OBJECTIVE TYPE QUESTIONS ON INCOME FROM HOUSE PROPERTY – RELEVANT FOR PCC

1. Ganesh is a member of a house building co-operative society. The society is the owner of the flats constructed by it. One of the flats is allotted to Ganesh. The income from that flat will be assessed in the hands of
a) Co-operative Society
b) Ganesh
c) Neither of the above.

Ans: 1: b) Ganesh

2. Vacant site lease rent is taxable as
a) Income from house property
b) Business income
c) Income from other sources

Ans: 2: c) Income from other sources

3. Treatment of unrealized rent for determining income from house property
a) To be deducted from annual letting value
b) To be deducted from actual rent
c) To be deducted under section 24 from annual value

Ans: 3: b) To be deducted from actual rent

4. Municipal taxes to be deducted from GAV should be
a) Paid by the tenant during the previous year
b) Paid by the owner during the previous year
c) Accrued during the previous year

Ans: 4: b) Paid by the owner during the previous year

5. Deduction under section 24(a) is
a) 1/3rd of NAV
b) Repairs actually incurred by the owner
c) 30% of NAV

Ans: 5: c) 30% of NAV

6. Interest on borrowed capital accrued up to the end of the previous year prior to the year of completion of construction is allowed
a) As a deduction in the year of completion of construction
b) In 5 equal annual installments from the year of completion of construction
c) In the respective year in which the interest accrues

Ans: 6: b) In 5 equal annual installments from the year of completion of construction

7. The ceiling limit of deduction under section 24(b) in respect of interest on loan taken on 1.4.06 for repairs of a self-occupied house is
a) Rs.30,000 p.a.
b) Rs.1,50,000 p.a.
c) No limit

Ans: 7: a) Rs.30,000 p.a.

8. Where an assessee has two house properties for self-occupation, the benefit of nil annual value will be available in respect of -
a) Both the properties
b) The property which has been acquired/constructed first
c) Any one of the properties, at the option of the assessee

Ans: 8: c) Any one of the properties, at the option of the assessee

9. Leena received Rs.30,000 as arrears of rent during the P.Y. 2007-08. The amount taxable under section 25B would be -
a) 30,000
b) 21,000
c) 20,000

Ans: 9: b) 21,000.

10. Vidya received Rs.90,000 as recovery of unrealized rent, which was deducted from actual rent during the P.Y 2007-08 for determining annual value. The amount taxable under section 25AA would be -
a) 90,000
b) 63,000
c) 60,000

Ans: 10: a) 90,000.

11. Ganesh and Rajesh are co-owners of a self-occupied property. They own 50% share each. The interest paid by each co-owner during the previous year on loan (taken for acquisition of property during the year 2001) is Rs.1,62,000. The amount of allowable deduction in respect of each co-owner is –
a) 1,62,000
b) 75,000
c) 1,50,000

Ans: 11: c) 1,50,000.