported
- D. None of the above

Answer: (C)

Jurisdictional Custom Houses from where the goods are exported

Explanation:

As per the Customs and Central Excise Duties Drawback Rules, 2017, the Brand

Rate of Duty Drawback is determined by the jurisdictional Customs House from which the goods are exported. This rate is fixed when the All-Industry Rate (AIR) is not applicable or insufficient to cover the actual duties paid. Exporters must apply for fixation of the Brand Rate by submitting detailed documentation of input duties paid. The Customs authorities verify the claim and notify the specific rate applicable to that exporter's product.

28. Whether an importer has to compulsorily take the services of a Customs Brokers?

- A. Yes, as per Customs Act
- B. Yes, as per the Customs Brokers Regulations
- C. No, Importer can self-clear the consignment as well
- D. None of the Above

Answer: (C)

No, Importer can self-clear the consignment as well

Explanation:

As per the Customs Act, 1962 and Regulation 3 of the Customs Brokers Licensing Regulations 2018, it is not mandatory for an importer to engage a Customs Broker. Importers have the option to self-clear their consignments by filing the Bill of Entry and completing other formalities directly with the Customs department. However, many importers choose to use the services of licensed Customs Brokers due to their expertise in handling documentation, compliance, and procedural requirements. The choice remains with the importer, and there is no legal compulsion to hire a broker.

29. Tariff Value is fixed by

- A. DGFT
- B. CBIC
- C. Ministry of Commerce
- D. None of the Above

Answer: (B)

CBIC

Explanation:

Under Section 14(2) of the Customs Act, 1962, the Central Board of Indirect Taxes and Customs (CBIC) is empowered to fix Tariff Values for certain notified goods. Tariff Values are typically fixed for commodities like Palm oils, Palmolive Oil, gold, silver, Arica Nut and some other sensitive items. The CBIC periodically reviews and updates these values based on international price trends and market conditions.

30. No drawback is admissible where the amount of the drawback worked out is higher than the—

- A. Present market value of the goods exported
- B. Actual taxes paid on the goods being exported
- C. FOB value of the goods
- D. CIF value of the goods

Answer: (A)

Present market value of the goods exported

Explanation:

As Section 76 read with Customs and Central Excise Duties Drawback Rules, 2017, no drawback shall be allowed if the amount of drawback determined exceeds the present market value of the goods exported. It says that the drawback amount or rate determined under rule 3 of the same rules shall not exceed one third of the market price of the export product.

31. In case of imported articles of food, who shall take its sample?

- A. The authorised officer of the FSSAI
- B. The authorised officer of DGFT
- C. The authorised officer of Police
- D. The authorised officer of the Food Import Council

Answer: (A)

The authorised officer of the FSSAI

Explanation:

As per the Food Safety and Standards (Import) Regulations, 2017, the authorised

officer of the Food Safety and Standards Authority of India (FSSAI) is responsible for taking samples of imported food articles. The officer conducts visual inspection, sampling, and testing as per prescribed procedures. The role of FSSAI in food import regulation is crucial for protecting public health and ensuring that only safe and compliant food enters the Indian market.

32. For re-export under Section 74 of the Customs Act, 1962, the identity of the goods has to be established with respect to import documents to the satisfaction of ...

- A. The Assessing Officer
- B. The Examination Officer
- C. The Commissioner
- D. The Assistant/Deputy Commissioner

Answer: (D)

The Assistant/Deputy Commissioner

Explanation:

Section 74 of the Customs Act, 1962 allows for a refund of up to 98% of the import duty paid on goods that are re-exported, provided they are unused and identifiable. The identity of the goods must be verified against the original import documents. As per customs procedures, this verification must be done to the satisfaction of the Assistant Commissioner or Deputy Commissioner of Customs. Their role is crucial in confirming that the goods being re-exported are the same as those originally imported, thereby ensuring compliance and preventing fraudulent drawback claims.

33. Cases concerning import of samples and prototypes from related sellers shall not be taken up for inquiries by Special Valuation Branch (SVB):

- A. True without any conditions
- B. False without any condition
- C. True subject to certain conditions
- D. False subject to certain conditions

Answer: (A)

True without any conditions

Explanation:

The import of samples and prototypes from related sellers is exempt from SVB investigation, provided the goods are imported purely for testing, R&D, or demonstration and not for sale or commercial use. These cases are excluded from SVB scrutiny without any conditions, streamlining the import process for non-commercial consignments. Other types of cases generally exempted from SVB inquiry include Imports from related sellers where the customs duty is unconditionally fully exempted or nil and Transactions where the value of the imported goods is less than ₹1 lakh, and the cumulative value of all such transactions in a financial year does not exceed ₹25 lakhs the exemptions are enumerated in Customs Circular No. 05/2016.

34. When item XYZ is imported into India, it attracts basic Customs duty of 10%. It also attracts IGST @18% and compensation cess @12%. What would be the total duty payable if the transaction value of XYZ is Rs. 100?

- A. Rs. 43
- B. Rs. 41.2
- C. Rs. 45.3
- D. Rs. 42

Answer: (A)

Rs. 43

Explanation:

To calculate the total duty payable:
 Basic Customs Duty (BCD): 10% of ₹100 = ₹10
 Assessable Value for IGST and Cess: ₹100 + ₹10 = ₹110
 IGST 18% on ₹110: ₹19.80
 Compensation Cess 12% on ₹110: ₹13.20
 Total Duty Payable: ₹10 (BCD) + ₹19.80 (IGST) + ₹13.20 (Cess) = ₹43

This method follows the valuation and duty calculation principles under the Customs Tariff Act and GST framework for imports.

35. The duty drawback, under Section 74 of the Customs Act, 1962, in respect of re-export of goods is available only if—

- A. The goods are entered for export within two years from the date of payment of duty on importation thereof
- B. The goods are entered for export within one year from the date of payment of duty on importation thereof
- C. The goods are entered for export within six months from the date of payment of duty on importation thereof
- D. None of the above

Answer: (A)

The goods are entered for export within two years from the date of payment of duty on importation thereof

Explanation:

Section 74 of the Customs Act, 1962 provides for duty drawback on goods that are imported and subsequently re-exported, subject to specific conditions. One key condition is that the goods must be entered for export within two years from the date of payment of import duty. The provision allows up to 98% of the duty paid to be refunded, provided the goods are unused and identifiable. The time limit may be extended by the Commissioner of Customs under valid circumstances. Some other conditions are also there related to drawback like A claim for the drawback is filed in the prescribed manner and within the time limit generally three months from the date of re-export.

36. What is the maximum percentage of duty allowable as drawback for re-export of imported goods?

- A. 95%
- B. 97%
- C. 98%
- D. 100%

Answer: (C)

98%

Explanation:

Under Section 74 of the Customs Act, 1962, when imported goods are re-exported,

the importer is eligible for a duty drawback of up to 98% of the customs duty originally paid. This maximum rate is granted if the goods have not been used in India after their importation. The remaining 2% is retained to cover administrative costs and ensure compliance with customs procedures. If the imported goods have been used before re-export, the drawback is allowed on a reduced, sliding scale based on the duration of usage.

37. 'Acid Blacks Azo Dyes' are classifiable under which of the following chapters?

- A. Chapter 32
- B. Chapter 72
- C. Chapter 59
- D. Chapter 62

Answer: (A)

Chapter 32

Explanation:

Acid Blacks Azo Dyes are synthetic organic colouring materials used in textile and industrial applications. These dyes fall under Chapter 32 of the Customs Tariff, which covers tanning or dyeing extracts, pigments, and other colouring matter. Specifically, they are classified under heading 3204, which includes synthetic organic colouring matter whether or not chemically defined. Chapter 59: covers impregnated, coated, covered, or laminated textile fabrics and textile articles of a kind suitable for industrial use. Chapter 62: made up articles of any textile fabric other than wadding, excluding knitted or crocheted. Section 72: Prescribes classification of iron or steel.

38. Can drawback under Section 74 of the Customs Act, 1962 be allowed for the goods which cannot be identified at the time of export with respect to import documents?

- A. Yes, if proper shipping bill is filed
- B. Yes, if proper records are maintained and produced
- C. No
- D. None of the above

Answer: (C)

No

Explanation:

Section 74 of the Customs Act, 1962 allows duty drawback on re-exported goods. A mandatory condition for claiming drawback under this section is that the exported goods must be identified to the satisfaction of the Assistant/Deputy Commissioner of Customs as the same goods that were previously imported. If the goods cannot be identified, the drawback cannot be granted, regardless of whether a shipping bill is filed or records are maintained. The goods must be entered for export within two years from the date of payment of import duty.

39. Consider the following statements:

- i. The heading which provides the most specific description shall be preferred to headings providing a more general description.
 - ii. The goods shall be classified under the heading which occurs first in numerical order among those which equally merit consideration.
- A. Only i
 - B. Only ii
 - C. Both i and ii
 - D. None of the above

Answer: (A)

Only i

Explanation:

According to the General Rules for the Interpretation of the Harmonized System, Rule 3(a) states that when goods are classifiable under two or more headings, the heading which provides the most specific description shall be preferred over more general ones. Rule 3(b) and 3(c) apply only when Rule 3(a) does not resolve the classification. Rule 3(c) allows classification under the heading that appears last in numerical order only when two headings are equally specific. Therefore, statement i is correct, while statement ii is not true.

40. The findings of SVB incorporating all relevant facts, submissions made by the importer that has been approved by the Principal Commissioner/

Commissioner, and forwarded to the concerned appraising groups for further action is called the:

- A. Investigation Report (IR)
- B. Show Cause Notice (SCN)
- C. SVB Report (SR)
- D. None of the above

Answer: (A)

Investigation Report (IR)

Explanation:

The Primary role of Special Valuation Branch is to ensure that the relationship between the importer and exporter is not influenced the transaction value to reduce customs duties. In Special Valuation Branch (SVB) proceedings, once the investigation is completed, the findings are compiled into an Investigation Report (IR). This report includes all relevant facts, importer submissions, and valuation analysis. After approval by the Principal Commissioner or Commissioner of Customs, the IR is forwarded to the concerned appraising group for final assessment and duty determination. The IR serves as the official conclusion of the SVB inquiry and forms the basis for further action, including acceptance of declared value or issuance of a Show Cause Notice.

