

CS Executive June 2015 Exam Paper

PART-A

1. Yash owns a house built on land is of 420 sq. meters. The value of the house is 35,00,000.-Under the Wealth-tax Act, 1957, assuming that it is an 'asset... as..per section 2(ea), the house would-be-
A. Exempt under section 5 (1)(i)
B) Exempt under section 5 (I)(iii)
(C) Exempt under section 5 (1)(iv)
(D) Exempt under section 5(vi).
2. Vaibhav, deriving business income, owns a car whose WDV as on P1 April, 2013 was 3,00,000. This is the only asset in the block of assets with rate of 15% It is estimated at one-third "of the total usage of the car is for personal use in both years. The WDV of the block of assets as on 31st 'march, 2015 would be
(A) 2,16,750
(B) 2,43,000
(C) 2,55,000 -
(D) None of the above.
3. For claiming option under section 54G an assessee has to invest the resultant capital gains within a specified period. Which of the following is not eligible for such investment-
(A) Furniture
(B) Land
(C) Building
(D) Plant or machinery.
4. long term capital gain on zero coupon bonds are chargeable to tax -
A) @ 20% computed after indexation ::.....---of such bonds
(B) @ 10% computed without indexation of such bonds ·
(C) Higher of (A) or (B)
(D) Lower of (A) or (B).
5. Section 50C makes special provision for determining the full value of consideration in cases of transfer of –
(A) Plant and machinery
B) Land or building
(C) All movable property other than plant & machinery and computers
(D) Computers.
6. Which of the following income will be taxable as income from other sources –
(A) Purchase of house from husband for inadequate consideration
(B) Purchase of painting from registered dealer at invoice value less than fair market value
(C) Cash gift from a non-resident friend f on marriage anniversary
(D) All of the above.

7. Hemant holds 100 shares of Gold Ltd, a domestic company. He has been paid dividend of 10,000 during the year 2014-15. Dividend distribution tax under section 115-O will be –

- A) 1,765, payable by Gold Ltd.
- (B) 1,765, payable by Hemant .
- Q) 1 ,545, payable by Gold Ltd.
- (D) 1,000, payable by Hemant.

8. During the year 2014-15, Basu won 4,00,000 from a motor car rally out of which he deposited 1,50,000 in his PPF account. He does not have any other income. Net tax payable by Basu for assessment year 2015-16 will be-

- (A) 1,23,600
- (B) 15,450
- C) Nil
- D) None of the above.

9. loss from the activity of owning maintaining race horses could be..set-Off..-

- (A) Against income under any of the five heads of income
- (B) Only against income under the head 'income from other sources'
- (C) Only against income under the head 'profits and gains of business or profession'
- D. Only against income from same activity.

10. An HUF not subject to audit in the earlier year, paying fees of 35,000 to a practising Company Secretary shall

- (A) Not deduct TDS
- B) Deduct TDS @ 10%
- (C) Deduct TDS @ 20%
- (D) Deduct TDS @ 10.3%.

11. John, engaged in fertilizer trade; received rent by sub-letting a building. This will be taxable under the head -

- (A) Income from house property /
- (B) Income from capital gains
- (C) Income from profits and gains of business and profession ./
- (D) Income from other sources.

12. Under section 115E. the tax rate applicable for long-term capital gains referred to therein, for a resident as envisaged by section 115C is-

- A) 5%
- (B) 10%
- {e} 15%
- (D) 20%.

13. The time-limit for revision by Commissioner of Income-tax (CIT) under section 264 is-

- (A) 3 Months
- (B) 6 Months /

- (C) One year
- (D) Two years.

14. As per transfer pricing provisions, an advance pricing agreement (APA) is valid for-

- (A) Such period as specified in the APA, but not exceeding 3 consecutive years
- (B) Such period as specified in the APA, but not exceeding 5 consecutive years
- C. 2 Years
- D. None of the above.

15. Under the Wealth-tax Act, 1957 clubbing provisions relating to wealth-tax are contained in

- (A) Section 3
- (B) Section 4
- (C) Section 5
- D. Section 6.