41. Examination in relation to any goods includes...

- A. Only Measurement
- B. Only Weighment
- C. Both A and B
- D. None of the Above

Answer: (C)

Both A and B

Explanation:

As per definition provided under Section 2 of the Customs Act, 1962, the term "examination" in relation to goods includes both measurement and weighment. These activities are essential for verifying the physical characteristics of the goods declared in the import or export documents. Under the Examination process the goods conform

to the declared description, quantity, and classification, which is critical for correct duty assessment and compliance with customs regulations. Therefore, both measurement and weightment are integral parts of the examination process.

42. Can the penalty for late presentation of Bill of Entry be waived in genuine cases?

- A. No, penalty is mandatory
- B. Yes, if the proper officer is satisfied that there was sufficient cause for such delay
- C. Yes, if the proper officer feels so
- D. None of the Above

Answer: (B)

Yes, if the proper officer is satisfied that there was sufficient cause for such delay

Explanation:

As per Regulation 3 of the Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations, 2018, a penalty may be imposed for late filing of the Bill of Entry. However, the regulation also provides that the penalty can be waived if the proper officer is satisfied that there was sufficient cause for the delay. The late presentation charges of any Bill of Entry shall not exceed the duty payable in respect of particular bill of entry. The proper officer to waive off late presentation charges is Additional Commissioner of Customs.

43. IGM is filed by

- A. Importer
- B. Customs Broker
- C. Person-in-charge of the vessel
- D. None of the Above

Answer: (C)

Person-in-charge of the vessel

Explanation:

The Import General Manifest (IGM) is filed by the person-in-charge of the vessel, aircraft, or vehicle carrying imported goods into India. As per Section 30 of the Customs Act, 1962, it is

mandatory to file the IGM prior to the arrival of vessel or the aircraft and in case of vehicle an import report within twelve hours after its arrival at the customs station. This document contains details of all cargo on board and is essential for initiating customs clearance procedures. In case of late filling of IGM the person in charge shall be liable to a penalty not exceeding fifty thousand rupees.

44. Once the goods are confiscated the ownership vests with

- A. There is no change in the ownership
- B. The Government
- C. Jointly with the Government and the original Owner
- D. None of the above

Answer: (B)

The Government

Explanation:

Under Section 126 of the Customs Act, 1962, once goods are confiscated by the customs authorities, the ownership of those goods vests absolutely with the Central Government and the officer adjudging confiscation shall take and hold possession of the confiscated goods. The original owner loses all rights over the goods, and the government may dispose of them as per prescribed procedures.

45. Whether second-hand goods, other than capital goods, can be imported into India?

- A. Yes; can be freely imported
- B. No, they are prohibited
- C. Yes, against authorisation issued by DGFT
- D. None of the above

Answer: (C)

Yes, against authorisation issued by DGFT

Explanation:

As per Para 2.31 of the Foreign Trade Policy, second-hand goods other than capital goods are restricted for import into India. They can only be imported against a specific authorisation issued by DGFT. Capital

goods, however, are allowed freely subject to conditions. The restriction helps maintain quality standards and protects domestic industries from dumping of obsolete goods.

46. How much time has been given (without extension) for submission of information/documents under Customs (Finalization of Provisional Assessment) Regulations, 2018 for the purpose of finalization of assessment?

- A. One month
- B. Six months
- C. Three months
- D. Twelve months

Answer: (A)

One month

Explanation:

Under Section 18 read with the Customs (Finalization of Provisional Assessment) Regulations, 2018, the importer or exporter is required to submit the necessary information or documents within one month from the date of communication by the proper officer. If the party fails to comply, the officer may extend the time limit or proceed based on available records. Extensions may be granted under valid circumstances by proper officers.

47. Import of the hazardous wastes into India is—

- A. Prohibited
- B. Conditionally allowed
- C. Freely allowed
- D. Restricted to certain ports

Answer: (A)

Prohibited

Explanation:

As per the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, the import of hazardous wastes into India is strictly prohibited, except in specific cases where it is permitted for recycling or recovery under authorization from the Ministry of Environment, Forest and Climate Change. In general, such imports are banned

to protect human health and the environment from the risks posed by hazardous substances.

48. Whether there is any upper limit on the penalty for delayed presentation of bill of entry?

- A. No
- B. Yes, Rs. 100000/-
- C. Yes, duty payable in respect of that particular bill of entry
- D. None of the Above

Answer: (C)

Yes, duty payable in respect of that particular bill of entry

Explanation:

Under Regulation 6 of the Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations, 2018, a penalty may be imposed for delayed filing of the Bill of Entry. The upper limit of this penalty is capped at the amount of duty payable on the goods covered by that specific Bill of Entry.

49. How much fee is prescribed for amendment of Shipping Bill/ Bill of Entry, except prior Bill of Entry as per Levy of Fees (Customs Documents) Amendment Regulations, 2017?

- A. Rs. 1000/- per document
- B. Rs. 500/-
- C. Rs. 100/-
- D. None of the Above

Answer: (A)

Rs. 1000/- per document

Explanation:

As per the Levy of Fees (Customs Documents) Amendment Regulations, 2017, a fee of Rs. 1000/- per document is prescribed for amendments made to shipping bills or bills of entry, excluding prior bills of entry. The regulations standardised the fees for most amendments to various customs documents, including Import or export manifests, Shipping Bills (for vessel name or other particulars), Port clearance applications, Bills of Entry (other than prior Bills of Entry). Amendments

to “prior bills of entry” are exempt from this fee as a trade facilitation measure.

50. Why does the Customs Department ask for a Bond for warehousing?

- A. To collect applicable duty
- B. To safeguard the goods
- C. To secure applicable duty
- D. All the above

Answer: (C)

To secure applicable duty

Explanation:

Under Section 59 of the Customs Act, 1962, when goods are warehoused, the Customs Department requires a bond for warehousing to financially guarantee the payment of all potential duties, taxes, fines, and penalties associated with imported goods, as well as to ensure compliance with all customs laws and regulations while the goods are stored. It does not serve to collect duty immediately or safeguard the goods physically, hence only option C is correct.

51. The Merchandise Exports from India Scheme (MEIS) is a

- A. Import substitution scheme
- B. Export substitution scheme
- C. Export reward scheme
- D. None of the above

Answer: (C)

Export reward scheme

Explanation:

MEIS was introduced under the Foreign Trade Policy (FTP) 2015–20 to promote exports of specified goods from India. It provides financial incentives to exporters in the form of duty credit scrips, which can be used to pay customs duties. This scheme used to provide rewards to exporters of designated goods to offset infrastructural inefficiencies and other costs. Rewards were given as duty credit scrips that could be used to pay for various duties and taxes, making Indian products more competitive in international markets. The MEIS scheme was discontinued and replaced by the RoDTEP Scheme.

52. ‘Coal’ is classifiable under which of the following chapters?

- A. Chapter 93
- B. Chapter 84
- C. Chapter 27
- D. Chapter 12

Answer: (C)

Chapter 27

Explanation:

Coal is classified under Chapter 27 of the Customs Tariff Act, which deals with mineral fuels, mineral oils, and products of their distillation, bituminous substances, mineral waxes. Specifically, coal falls under heading 2701, which includes various types such as anthracite, bituminous coal, and other forms used for industrial and energy purposes. This classification is essential for determining the correct rate of customs duty and ensuring accurate tariff treatment during import or export. Chapter 27 covers all fossil-based energy materials, making it the appropriate heading for coal.

Chapter 12: Covers oil seeds, medicinal plants, straw, fodder, and other agricultural products used for food, medicine, or industry. Chapter 84: Includes machinery, mechanical appliances, boilers, and industrial equipment used in manufacturing, processing, or power generation. Chapter 93: Relates to arms, ammunition, and accessories such as military weapons, cartridges, and parts used for defence or security purposes.

53. Who is the proper officer under Section 149 to amend the Bill of Entry, after goods have been cleared from Customs?

- A. Deputy/Assistant Commissioner of Customs
- B. Additional/Joint Commissioner of Customs
- C. Commissioner of Customs
- D. None of the above

Answer: (A)

Deputy/Assistant Commissioner of Customs

Explanation:

Section 149 of the Customs Act, 1962 read with Notification No. 26/2022 allows

amendment of documents like the Bill of Entry after clearance of goods. The proper officer for such amendments is the Deputy/Assistant Commissioner of Customs. This amendment can only be made based on documentary evidence that existed at the time of clearance.

54. Why imported food items are referred to FSSAI authorities?

- A. It is responsible for food safety in India
- B. It prevents pollution
- C. It is supervising body for all radioactive materials
- D. None of the above

Answer: (A)

It is responsible for food safety in India

Explanation:

The Food Safety and Standards Authority of India (FSSAI) is the national regulatory body responsible for ensuring the safety and quality of food in India. Imported food items are referred to FSSAI to verify compliance with Indian food safety standards under the Food Safety and Standards Act, 2006. This includes checks for labelling, permissible ingredients, contaminants, and hygiene standards before the goods are cleared for consumption.

55. The findings of SVB incorporating all relevant facts, submissions made by the importer that has been approved by the Principal Commissioner / Commissioner, and forwarded to the concerned appraising groups for further action is called the:

- A. Investigation Report (IR)
- B. Show Cause Notice (SCN)
- C. SVB Report (SR)
- D. None of the above

Answer: (A)

Investigation Report

Explanation:

A Special Valuation Branch (SVB) is a specialized unit within Customs that investigates the value of imported goods,

particularly in transactions between related parties, to ensure duties are not being reduced through undervaluation. In Special Valuation Branch (SVB) proceedings, the final document summarizing all relevant facts, importer submissions, and valuation analysis is called the Investigation Report (IR). Once approved by the Principal Commissioner or Commissioner, it is sent to the appraising group for final assessment.

56. What is the time limit for filing refund claim for refund of duty under Section 27 of the Customs Act, 1962 where duty was paid under protest?

- A. No time limit
- B. Three months from the relevant date
- C. Six months from the relevant date
- D. Twelve months from the relevant date

Answer: (A)

No time limit

Explanation:

Section 27 of the Customs Act, 1962 generally prescribes a one-year time limit for filing refund claims from the relevant date. However, when duty is paid under protest, this time restriction does not apply. In such cases the protest is considered to be valid and the time limit is suspended as long as the underlying dispute regarding the assessment or levy of duty is pending in appeal or other legal proceedings and once the dispute is resolved by a judgment, decree, order, or direction of an appellate authority, Appellate Tribunal, or a Court, the refund claim must then be filed within one year from the date of that final order or decision. The time limit starts running from the date the cause of the protest comes to an end. It is crucial that the protest is explicitly mentioned and documented at the time of payment to preserve the right to claim a refund beyond the normal limitation period.

57. The acronym FSSAI stands for -

- A. Food Standards and Safety Authority of India
- B. Food Safety and Standards Authority of India

- C. Food Standards and Service Authority of India
- D. Food Safety and Service Authority of India

Answer: (B)

Food Safety and Standards Authority of India

Explanation:

FSSAI stands for Food Safety and Standards Authority of India, established under the Food Safety and Standards Act, 2006. It is the apex regulatory body responsible for ensuring food safety and hygiene across India. FSSAI sets standards for food products, regulates imports, monitors labelling and packaging, and ensures that food items meet health and safety norms. All imported food items must comply with FSSAI regulations before clearance. The authority plays a vital role in protecting public health by preventing the entry of substandard or unsafe food into the Indian market.

58. Facility of deferred payment of custom duty has been provided at present to which category of importers?

- A. ACP
- B. AEO
- C. AEO-T2
- D. DPD

Answer: (C)

AEO-T2

Explanation:

The facility of deferred payment of customs duty is extended to importers registered under the Authorized Economic Operator (AEO) Tier-2, Tier-3 and public sector undertaking categories. This benefit allows eligible importers to clear goods first and pay duties later. AEO-T2 importers enjoy faster clearance, reduced inspections, and priority processing, making them ideal candidates for deferred duty payment.

59. What is Bonding of goods under Section 59 of the Customs Act, 1962?

- A. Storage of Goods at a specified place on which applicable duty has not been paid

- B. Storage of goods at a specified place on which applicable duty has been paid

- C. Clearance of Goods after import
- D. None of the above

Answer: (A)

Storage of Goods at a specified place on which applicable duty has not been paid

Explanation:

Bonding under Section 59 of the Customs Act, 1962 refers to the warehousing of imported goods without payment of duty at the time of import. This bond is a financial guarantee, typically for an amount equal to three times the duty assessed on the goods, that the importer will comply with the Act's provisions, pay all duties and interest, and meet any penalties. The bond ensures the government's revenue is protected while goods are stored in a bonded warehouse before final duty payment.

60. 'Redemption fine' is in lieu of—

- A. Seizure
- B. Disposal
- C. Confiscation
- D. Auction

Answer: (C)

Confiscation

Explanation:

Redemption fine is imposed under Section 125 of the Customs Act, 1962 when goods are liable to be confiscated due to violation of customs laws. Instead of permanently confiscation of the goods, the adjudicating authority may allow the importer to reclaim them by paying a monetary fine *in lieu* of confiscation. The fine is typically capped at the market value of the goods, minus the applicable duty on imported goods. The owner is still liable for any other duties and charges payable on the goods, in addition to the fine. The owner has 120 days to pay the fine after being given the option, otherwise the option to pay the fine is lost. The liability to pay duty is distinct from the fine imposed under Section 125.

61. While applying Rule 4 of Customs Valuation (Determination of Value of the Imported Goods) Rules, 2007, if more than one transaction value of identical goods is found, then which value shall be taken to determine the value of imported goods?

- A. Lowest
- B. Average
- C. Highest
- D. None of the above

Answer: (A)

Lowest

Explanation:

Rule 4 of the Customs Valuation Rules, 2007 deals with valuation based on the transaction value of identical goods. If multiple transaction values of identical goods imported at or about the same time are available, the lowest value among them is adopted for determining the assessable value of the current import. This rule reflects the principle that customs duty should be levied on the most favourable comparable price, provided the goods are truly identical in all respects including quality, quantity, and commercial level.

62. A machine is imported for Rs. 100,000/- (CIF). The Basic Customs Duty is 10% *ad-valorem*; Social Welfare Surcharge (SWS) is 10%. The rate of Integrated Tax and Compensation Cess are 18% and 15% respectively. Please calculate the integrated tax.

- A. Rs. 18,000/-
- B. Rs. 19,980/-
- C. Rs. 19,800/-
- D. None of the Above

Answer: (B)

Rs. 19,980/-

Explanation:

To calculate Integrated Tax (IGST), first compute the assessable value including Basic Customs Duty (BCD) and Social Welfare Surcharge (SWS).

CIF value = ₹100,000

BCD 10% = ₹10,000

SWS 10% on BCD = ₹1,000

Total = ₹111,000 IGST 18% on ₹111,000 = ₹19,980 Compensation Cess is calculated separately and not included in IGST. Hence, the correct IGST amount is ₹19,980. This method follows Section 3(8) of the Customs Tariff Act, ensuring accurate tax computation on the cumulative assessable value including applicable duties.

63. What happens if the importer does not clear the goods, which are freely importable?

- A. The custodian may auction the goods if the same remain un-cleared for 30 days
- B. The Customs may confiscate the goods if the same remain un-cleared for 30 days
- C. The Customs may auction the goods if the same remain un-cleared for 30 days
- D. None of the above

Answer: (A)

The custodian may auction the goods if the same remain un-cleared for 30 days

Explanation:

Section 48 of the Customs Act, 1962, deals with the procedure for goods that are not cleared, warehoused, or transhipped within 30 days of unloading. The sale proceeds are used to recover dues like storage charges, freight, customs duty and others. If the importer relinquishes the title to the goods, the person in custody can sell them after giving notice and getting permission from the proper officer. Special provisions allow animals, perishable goods, and hazardous goods to be sold at any time, and arms and ammunition can be sold with specific Central Government's direction.

64. Whether Duty Drawback under Section 75 of the Customs Act, 1962 is available for export of goods not manufactured in India?

- A. Yes
- B. No

- C. Yes, if some components used in manufacture of such goods were exported from India
- D. Yes, if they are re-worked

Answer: (B)

No

Explanation:

Under Section 75 of the Customs Act, 1962, duty drawback is available only for goods manufactured in India and exported. The scheme refunds duties paid on imported inputs used in the manufacture of exported goods. Refund is based on All Industry Rates (AIR) or Brand Rate fixation, calculated on the duties suffered on inputs used in the manufacture. If the goods are not manufactured in India, they do not qualify for drawback, as the benefit is intended to promote domestic manufacturing and offset input costs. Re-exported goods or traded items without local manufacturing do not meet the eligibility criteria.

65. What is the time limit within which the containers of durable nature are to be re-exported as per Notification No. 104/94-Customs?

- A. Six months or extended period
- B. One Year
- C. 3 months
- D. None of the Above

Answer: (A)

Six months or extended period

Explanation:

As per Notification No. 104/94-Customs, containers of durable nature imported for temporary use are required to be re-exported within six months from the date of import. However, The Assistant/Deputy Commissioner can grant an extension of up to three months if there are reasons recorded in writing. & further the Commissioner of Customs may grant an extension for a period not exceeding six months at a time. Failure to re-export within the original or extended time limit makes the importer or shipping agent liable to pay the full customs duty that was

exempted, along with applicable interest and penalties.

66. Shipping Bill presented by an exporter is deemed to be an application for refund of integrated tax paid on the export goods when...

- A. LEO is granted
- B. Goods are registered for examination
- C. Goods are loaded on to the vessel
- D. EGM & valid return in form GSTR-3B are filed

Answer: (D)

EGM & valid return in form GSTR-3B are filed

Explanation:

As per the CGST Rules, a Shipping Bill filed by an exporter is treated as a deemed application for refund of IGST paid on exported goods only when two conditions are met:

1. Export General Manifest (EGM) is filed by the carrier, confirming the goods have left India.
2. The exporter has filed a valid GSTR-3B return, declaring the export and tax payment. Without these, the refund process does not initiate.

67. 'Leather Jacket' is classifiable under which of the following chapters?

- A. Chapter 50
- B. Chapter 45
- C. Chapter 42
- D. Chapter 52

Answer: (C)

Chapter 42

Explanation:

A leather jacket is classified under Chapter 42 of the Customs Tariff Act, which covers articles of leather, saddlery and harness, travel goods, handbags and similar containers. Specifically, garments and clothing accessories made of leather fall under heading 4203. This classification is crucial for determining the applicable customs duty and regulatory

requirements during import or export. Chapters 50, 45, and 52 relate to silk, cork, and cotton respectively, and are not relevant to finished leather apparel. Chapter 42 ensures proper tariff treatment for leather fashion and utility items.

68. In case the importer is not satisfied with the test report, can he request for the re-test?

- A. Yes
- B. Yes, only after filing appeal against the test report
- C. Yes, only in case of drugs and cosmetics
- D. No

Answer: (A)

Yes

Explanation:

As per customs procedures, if an importer is not satisfied with the test report issued by the authorized laboratory, they may request a re-test. This request must be made promptly and supported by valid reasons. The re-test is conducted by another approved laboratory or the same lab under supervision, depending on the case. The process of re-test is done for transparency and fairness in technical assessments, especially when the test results impact classification, valuation, or admissibility of goods. The right to re-test is not limited to drugs or cosmetics and does not require an appeal to be filed first.

69. License granted to a customs broker under Customs Broker Licensing Regulations, 2018 can be

- i. Sold to any other broker
 - ii. Transferred to any other broker
- A. Only i
 - B. Both i and ii
 - C. None of i and ii
 - D. Only ii

Answer: (C)

None of i and ii

Explanation:

Under Regulation 1(4) of the Customs Broker Licensing Regulations, 2018, a license granted to a customs broker is non-transferable and non-saleable. It is issued to a specific individual or entity based on qualifications, experience, and compliance history. The license cannot be sold, transferred, or assigned to another broker under any circumstances. Any change in ownership or control requires fresh application and approval from the licensing authority.

70. Whether MEIS/SEIS scrips can be used for payment of IGST and compensation Cess?

- A. Yes
- B. Yes, subject to permission of DGFT
- C. Yes, subject to permission of proper officer
- D. No

Answer: (D)

No

Explanation:

MEIS and SEIS scrips issued under the Foreign Trade Policy are not permitted for payment of IGST or Compensation Cess. As per DGFT notifications and CBIC circulars, these scrips can be used only for payment of Basic Customs Duty, Countervailing Duty (CVD), and Special Additional Duty (SAD). IGST and Compensation Cess are governed under GST laws, and their payment must be made through electronic cash or credit ledger, not through FTP scrips.

71. "Importer" as per the Customs Act, 1962 includes

- i. Beneficial owner of the goods
 - ii. Owner of the goods
 - iii. Any person holding himself to be the importer of the goods
- A. Only i
 - B. Only ii
 - C. Only iii
 - D. i, ii and iii

Answer: (D)

i, ii and iii

Explanation:

As per Section 2 of the Customs Act, 1962, the term “importer” includes the owner, beneficial owner, and any person holding himself out to be the importer. This also includes a person who clears goods from a customs warehouse, even if they are not the original importer. This definition is crucial because it assigns legal and financial responsibility for imported goods, including the payment of duties, to the importer.