16. Rules for valuation of assets under the Wealth-tax Act, 1957 are stated in-

- (A) Schedule II to the Act
- B) Schedule III to the Act
- (C) Wealth-tax Rules
- (D) None of the above.

17. In order to be entitled to concessional rate of tax for dividend received from a foreign company, the Indian company should have the following minimum shareholding in such foreign company

- (A) 10%
- (B) 25%
- (C) 26%
- D) 51%.

18. Which of the following assessee is not liable ' to pay advance tax under section 207 during the financial year 2014-15-

- (A) A senior citizen having income chargeable under the head 'profits and gains of business or profession'
- (B) A senior citizen not having income chargeable under the head 'profits and gains of business or profession'
-)C) A super senior citizen having income chargeable under the head 'profits and gains of business or profession'
- D. A resident individual not being senior citizen having income chargeable under the head 'profits and gains of business or profession'.

19. The total income of Atul, a resident individual, is 2,65,000. The rebate allowable under section would be

- A) 2,000
- (B) Nil
- (C) 1,500
- (D) 1,545.

20. Under the Income-tax Act, 1961, LLP is chargeable to tax @
(A) 30% plus cess and SHEC or AMT @ 18.5% plus cess and SHEC
(B) 30% plus cess and SHEC or AMT @ 18.5%
(C) 30% plus cess and SHEC or MAT @ 18.5% plus cess and SHEC
(D) 30% plus cess and SHEC or MAT @ 18.5%
21. The year in which the income is earned is known as-
(A) Previous year
(B) Financial year
(C) Both (A) and (B)
(D) None of the above.
22. For the previous year 2014-15, taxable income of A Ltd., domestic company is 10,86,920. Its tax liability would be –
(A) 2,47,822
(B) 4,47,811
(C) 3,32,770
(D) 3,35,860
23. Which of the following is not a requisite for charging income tax on capital gains -
(A) The transfer must have been effected in the relevant assessment year
(B) There must be a gain arising on transfer of capital asset
(C) Capital gains should not be exempt under section 54
(D) Capital gains should not be exempt under section 54EC.
24. In order to enjoy exemption under section 54 E , the resultant long-term capital gains should be invested in specified bond within a period of ' ' from the date of transfer.
(A) 36 Months
(B) 4 Months
(C) 6 Months
(D) 12 Months.
25. Which of the following is not correct about the approved superannuation fund –
(A) Employees' contribution qualifies for deduction under section 80C
(B) Any amount contributed by the employer is exempt from tax
(C) Interest on accumulated balance is exempt from income-tax
(D) Under some circumstances, payments from the fund are chargeable to income-tax.
26. Ashraf is an employee of Moon Public School. His daughter, Zara, is studying in the said school at a concessional fee of 600 per month (annual fee : 4,000 per month). The amount taxable in the hands of Ashraf will be
(A) 48,000
(B) 7,200
(C) Nil
(D) 40,800.

27. Ashok took an interest free loan of 15000 .from B ltd (the employer). Assuming that the market rate of interest on similar loan is 10%, the taxable value of the perquisite in the hands of Ashok will be –

- (A) 150
- (B) 1,500 v
- (C) Nil
- (D) None of the above.

28. During the previous year 2014-15, Barun received a watch worth 20000 from his employer. The taxable value of the watch will be.-

- (A) 15,000
- B) 20,000
- (C) Nil
- (D) None of the above.

29. Shyam transferred. 2,000 shares X Ltd. to Ms. Babita Without any consideration. Later, Shyam and Ms. Babita got married to each other. The dividend income from the shares transferred would be -

- A. Taxable in the hands of Shyam both before and after marriage
- (B) Taxable in the hands of Shyam before marriage but not after marriage
- (C) Taxable in the hands of Shyam after . marriage but not before marriage
- (D) Never taxable in the hands of Shyam.