72. Which export benefits can also be taken, while exporting under the EPCG Scheme?

i. Advance Authorisation

ii. DFIA

iii. Duty Drawback

A. Only i

B. Only ii

C. Only iii

D. i, ii and iii

Answer: (D)

i, ii and iii

Explanation:

While exporting under the Export Promotion Capital Goods (EPCG) Scheme, exporters are allowed to avail other export benefits such as Advance Authorisation, Duty-Free Import Authorisation (DFIA), and Duty Drawback, subject to conditions. These benefits are often available either concurrently with EPCG or as separate but complementary schemes for different aspects of the export process, such as importing inputs or claiming refunds on duties. However, exporters must ensure that there is no double benefit claimed on the same goods, and all claims must comply with DGFT and customs regulations.

73. ‘New Pneumatic Rubber Tyres’ are classifiable under which of the following chapters?

A. Chapter 59

B. Chapter 68

C. Chapter 19

D. Chapter 40

Answer: (D)

Chapter 40

Explanation:

‘New Pneumatic Rubber Tyres’ are classified under Chapter 40 of the Customs Tariff Act, which deals with rubber and articles thereof. Specifically, heading 4011 covers new pneumatic tyres made of rubber, used for vehicles such as cars, trucks, and aircraft. Chapters 59, 68, and 19 relate to textiles, stone/ceramics, and food products respectively, and are not applicable to rubber tyres. Chapter 40 ensures accurate tariff application for rubber-based automotive components.

74. Status of Bill of Entry can be tracked by the importer on the...

A. CBIC Site

B. ICEGATE site

C. India portal site

D. None of the Above

Answer: (B)

ICEGATE site

Explanation:

As per Section 154C the Board notify a common portal, to be called the Common Customs Electronic Portal known as ICEGATE. Importers can track the status of their Bill of Entry through the ICEGATE portal (Indian Customs Electronic Gateway), which is the official e-commerce platform of Indian Customs. ICEGATE provides real-time updates on filing, assessment, duty payment, and clearance status. It enhances transparency, reduces physical interface, and speeds up customs processing. CBIC’s main site offers policy and regulatory information but not transactional tracking.

75. Import of second-hand goods other than capital goods is ...

A. Restricted

B. Prohibited

- C. Freely importable
- D. Importable with certain conditions

Answer: (A)

Restricted

Explanation:

As per the Foreign Trade Policy and DGFT guidelines, import of second-hand goods other than capital goods is classified as restricted. This means such goods cannot be freely imported and require a specific authorisation from DGFT. Capital goods, however, are allowed freely subject to conditions. Importers must apply for permission and comply with quality and safety standards before importing second-hand items that are not capital goods.

76. A self-assessed Bill of Entry

- A. Can be re-assessed by proper officer of customs
- B. Cannot be re-assessed by proper officer of customs
- C. Can be re-assessed only after permission of Chief Commissioner of Customs
- D. Can be re-assessed only after serving a notice to importer

Answer: (A)

Can be re-assessed by proper officer of customs

Explanation:

As per Section 17(4) of the Customs Act, 1962, a self-assessed bill of entry can be re-assessed by the proper officer of customs if it is found to be incorrect or incomplete. The officer has the authority to verify the assessment and make necessary changes without requiring prior permission from higher authorities or serving a notice, unless the re-assessment adversely affects the importer.

77. Which of the following Export Promotion Scheme is formulated and administered by Ministry of Finance?

- A. DEPB
- B. Duty Drawback
- C. EPCG

- D. DFIA

Answer: (B)

Duty Drawback

Explanation:

The Duty Drawback scheme is formulated and administered by the Ministry of Finance. It allows exporters to claim a refund of duties paid on imported inputs used in the manufacture of exported goods. This scheme aims to make Indian exports more competitive by reducing the cost burden on exporters. Other schemes like DEPB, EPCG, and DFIA are managed by the Directorate General of Foreign Trade (DGFT) which falls under the Ministry of Commerce and Industry.

78. What is ITC(HS)?

- A. Important Trade Classification (Harmonized System)
- B. Import Trade Classification (Harmonized and Systematic)
- C. Import Trade Classes (Harmonized System)
- D. Import Trade Classification (Harmonized System)

Answer: (D)

Import Trade Classification (Harmonized System)

Explanation:

ITC(HS) stands for Import Trade Classification (Harmonized System), which is a classification system used by the Directorate General of Foreign Trade (DGFT) under the Foreign Trade (Development and Regulation) Act, 1992. It is an 8-digit classification system used in India for import-export operations, based on the global 6-digit Harmonized System (HS) created by the World Customs Organization. It is used to classify traded goods for purposes like determining import/export policies, calculating customs duties, and compiling trade statistics.

79. Can an importer pay duty voluntarily to avoid payment of interest pending final assessment?

- A. No

- B. No, he should request the department for early final assessment
- C. Yes
- D. None of the Above

Answer: (C)

Yes

Explanation:

As per Section 18 of the Customs Act, 1962, when goods are provisionally assessed, the importer may voluntarily pay the duty to avoid interest liability that accrues due to delay in final assessment. Importers/exporters are explicitly permitted to pay additional duty amounts on their own ascertainment during the pendency of provisional assessments. The amount of duty voluntarily paid in the interim period is adjusted against the duty finally assessed.

80. Imported goods are warehoused and the Ex-bond Bill of Entry is filed after 90 days, but before one year

- A. The goods can be cleared without payment of duty
- B. The goods can be removed for home consumption with the permission of Commissioner
- C. The goods should be released to the owner
- D. The goods can be cleared only on payment of duty with applicable interest

Answer: (D)

The goods can be cleared only on payment of duty with applicable interest

Explanation:

As per Section 61 of the Customs Act, 1962, when imported goods are warehoused and the Ex-bond Bill of Entry is filed after 90 days but within one year, the goods can still be cleared for home consumption. However, the importer is liable to pay interest on the duty amount for the period beyond 90 days. The standard warehousing period is one year, and goods must be cleared within this time, failure to do so can result in a 15% per annum interest charge. The import duty will be calculated at the

rate prevailing at the time of the ex-bond Bill of Entry, and the importer is also responsible for paying any warehouse charges.

81. Can an importer relinquish the title to the goods and abandon the same?

- A. No, once the goods have been imported, he cannot disown the same
- B. Yes, he can abandon the goods before the order for clearance has been given by the proper officer for home consumption or for warehousing, provided no offence has been committed
- C. Yes, only with the prior approval of assistant commissioner
- D. None of the Above

Answer: (B)

Yes, he can abandon the goods before the order for clearance has been given by the proper officer for home consumption or for warehousing, provided no offence has been committed

Explanation:

According to Section 23 of the Customs Act, 1962, an importer may relinquish ownership and abandon the goods before the order for clearance is passed by the proper officer, provided no offence has been committed in relation to the goods. The importer must generally relinquish the title at any time before an order for clearance for home consumption or an order for warehousing has been made. In such cases, the importer is not liable to pay duty, and the goods may be disposed of by customs authorities as per applicable rules.

82. Who pays the Customs Duty if goods are pilfered after they are unloaded but before they are cleared from the port?

- A. Custodian
- B. Importer
- C. Customs Brokers
- D. No one because goods are not available

Answer: (A)

Custodian

Explanation:

As per Section 45(3) of the Customs Act, 1962, if goods are pilfered after unloading but before clearance from the customs area, the custodian of the goods is liable to pay the customs duty. The importer is not held responsible in such cases, provided the pilferage occurs before the goods are cleared for home consumption or warehousing. This is because the importer is not in control of the goods while they are in the port and should not be penalized for pilferage that occurs during that time.

83. ISPM 15 standards apply to import and export of

- A. Plywood
- B. Wooden Pallets
- C. Wood Pulp
- D. Sawn Wood

Answer: (B)

Wooden Pallets

Explanation:

ISPM 15 (International Standards for Phytosanitary Measures No. 15) applies to wood packaging materials such as wooden pallets, crates, and dunnage used in international trade. These standards are issued by the International Plant Protection Convention (IPPC) to prevent the spread of pests and diseases through untreated wood that can be transmitted through untreated wood, so these materials must be debarked, heat-treated or fumigated, and stamped with a mark of compliance. It does not apply to processed wood products like plywood or wood pulp.

84. Goods are imported at Nhava Sheva Port and transported to ICD Tughlakabad. Whether freight amount from Nhava Sheva to ICD shall be added in the assessable value?

- A. Yes, 20% of the FOB Value
- B. Yes, actual freight amount from Nhava Sheva to ICD
- C. No

- D. None of the above

Answer: (C)

No

Explanation:

As per Rule 10 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the assessable value includes the cost, insurance, and freight (CIF) up to the place of importation. In this case, Nhava Sheva Port is the place of importation. The freight from Nhava Sheva to ICD Tughlakabad, which is an inland container depot, is not included in the assessable value. This is because the cost of the movement shall be termed as cost of transshipment and cost of transshipment is excluded from the valuation of imported goods.

85. What needs to be paid if the warehoused goods remain in the warehouse beyond the permissible warehousing period?

- A. Full amount of duty together with interest, fine and penalty
- B. Full amount of duty along with applicable interest
- C. Applicable fine and penalty
- D. None of the above

Answer: (A)

Full amount of duty together with interest, fine and penalty

Explanation:

According to Section 72 (1)(b) of the Customs Act, 1962, if warehoused goods are not cleared within the permissible warehousing period, the importer is liable to pay the full customs duty, along with interest, and may also be subject to fine and penalty. This interest is charged at a rate fixed by the Central Government. The warehousing period is typically one year (extendable for further period by Commissioner of Customs), and failure to clear goods within this time results in the goods being treated as improperly warehoused.

86. Which is not relevant for the purpose of classification in case of imported goods?

- A. Chapter Note in Custom Tariff

- B. Section Note in Custom Tariff
- C. HSN Explanatory Note
- D. Foreign Trade Policy

Answer: (D)

Foreign Trade Policy

Explanation:

For the classification of imported goods under customs, the relevant references are the Customs Tariff Act, 1975, which includes Section Notes, Chapter Notes, and the HSN (Harmonized System of Nomenclature) Explanatory Notes. These help determine the correct classification and applicable duty rates. The Foreign Trade Policy, governed by the Foreign Trade (Development and Regulation) Act, 1992, deals with licensing, import/export procedures, and restrictions not with tariff classification. Hence, it is not relevant for classification purposes under customs law. Foreign Trade policy comes into picture when classification part is over then only you need to decide whether your item is importable/exportable or restricted.

87. EODC in respect of Advance Authorisation stands for...

- A. Export order for duties and cess
- B. Export order for duty certificate
- C. Export obligation discharge certification
- D. None of the Above

Answer: (C)

Export obligation discharge certification

Explanation:

EODC stands for Export Obligation Discharge Certificate, which is now issued online by the Directorate General of Foreign Trade (DGFT) under the Foreign Trade (Development and Regulation) Act, 1992. It certifies that the holder of an Advance Authorisation has fulfilled the export obligation as prescribed under the scheme. Once the export obligation is met, the EODC allows closure of the authorisation and ensures no further liability under customs or foreign trade regulations.

88. The goods imported are damaged due to heavy rains and floods while being in the custody of custodian. Which of the following is correct?

- A. The custodian has to pay the requisite duty
- B. The proper officer can give abatement on duty payable for the damage caused
- C. The duty has to be paid by the importer as the goods have already been imported
- D. None of the Above

Answer: (B)

The proper officer can give abatement on duty payable for the damage caused

Explanation:

As per Section 22 of the Customs Act, 1962, provides for the abatement of duty on damaged or deteriorated goods. This means importers can request a reduction in the customs duty payable if the imported goods are found to be damaged or have deteriorated either before or during the unloading process, and the damage has affected the value of goods. The abatement requires proof to the satisfaction of the Assistant or Deputy Commissioner of Customs. This applies even if the damage occurs while the goods are in the custody of the custodian, provided the goods have not yet been cleared. The importer must apply for abatement and provide evidence of the damage.

89. As per the Legal Metrology (Packaged Commodities) Rules, 2011 as amended, which of the following need not be mandatorily declared on the packages of imported food items?

- A. Name of Country of Origin/ Manufacture
- B. Best before or use by the date, month and year
- C. Name and address of the Manufacturer
- D. Bar Code or QR code

Answer: (D)

Bar Code or QR code

Explanation:

According to the Legal Metrology (Packaged Commodities) Rules, 2011, as amended, the mandatory declarations on packages of imported food items include Name and address of the importer, Country of origin/manufacture, Month & Year of Packing /Best before/use by date, Net quantity, MRP, Name and address of the manufacturer, Consumer Care. However, Bar Code or QR code is not a mandatory requirement under these rules for imported food items. It may be included voluntarily or as per other sector-specific regulations, but it is not enforced under Legal Metrology for packaged commodities.

90. A Bill of Entry can be presented not exceeding days prior to the arrival of vessel?

- A. 14 days
- B. 30 days
- C. 60 days
- D. None of the Above

Answer: (B)

30 days

Explanation:

As per Section 46(3) of the Customs Act, 1962, a Bill of Entry for clearance of imported goods can be presented not more than 30 days prior to the expected arrival of the vessel carrying the goods. Once the vessel arrives and the customs system is updated, the advance Bill of Entry can be automatically regularized, provided the details match. This provision allows importers to initiate customs clearance procedures in advance, facilitating faster processing and reducing dwell time at ports.

91. In case of import by air where cost of transport up to the place of importation is available, such cost shall not exceed which percentage of FOB value?

- A. 20%
- B. 21.125%
- C. 1.125%
- D. 1%

Answer: (A)

20%

Explanation:

As per Rule 10 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, in case of air imports, if the actual cost of transport is not available, the freight shall be calculated as 20% of the FOB value. However, if the actual cost is available, it shall be taken into account, provided it does not exceed 20% of the FOB value.

92. Whether part delivery of an import consignment in a Bill of Entry is possible?

- A. Yes, in specified circumstances like non-receipt of some of the containers etc.
- B. Yes, as per the choice of importer/ Customs Brokers
- C. No, full consignment has to be delivered at one go
- D. None of the Above

Answer: (A)

Yes, in specified circumstances like non-receipt of some of the containers etc

Explanation:

As per Section 46 of the Customs Act, 1962 and related customs procedures, part delivery of an import consignment covered under a single Bill of Entry is permitted in exceptional circumstances, such as non-arrival of certain containers, damage, or delay in unloading. The customs officer may allow partial clearance based on the situation and documentation.

93. The rate of duty in respect of a Bill of Entry for home consumption is taken as...

- A. The rate as on the presentation of BE for home consumption or date of entry inwards whichever is later
- B. The rate as on the actual clearance of goods for home consumption
- C. The rate as on the date of examination of goods

- D. None of the Above

Answer: (A)

The rate as on the presentation of BE for home consumption or date of entry inwards whichever is later

Explanation:

As per Section 15(1)(a) of the Customs Act, 1962, the applicable rate of duty for goods cleared for home consumption is the rate in force on the date of presentation of the Bill of Entry or the date of entry inwards of the vessel, whichever is later. If the Bill of Entry is presented before the vessel or aircraft arrives, it is considered presented on the date of arrival. If a Bill of Entry is filed before the vessel's entry or the aircraft's arrival, it is deemed to have been presented on the date of entry or arrival, and that date's duty rate applies. This rate is used to calculate the total duty payable on the imported goods.

- 94. How many attempts are allowed to a person to clear the examination prescribed under Regulation 6 of Customs Broker Licensing Regulations, 2018?**

- A. 4 attempts
B. 6 attempts
C. 3 attempts
D. 5 attempts

Answer: (B)

6 attempts

Explanation:

Under Regulation 6 of the Customs Broker Licensing Regulations (CBLR), 2018, a person is allowed a maximum of six attempts to pass the written and oral examination required for obtaining a Customs Broker License. Appearing for the written exam counts as one attempt. Also, any appearance at the written exam is considered an attempt, even if the application is disqualified or cancelled.

- 95. What is the rate of interest applicable if the refund is delayed beyond 3 months from the date of final assessment?**

- A. 12%

- B. 15%

- C. 18%

- D. 6%

Answer: (D)

6%

Explanation:

As per Section 27A of the Customs Act, 1962, if a refund of duty is delayed beyond three months from the date of final assessment or determination, the applicable interest rate is currently fixed at 6% per annum. The Central Government has the power to fix this rate, within a range of 5% to 30% per annum.

- 96. All edible products can be imported only if their valid shelf life is not less than—**

- A. 50% of original shelf life or 3 months before expiry, whichever is less
B. 60% of original shelf life or 3 months before expiry, whichever is less
C. 70% of original shelf life or 3 months before expiry, whichever is less
D. 80% of original shelf life or 3 months before expiry, whichever is less

Answer: (B)

60% of original shelf life or 3 months before expiry, whichever is less

Explanation:

All edible products can be imported only if their valid shelf life is not less than 60% of its original shelf life at the time of import. The shelf life is calculated based on the date of manufacture and the Best Before or Expiry date printed on the product's label. For perishable items like fruits, vegetables, and meat, there may be stricter conditions, and samples will be drawn and tested by customs officials.

- 97. Whether Customs Brokers' employees issued photo identity card under Form F, G and H are authorized to sign the declarations filed before the Customs?**

- A. Yes
B. No, only Form F and G are authorised to sign the documents

- C. No, only Form F and H are authorised to sign the documents
- D. No, only Form G and H are authorised to sign the documents

Answer: (B)

No, only Form F and G are authorised to sign the documents

Explanation:

Under Regulation 13 of the Customs Broker Licensing Regulations (CBLR), 2018, only employees of Customs Brokers who are issued photo identity cards in Form F, who has passed the examination referred to in regulation 6 and Form G, who has passed the examination referred to in regulation 13 are authorised to sign declarations and interact with customs authorities on behalf of the broker. Form H card, works as a support staff, is not authorized to sign declarations, as this card is for individuals who have not passed the examination.

98. In case of import of textile, if pre-shipment certificate from a textile testing laboratory accredited to the national accreditation agency of the country of origin is not available, then sample is to be tested from

- A. Textile committee of Ministry of Textiles
- B. CRCL laboratory
- C. FSSAI
- D. IIT

Answer: (A)

Textile committee of Ministry of Textiles

Explanation:

In the case of textile imports, if a pre-shipment inspection certificate from a laboratory accredited to the national accreditation agency of the country of origin is not available, the sample must be tested by an agency in the importing country, such as the Textiles Committee of the Ministry of Textiles. Customs officials are responsible for drawing the sample from the consignment and sending it for testing. At least 25% of the samples are drawn for testing in the absence

of a pre-shipment certificate. The test report is valid for six months if the importer, supplier, and country of origin remain the same for subsequent imports of the same quality.

99. What is the duration for sanctioning refund under Section 27 after which interest on such refund is payable by the Department?

- A. One month
- B. Three months
- C. Six months
- D. One year

Answer: (B)

Three months

Explanation:

According to Section 27A of the Customs Act, 1962, if a refund claim under Section 27 is not sanctioned within three months from the date of receipt of the application, the Department is liable to pay interest at the rate of 6% per annum on the delayed refund. The Central Government has the power to fix this rate, within a range of 5% to 30% per annum.

100. Ex-works Value – Rs. 90,000/-
Inland freight – Rs. 10,000/-
Ocean Freight – Rs. 50,000/-
What should the ocean freight be taken in above case in case of imports by air?

- A. Rs. 60,000/-
- B. Rs. 50,000/-
- C. Rs. 18,000/-
- D. Rs. 20,000/-

Answer: (D)

Rs. 20,000/-

Explanation:

As per Rule 10(2)(a) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, in case of imports by air, the freight element included in the assessable value shall not exceed 20% of the FOB value. Since Ex-works charges includes Inland Freight as well hence 90,000+10,000 makes the total cost as 100,000/- Here, the FOB value is Rs.100,000/- (Ex-works value), so the maximum

allowable freight for valuation purposes is: 20% of Rs. 100,000 = Rs. 20,000/- However, since actual freight is Rs. 50,000/-, and the rule caps it at 20%, the freight to be taken for customs valuation is Rs. 20,000/-, not Rs. 50,000/-.

101. Whether on finalisation of the provisional assessment, if the importer is required to pay duty in addition to the provisionally assessed duty, he is required to pay interest?

- A. Yes, only if he does not pay the amount within three months
- B. Yes, the first day of the month in which the duty is provisionally assessed till the date of payment thereof
- C. Yes, date of final assessment till the payment of duty
- D. No

Answer: (B)

Yes, the first day of the month in which the duty is provisionally assessed till the date of payment thereof

Explanation:

As per Section 18(3) of the Customs Act, 1962, if the final assessment of a provisional duty results in a higher duty liability, the importer is liable to pay interest on the differential amount. This interest accrues from the first day of the month in which the duty was provisionally assessed until the date of actual payment. The interest is intended to compensate the government for the delay in receiving the full duty amount, from the date the goods were cleared until the date the differential duty is actually paid.

102. In case of imported goods which are required to comply with Indian Quality Standards (IQS), the exporter of such goods from foreign country must be registered with—

- A. CBIC
- B. Principal Chief Commissioner of Customs

- C. Bureau of Indian Standards (BIS)
- D. Ministry of Finance

Answer: (C)

Bureau of Indian Standards (BIS)

Explanation:

As per the Bureau of Indian Standards Act, 2016, imported goods that are required to comply with Indian Quality Standards (IQS) must be sourced from exporters or manufacturers who are registered with BIS. This registration is a mandatory step to ensure that specific products meet India's quality, safety, and performance standards before they can enter the Indian market legally. Goods that fail to meet these requirements can be prohibited from import and are liable for confiscation. The BIS is the national standards body responsible for setting and maintaining these standards.

103. If the re-assessment done by the department is contrary to the self-assessment done by the importer, then...

- A. Self-assessment done by the importer shall prevail
- B. Re-assessment done by the department shall prevail
- C. Either the importer has to accept the re-assessment in writing or the department has to issue speaking order within fifteen days of re-assessment
- D. None of the Above

Answer: (C)

Either the importer has to accept the re-assessment in writing or the department has to issue speaking order within fifteen days of re-assessment

Explanation:

As per Section 17(4) of the Customs Act, 1962, if the proper officer does not agree with the self-assessment made by the importer, he may re-assess the duty. In such cases, the importer must either accept the re-assessment in writing, or the officer must issue a speaking order within 15 days of the re-assessment under section 17(5) of the Customs Act, 1962.

104. What are the mandatory documents that are required to be submitted while presentation of the Bill of Entry?

- A. Invoice cum packing list, Bill of Lading or Air Way Bill and Country of Origin Certificate
- B. Invoice cum packing list and Bill of Lading or Air Way Bill
- C. Invoice cum packing list, Bill of Lading or Air Way Bill, Country of Origin Certificate, Safety data and Certificate of analysis
- D. Invoice cum packing list, Bill of Lading or Air Way Bill, Country of Origin Certificate, Purchase Order and Letter of Credit

Answer: (B)

Invoice cum packing list and Bill of Lading or Air Way Bill

Explanation:

As per Section 46 of the Customs Act, 1962 read with the provisions of FTP 2023, the mandatory documents required for filing a Bill of Entry include Invoice cum Packing List, Bill of Lading or Air Way Bill. Other documents like Country-of-Origin Certificate, Safety Data, or Letter of Credit may be required based on the nature of goods, preferential duty claims, or specific import conditions, but they are not mandatory for all cases.

105. No order confiscating any goods or imposing any penalty on any person shall be made under the Customs Act 1962 unless the owner of the goods or such person is:

- i. Given a notice stating the grounds for proposed action,
 - ii. Given an opportunity to make a representation in writing, and
 - iii. Given a personal hearing.
- A. Only i
 - B. Only ii
 - C. Only iii
 - D. i, ii and iii

Answer: (D)

i, ii and iii

Explanation:

As per Section 122A of the Customs Act, 1962, no order of confiscation or penalty shall be passed unless the person concerned is given a notice stating the grounds for proposed action, given an opportunity to make a representation in writing, and given a personal hearing. This procedure is based upon the principles of natural justice and protect the rights of importers and exporters during adjudication.

106. As per the Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations, 2018, for how many years must a Customs Broker retain the assessed copy of the Bill of Entry and original supporting documents?

- A. 3 years
- B. 5 years
- C. 7 years
- D. 10 years

Answer: (B).

5 years

Explanation:

Regulation 6 of the Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations, 2018 mandates that Customs Brokers retain the assessed copy of the Bill of Entry and original supporting documents for five years from the date of clearance. It helps customs authorities verify declarations and duty payments, and non-compliance may attract penalties under the Customs Act, 1962.

107. In case of advance Bill of Entry, the rate of exchange is to be taken as on which date?

- A. Date of presentation
- B. Date of final entry
- C. Date of assessment
- D. Date of payment of duty

Answer: (A)

Date of presentation

Explanation:

As per Section 14(1) of the Customs Act, 1962 for an advance Bill of Entry, the rate of exchange, notified by CBIC, is the one in force on the date the Bill of Entry is first presented, regardless of whether it is for home consumption or warehousing. In the specific case where the Bill of Entry is filed in advance of the vessel's arrival, the crucial date for determining duty rate is the date of the vessel's entry inwards.

108. Which Valuation Rules are currently applicable for import of goods?

- A. Customs Valuation Rules, 1963
- B. Customs Valuation (Determination of Price of Imported Goods) Rules, 1988
- C. Customs Valuation (Determination of Price of Imported Goods) Rules, 2007
- D. Customs Valuation (Determination of Price of Export Goods) Rules, 2007

Answer: (C)

Customs Valuation (Determination of Price of Imported Goods) Rules, 2007

Explanation:

The Customs Valuation (Determination of Price of Imported Goods) Rules, 2007, notified under Section 14 of the Customs Act, 1962, are currently applicable for valuing imported goods. These rules follow the WTO Valuation Agreement and provide a sequential method starting with transaction value.

109. Who has the authority to compound offences under the Customs Act, 1962?

- A. CBIC
- B. Central Government
- C. Principal Chief Commissioner of Customs / Chief Commissioner of Customs
- D. Commissioner of Customs

Answer: (C)

Principal Chief Commissioner of Customs / Chief Commissioner of Customs

Explanation:

Under the Customs Act, 1962, the authority to compound offences is vested in the Principal Chief Commissioner of Customs or the Chief Commissioner of Customs, as per Section 137(3) of the Act. Compounding is a mechanism to settle offences by paying a compounding amount, thereby avoiding prosecution. The Central Board of Indirect Taxes and Customs (CBIC) has issued guidelines detailing the process, but the actual authority to compound lies with the designated Chief Commissioners.

110. What is the value of bond to be submitted by an importer while presenting a warehouse Bill of Entry?

- A. Equivalent to the value of consignment
- B. Double the duty assessed in the warehouse Bill of Entry
- C. Triple the duty amount assessed in the warehouse Bill of Entry
- D. None of the above

Answer: (C)

Triple the duty amount assessed in the warehouse Bill of Entry

Explanation:

Under Section 59(1) of the Customs Act, 1962, when an importer presents a Bill of Entry for warehousing, they are required to execute a bond equal to three times the amount of duty assessed on the goods. This bond acts as a guarantee, ensuring the importer will comply with customs laws, pay all duties and interest, and settle any penalties for goods stored in a customs warehouse. The bond remains valid until the goods are cleared for home consumption or export.

111. A warehouse Bill of Entry is presented and the goods are warehoused in a Customs Bonded Warehouse. The goods are cleared after four months. Is interest payable on the duty?

- A. Yes
- B. Yes, for the period after ninety days from warehousing of goods

- C. Yes, for the period after sixty days from warehousing of goods
D. No

Answer: (B)

Yes, for the period after ninety days from warehousing of goods

Explanation:

Under Section 61(2) of the Customs Act, 1962, interest becomes payable if goods remain in a warehouse beyond 90 days. The importer must pay interest on the duty amount for the period exceeding 90 days until the date of clearance. In this case, since the goods were cleared after four months (approximately 120 days), interest is applicable for the excess 30 days.

112. The time limit for realisation of export proceeds is fixed by.... under

- A. Ministry of Finance – Customs Act, 1962
B. RBI – FEMA, 1999
C. Ministry of Commerce – FTP, 2015-20
D. RBI – Customs Act, 1962

Answer: (B)

RBI – FEMA, 1999

Explanation:

The Reserve Bank of India (RBI) regulates foreign exchange transactions under the Foreign Exchange Management Act (FEMA), 1999. As per RBI guidelines, exporters must realize and repatriate export proceeds within the prescribed time limit, generally 9 months from the date of export. Customs authorities monitor export documentation, but the realization timeline is governed by FEMA, not the Customs Act or Foreign Trade Policy through its online system called EDPMS.

113. A Bill of Entry is presented by an importer on 15.03.2019 and is facilitated by RMS as “No assessment and no examination”. When must duty be paid to avoid interest liability?

- A. On 17.03.2019

- B. On 16.03.2019
C. On 15.03.2019
D. None of the above

Answer: (C)

On 15.03.2019

Explanation:

According to Section 47(2) of the Customs Act, 1962, when a Bill of Entry is facilitated by RMS with no assessment and no examination, the importer must pay duty on the same day to avoid interest liability. In this case, the Bill of Entry was filed on 15.03.2019, so duty must be paid on that date. Any delay beyond the same day attracts interest, reinforcing prompt payment and efficient clearance of goods.

114. What is a “Bank Guarantee”?

- A. It is a type of FD
B. It is a sum paid to the importer
C. It is a guarantee against default
D. None of the above

Answer: (C)

It is a guarantee against default

Explanation:

A Bank Guarantee is a financial instrument issued by a bank assuring the beneficiary that the bank will cover losses if the applicant defaults. In customs operations, it is commonly used to secure obligations like duty payments, compliance with exemption conditions, or warehousing requirements. It is not a fixed deposit or a payment to the importer, but a guarantee against default, ensuring that customs revenue is protected even if the importer fails to meet legal or financial obligations.

115. IEC has to be obtained from which department?

- A. DGFT
B. Customs
C. GST
D. None of the above

Answer: (A)

DGFT

Explanation:

The Importer Exporter Code (IEC) is a mandatory registration for any person or business undertaking import or export in India. It is issued by the Directorate General of Foreign Trade (DGFT) under Section 7 of the FTDR 1992. Customs authorities require IEC for clearance of goods, but they do not issue it. Without IEC, no import or export transaction can be legally conducted, making it a foundational requirement for international trade operations.

116. Customs Duty on imports is paid on

.....

- A. CIF value
- B. CIF plus 1% value
- C. FOB value
- D. None of the Above

Answer: (A)

CIF value

Explanation:

Customs duty on imported goods is calculated based on the CIF value which includes the Cost, Insurance, and Freight of the goods up to the port of importation in India. This value is considered the assessable value under Section 14 of the Customs Act, 1962 and the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. FOB (Free on Board) excludes freight and insurance, now the notional value as CIF + 1% is not used for valuation.

117. For contravention of any of the provisions of Customs (Finalization of Provisional Assessment) Regulations, 2018, penalty can be imposed on...

- A. Only Customs broker
- B. Only authorized representative
- C. Only Importer/Exporter
- D. Customs broker and/or Importer/Exporter and/or authorized representative

Answer: (D)

Customs broker and/or Importer/Exporter and/or authorized representative

Explanation:

Under the Customs (Finalization of Provisional Assessment) Regulations, 2018, if any person contravenes the provisions such as failing to furnish required documents or delaying compliance penalty can be imposed on the importer/exporter, customs broker, or authorized representative, depending on who is responsible.

118. If no notice in respect of seized goods is given within the period of six months, who has the power to extend the period for giving notice?

- A. Additional Commissioner of Customs
- B. Assistant Commissioner of Customs
- C. Joint Commissioner of Customs
- D. Principal Commissioner/Commissioner of Customs

Answer: (D)

Principal Commissioner/Commissioner of Customs

Explanation:

As per Section 110(2) of the Customs Act, 1962, if no show cause notice is issued within six months from the date of seizure of goods, the goods must be returned. However, the Principal Commissioner or Commissioner of Customs has the authority to extend this period by another six months, provided sufficient cause is shown. The provision of Show cause notice is given under section 124.

119. Which of the following is true about SWIFT?

- i. It allows importers and exporters to lodge clearance documents online at a single point.
 - ii. Permissions from regulatory agencies are obtained online for clearance.
 - iii. It reduces interface with government agencies, dwell time, and cost of doing business.
- A. i, ii, iii
 - B. Only i

- C. Only ii
- D. Only iii

Answer: (A)

i, ii, iii

Explanation:

SWIFT (Single Window Interface for Facilitating Trade) is an initiative by Indian Customs to simplify and digitize the clearance process. It allows importers and exporters to submit documents online at a single point, obtain permissions from multiple regulatory agencies electronically, and thereby reduces physical interface, clearance time, and transaction costs. SWIFT enhances transparency, efficiency, and ease of doing business by integrating customs and partner government agencies into a unified digital platform.

120. Customs Broker Licensing Regulations, 2018 shall apply to:

- i. Licensed customs broker
- ii. Person employed by licensed customs broker
- iii. Person engaged by licensed customs broker

- A. Only i
- B. Both i and ii
- C. i, ii and iii
- D. Only ii

Answer: (C)

i, ii and iii

Explanation:

The Customs Broker Licensing Regulations, 2018 apply not only to the licensed customs broker, but also to employees and persons engaged by them in connection with customs-related work. The regulations aim to maintain professional standards, prevent misuse of licenses, and ensure that all associated personnel adhere to customs laws and procedures.

121 In first check assessment...

- A. Goods are first examined and assessment is done thereafter

- B. Goods are examined after assessment and payment of duty
- C. Goods are cleared first and assessment is done later
- D. None of the Above

Answer: (A)

Goods are first examined and assessment is done thereafter

Explanation:

In First Check Assessment, goods are physically examined before assessment. This method is used when classification, valuation, or exemption eligibility cannot be determined without inspection. The importer requests first check through the Bill of Entry, and customs officials conduct examination prior to duty assessment. Customs Officer can give First Check Assessment on his own or on the request of the importer or CB. Only after examination is the assessment finalized and duty calculated.

122. In absence of actual freight & insurance charges, the % of FOB taken as freight and insurance for computing assessable value is—

- A. Freight = 18%, Insurance = 1%
- B. Freight = 20%, Insurance = 1.125%
- C. Freight = 20%, Insurance = 2%
- D. None of the above

Answer: (B)

Freight = 20%, Insurance = 1.125%

Explanation:

As per Rule 10 of the Customs Valuation Rules, 2007, when actual freight and insurance details are not available, customs authorities add 20% of FOB value as freight and 1.125% of FOB value as insurance to compute the CIF value, which becomes the assessable value for duty calculation. This method is used to maintain consistency in valuation when documentary evidence is missing or incomplete.

123. What is the maximum quantum of penalty under Customs (Finalization of Provisional Assessment) Regulations, 2018?

- A. Rs. 50,000/-
- B. Rs. 1,00,000/-
- C. Rs. 5,00,000/-
- D. Rs. 10,00,000/-

Answer: (A)

Rs. 50,000/-

Explanation:

Under the Customs (Finalization of Provisional Assessment) Regulations, 2018, a penalty of up to Rs. 50,000 may be imposed for contravention of any provision. This includes failure to submit required documents, delay in compliance, or non-cooperation during finalization.

124. The exchange rate in respect of Ex-bond Bill of Entry is taken as—

- A. The rate as on date of presentation of warehouse BE
- B. The rate as on the date of presentation of Ex-bond BE
- C. The rate as on the actual clearance of goods
- D. None of the Above

Answer: (A)

The rate as on date of presentation of warehouse BE

Explanation:

As per Section 14 of the Customs Act, 1962, the exchange rate applicable to an Ex-bond Bill of Entry is the rate prevailing on the date of submission of the warehouse Bill of Entry (Into Bond), not the date of clearance or Ex-bond filing. The rate notified by CBIC on that date is used for duty computation.

125. What is the rate of Social Welfare Surcharge (SWS) levied on import of goods?

- A. 10% of the assessable value
- B. 10% of the Basic Customs Duty
- C. 10% of the assessable value plus BCD
- D. None of the Above

Answer: (B)

10% of the Basic Customs Duty

Explanation:

Social Welfare Surcharge (SWS) is levied at 10% of the Basic Customs Duty (BCD) under Section 110 of the Finance Act, 2018. It is not calculated on the assessable value or other duties. The surcharge is meant to fund social welfare schemes and is applicable on most imports, unless specifically exempted. It is added after calculating BCD and does not apply to IGST or other cesses.

126. If the exporter finds that the amount of drawback paid is less than what is due, then he.....

- A. Can only file a letter of protest
- B. Cannot claim the difference
- C. May file a supplementary drawback claim
- D. None of the above

Answer: (C)

May file a supplementary drawback claim

Explanation:

As per Rule 16 of the Drawback Rules, 2017, if an exporter receives less drawback than entitled, they may file a supplementary claim within three months from the date of original payment. This allows correction of errors or omissions in the initial claim. The exporter must submit supporting documents and justification for the additional amount.

127. Can seized goods be provisionally released pending adjudication?

- A. Yes, if the seizing officer thinks so
- B. No, only after adjudication
- C. Yes, on taking bond with security and fulfilment of conditions imposed by the adjudicating authority
- D. Yes, if the concerned importer/exporter wants so

Answer: (C)

Yes, on taking bond with security and fulfilment of conditions imposed by the adjudicating authority

Explanation:

Under Section 110A of the Customs Act, 1962, seized goods may be provisionally

released pending adjudication, subject to execution of a bond with security and compliance with conditions imposed by the adjudicating authority. This provision balances enforcement with trade facilitation, allowing the importer to use the goods while ensuring revenue protection and legal compliance.

128. On what basis is the quantum of security determined for provisional assessment as per CBIC Circular No. 38/2016-Cus.?

- A. Duty differential
- B. CIF value of goods
- C. Assessable value of goods
- D. Market value of goods

Answer: (A)

Duty differential

Explanation:

As per CBIC Circular No. 38/2016-Cus, the quantum of security for provisional assessment is based on the duty differential the difference between the duty provisionally assessed and the likely final duty. The importer may furnish a bond with bank guarantee or other acceptable security.

129. Under EPCG scheme, the export obligation is based on—

- A. Duty saved on imports
- B. Value of import
- C. Only IGST saved on imports
- D. Only basic Customs duty saved on imports

Answer: (A)

Duty saved on imports

Explanation:

Under the Export Promotion Capital Goods (EPCG) Scheme, the export obligation is calculated as a multiple (currently 6 times) of the duty saved on capital goods imported duty-free. This includes BCD, IGST, and other applicable duties. The scheme promotes export competitiveness by allowing duty-free import of machinery, provided the exporter fulfils the obligation within the prescribed period.

130. A person imports goods worth Rs. 1,00,000/-, and sells them on high seas to another person for Rs. 1,50,000/-. On what value should customs duty be charged?

- A. Rs. 1,00,000/-
- B. Rs. 1,50,000/-
- C. Rs. 1,00,000/- plus 2%
- D. Rs. 1,50,000/- plus 2%

Answer: (B)

Rs. 1,50,000/-

Explanation:

In a high seas sale, the last sale price agreed between the buyer and seller becomes the transaction value for customs duty purposes. As per CBIC Circular No. 33/2017-Cus, the customs duty is levied on Rs. 1,50,000/-, the price at which the goods were sold on high seas, provided it is supported by proper documentation.

131. An exporter exports goods worth Rs. 1,00,000/- (FOB) under the duty drawback scheme and receives Rs. 10,000/- as drawback. However, export proceeds realized are only Rs. 60,000/-. Should drawback be recovered?

- A. Yes, Rs. 4,000/-
- B. Yes, Rs. 10,000/-
- C. Yes, Rs. 6,000/-
- D. No

Answer: (A)

Yes, Rs. 4,000/-

Explanation:

As per Rule 16A of the Drawback Rules, 2017, if export proceeds are not realized in full, the drawback is recoverable proportionately. In this case, only 60% of the FOB value was realized (Rs. 60,000 out of Rs. 1,00,000), so 40% of the drawback (Rs. 4,000) must be recovered.

132. The Compulsory Compliance Requirement (CCR) instructions in the Bill of Entry generated by RMS are applicable to—

- i. Importer

ii. Customs Broker**iii. Customs Officers**

- A. Only i (Importer)
- B. Only ii (Customs Broker)
- C. Only iii (Customs Officers)
- D. All i, ii and iii (Importer, Customs Broker, and Customs Officers)

Answer: (D)

All i, ii and iii

Explanation:

Compulsory Compliance Requirements (CCR) generated by the Risk Management System (RMS) are binding on all stakeholders involved in the clearance process importers, customs brokers, and customs officers. Failure to comply with CCRs may result in delays, penalties, or reassessment. Hence, all three parties are responsible for adhering to the CCRs mentioned in the Bill of Entry.

133. Where duty is not payable due to exemption, charges for delayed presentation of Bill of Entry under the 2018 Regulations shall not exceed –

- A. Rs. 25,000/-
- B. Rs. 50,000/-
- C. Rs. 75,000/-
- D. Rs. 1,00,000/-

Answer: (B)

Rs. 50,000/-

Explanation:

Under the Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations, 2018, if there is no duty liability due to exemption, the maximum late fee for delayed filing of the Bill of Entry is Rs. 50,000.

134. As per Rule 10 of the Customs Valuation Rules, 2007, which of the following is not to be added to the transaction value?

- A. Buying commission
- B. Cost of packing
- C. Brokerage
- D. Royalty related to the imported goods payable as a condition of sale

Answer: (A)

Buying commission

Explanation:

According to Rule 10(1) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, certain costs must be added to the transaction value, such as packing, brokerage, and royalties. However, buying commission fee paid by the importer to their agent for representing them in the purchase is explicitly excluded from additions to the transaction value.

135. Pick the right answer: "Where any goods imported in a package are liable to confiscation, the package and any other goods imported in that package shall also be liable to confiscation."

- A. The statement is wrong
- B. The statement is correct
- C. Only the goods should be confiscated
- D. Only the package should be confiscated

Answer: (B)

The statement is correct

Explanation:

As per Section 118 of the Customs Act, 1962, if any goods in a package are liable to confiscation, then the entire package and all contents are also liable to confiscation. This provision prevents concealment of prohibited or undervalued goods within packages. And also cast upon a restraint for mis-use of any other goods for concealment of offending goods.

136. The rate of exchange applicable to imported goods is fixed by –

- A. CBIC
- B. SBI
- C. RBI
- D. Commissioner of Customs

Answer: (A)

CBIC

Explanation:

The Central Board of Indirect Taxes and Customs (CBIC) notifies the exchange rate

for conversion of foreign currency into Indian Rupees for customs valuation purposes under Section 14 of the Customs Act, 1962. These rates are published regularly and are binding for calculating the assessable value of imported goods. RBI rates are used for other financial transactions but not for customs duty purposes.

137. The procedure for IGM amendment provides that—

- A. It requires adjudication in all cases
- B. Adjudication takes place only in cases of major amendments
- C. IGM can be amended at any time before clearance of goods from customs area by the shipping line on its own
- D. None of the Above

Answer: (B)

Adjudication takes place only in cases of major amendments

Explanation:

As per CBIC Circulars and Public Notices, minor amendments to the Import General Manifest (IGM) can be approved by the proper officer without adjudication. However, major amendments such as changes in consignee name, port of discharge, or cargo details require adjudication under Section 30(3) of the Customs Act, 1962.

138. Can an importer file a warehousing Bill of Entry and warehouse goods requiring NOC from FSSAI without obtaining the NOC first?

- A. No
- B. Yes, NOC from FSSAI is not required
- C. Yes, however, NOC from FSSAI needs to be obtained before ex-bonding of goods and ex-bonding will be allowed only after getting NOC from FSSAI
- D. None of the Above

Answer: (C)

Yes, however, NOC from FSSAI needs to be obtained before ex-bonding of goods and ex-

bonding will be allowed only after getting NOC from FSSAI

Explanation:

Goods requiring NOC from FSSAI can be warehoused without prior NOC, but cannot be cleared (ex-bonded) for home consumption until the NOC is obtained. This allows importers to store goods while completing regulatory formalities. However, customs will not permit clearance unless the required NOC is submitted, ensuring public health and safety compliance.

139. For determination of importability of goods, which date is relevant?

- A. Date of Bill of Lading
- B. Date of presentation of Bill of Entry
- C. Date of assessment
- D. Date of final entry

Answer: (A)

Date of Bill of Lading

Explanation:

The importability of goods is determined based on the date of shipment, which is generally taken as the date of the Bill of Lading. This date is crucial for applying the correct policy provisions, such as import restrictions, licensing requirements, or prohibitions. It reflects the point at which goods are considered dispatched from the exporting country.

140. Importer imports goods for personal use and does not have IEC. What needs to be done for such goods?

- A. A person importing for personal use need not have IEC
- B. The goods need to be adjudicated and can only be released after payment of requisite fine and penalty
- C. The person can keep the goods in warehouse, apply for IEC and clear the goods only after receipt of IEC from DGFT
- D. None of the Above

Answer: (A)

A person importing for personal use need not have IEC

Explanation:

As per DGFT guidelines, an Importer Exporter Code (IEC) is not required for individuals importing goods for personal use and not for commercial purposes. This exemption facilitates genuine personal imports without imposing unnecessary regulatory burdens. However, if the goods are intended for trade or business, obtaining an IEC is mandatory.

141. The validity of a licence, unless suspended or revoked, issued under Regulation 7 of Customs Broker Licensing Regulations, 2018 is—

- A. 5 years from the date of issue
- B. There is no expiry of licence
- C. 10 years from the date of issue
- D. To be renewed at the end of each year from the date of issue

Answer: (C)

10 years from the date of issue

Explanation:

As per Regulation 9 of the Customs Broker Licensing Regulations, 2018, a licence granted to a customs broker is valid until and unless it is suspended under section 8A or revoked u/s 14. There is no requirement for annual renewal, but the licence must be kept active through compliance with obligations such as filing returns and maintaining records. Previously (at the time of this exam, it was 10 years)

142. An exporter files shipping bill on 15.03.2019, LEO is given on 20.03.2019, and goods are shipped on 25.03.2019. Export duty rate was 10% on 15.03.2019 and changed to 12% from 17.03.2019. What is the applicable rate?

- A. 10%
- B. 12%
- C. 11%
- D. None of the Above

Answer: (B)

12%

Explanation:

As per Section 16 of the Customs Act, 1962, the rate of export duty is determined based on the date of Let Export Order (LEO). In this case, LEO was issued on 20.03.2019, and the revised duty rate of 12% came into effect on 17.03.2019. Therefore, the applicable rate is 12%, not the rate on the date of shipping bill or shipment.

143. Import of fresh potato seeds requires import permit granted under—

- A. Plants Quarantine (Regulation of Imports into India) Order, 2003
- B. CITES
- C. Biodiversity Act
- D. Wildlife (Protection) Act, 1972

Answer: (A)

Plants Quarantine (Regulation of Imports into India) Order, 2003

Explanation:

The import of plant and plant materials, including fresh potato seeds, is regulated under the Plant Quarantine (Regulation of Imports into India) Order, 2003 issued under the Destructive Insects and Pests Act, 1914. An import permit is mandatory to ensure that the seeds are free from pests and diseases and meet phytosanitary standards.

144. The rate of duty in respect of Ex-bond Bill of Entry is taken as—

- A. The rate of duty as on the date of presentation of Ex-bond BE
- B. The rate of duty as on the date of presentation of warehouse BE
- C. The rate of duty as on the date of actual clearance for home consumption
- D. None of the Above

Answer: (A)

The rate of duty as on the date of presentation of Ex-bond BE

Explanation:

As per Section 15(1)(b) of the Customs Act, 1962, the rate of duty applicable to warehoused

goods is the rate in force on the date of filing the Ex-bond Bill of Entry, when the goods are cleared for home consumption.

145. A Bill of Entry is filed on 15.03.2019 and assessed on 16.03.2019. By when must duty be paid to avoid interest liability?

- A. By 17.03.2019
- B. By 18.03.2019
- C. By 16.03.2019
- D. None of the Above

Answer: (B)

By 18.03.2019

Explanation:

As per Section 47(2) of the Customs Act, 1962, duty must be paid within two working days from the date of assessment to avoid interest liability. Since the assessment was completed on 16.03.2019, 17.03.2019 being the holiday (Sunday) the importer must pay the duty by 18.03.2019. Delay beyond this period attracts interest under Section 47(2).

146. Whether customs duty is paid on containers of durable nature in which goods are imported?

- A. Yes
- B. Yes, but the duty paid is refunded as and when such containers are re-exported
- C. No, provided the container is re-exported within six months or extended period and a bond is executed by the shipping agent or the importer
- D. None of the Above

Answer: (C)

No, provided the container is re-exported within six months or extended period and a bond is executed by the shipping agent or the importer

Explanation:

As per Notification No. 104/94-Cus., durable containers used for import are exempt from duty if they are re-exported within six months or extend for six month by Assistant/

Deputy Commissioner of customs for the period of Six months and a bond is executed by the importer or shipping line. The importer or shipping agent must execute a bond to ensure the container is re-exported, guaranteeing that customs duty will be paid if the re-export condition is not met.

147. What if an importer importing from a related supplier fails to submit documents for SVB inquiries?

- A. Security deposit at a rate of 5% of the declared assessable value shall be imposed by the Commissioner for a period not exceeding the next three months
- B. Security deposit at a rate of 1% of the declared assessable value shall be imposed
- C. Department shall resort to enforcement measures like search
- D. None of the Above

Answer: (A)

Security deposit at a rate of 5% of the declared assessable value shall be imposed by the Commissioner for a period not exceeding the next three months

Explanation:

As per CBIC Circular No. 5/2016-Cus, If an importer fails to submit documents for an SVB inquiry, they will likely face an Extra Duty Deposit (EDD) of 5% of the declared assessable value on all subsequent imports for up to three months. The goods will be cleared on a provisional basis, and the importer may also face other penalties and a reduction in their profit margins due to the added financial burden.

148. An Advance Authorization Scheme aims—

- A. To allow any duty-free inputs for any Industry
- B. To allow duty free imports of inputs which are physically incorporated in export product
- C. To allow import of inputs at concessional rate of duty

D. None of the Above

Answer: (B)

To allow duty free imports of inputs which are physically incorporated in export product

Explanation:

The Advance Authorization Scheme under the Foreign Trade Policy allows duty-free import of inputs that are physically incorporated in the export product. This promotes exports by reducing input costs and enhancing competitiveness. The exporter must fulfil a specified export obligation within a stipulated time.

149. When can the proper officer of Customs seize the goods?

- A. When the goods are liable for confiscation
- B. When officer thinks that they should be seized
- C. When they are not registered for inspection
- D. When examination norms are not followed

Answer: (A)

When the goods are liable for confiscation

Explanation:

Under Section 110(1) of the Customs Act, 1962, A proper officer of Customs can seize goods

if they have a reason to believe the goods are liable for confiscation under the Customs Act, 1962. This includes situations where goods are improperly imported or there is an attempt to improperly export them, often due to smuggling, misdeclaration, or duty evasion as mentioned in Sec. 111 and 113 of the Customs Act, 1962.

150. Which of the following is a reward scheme?

- A. Advance Authorisation (AA) scheme
- B. Duty Free Import Authorisation (DFIA) scheme
- C. MEIS and SEIS scheme
- D. None of the Above

Answer: (C)

MEIS and SEIS scheme

Explanation:

MEIS (Merchandise Exports from India Scheme) and SEIS (Service Exports from India Scheme) are reward schemes under the Foreign Trade Policy. They provide incentives in the form of duty credit scrips to exporters of goods and services, respectively. These schemes aim to boost India's export performance by offering financial rewards.