30. Arjun has a salary income of 4,60,000. He also received an interest of 18,000 on his fixed deposit (after deducting TDS @ 10%) and 2000 on his savings account with SBI. He deposited 50000 in PPF account. The net income-tax liability of Arjun for the assessment year 2015-16 is

- (A) 16,480
- (B) 15,330 '
- (C) 16,270
- (D) None of the above.

31. Deduction under section 80CCG is available to an eligible resident individual whose gross total income does not exceed

- (A) 10,00,000
- .B) 12,00,000
- (C) 5,00,000
- (D) No such limit.

32. Sahil works in a technology company. On 1st January, 2013 he took a loan of 2,40,000 from his company for the education of his daughter. During the year 2014-15 he paid an interest of 26,000 towards the said loan and repaid principal component of 10,000. The deduction that he can claim under section 80E would be-

- (A) Nil
- B) 24,000
- (C) 46,000
- (9} 10,000.

33. Under the Income-tax Act, 1961, which of the following can claim deduction for any sum contributed during the previous year to a political party or electoral trust?

- (A) Local authority
- jll) Individual i
- (C) Artificial juridical person
- (D) None of the above.

34. Under the Income-tax Act, 1961, interest on capital received By a partner from a partnership firm is chargeable under the head-

- (A) Profits and gains of business or profession
- (B) Income from other sources
- (C) Capital gains
- (D) None of the above.

35. Zen Ltd. made a payment of 11,00,000 to Amar, a resident transport contractor who has intimated his PAN details. The tax to be deducted at source under section 194C will be-

- (A) 10,000
- (B) 200
- (C) Nil
- D. 11,000.

36. 'Income' under section 2(24) includes-

- (i) The profits and gains of a banking business carried on by a co-operative society with its members.
- (ii) Any advance money forfeited in the course of negotiations for transfer of capital asset. Choose the correct option with reference to the above statements

- (A) Both (i) and (ii)
- (B) Only (i)
- (C) Only (ii)
- (D) Neither (i) nor (ii).

37. Interest payable under section 234C is computed at –

- (A) Compound interest @ 1% per month
- (B) Simple interest @ 1% per annum /
- (C) Compound interest @ 1% per annum ..
- (D) Simple interest @ 1% per month.

38. Deduction in respect of donations to National Defence Fund is allowed under Section-

- (A) 80G
- (B) 80CCG
- (C) 80C
- (D) None of the above.

39. Interest for default in payment of installment(s) of advance tax is levied under section --

- (A) 234A
- (B) 234B
- (C) 234C
- (D) 234D

40. Raman purchased residential house property in Ahmedabad on loan for which he paid an interest of 50,000 during the previous year. He is working in delhi and getting an HRA of 4,000 per month. He can claim exemption/deduction for --

- (A) Only HRA
- (B) Only interest paid
- (C) Either interest paid or HRA but not both
- (D) Both HRA and interest paid.

41. The Income-tax Act, 1961 empowers the Central Government to enter into double taxation avoidance agreements with other countries under section --

- (A) 87
- (B) 88
- (C) 90
- (D) None of the above.

42. Maximum penalty leviable for concealment wealth under Wealth-tax Act, 1957 is-

- (A) 100% of tax avoided
- (B) 300% of tax avoided
- (C) 500% of tax avoided
- (D) None of the above.

43. Rahul has purchased an aircraft for 120 lakh. He has taken loan of 20 lakh to purchase the same. He does not own any other asset. The wealth-tax on the above asset will be-

- (A) 70,000
- (B) 90,000
- (C) 1,00,000
- (D) None of the above.

44. Lalit, a resident individual of 81 years works as a consultant. If his taxable income is 520,000, the tax payable by him would be

- (A) 22,660
- (B) Nil
- (C) 2060
- (D) 12,460.

45. An Indian repatriate came India on 1st October, 2014. Out of the balance in his non-resident external account (NREA) of 20lakh, he purchase a car for 15 lakh. What would be tax treatment under the Wealth-tax Act, 1957 --

- (A) Both car and balance in NREA will be exempt

- (B) Both car and balance in NREA will be taxable
- (C) Only car will be taxable
- (D) Car will be exempt but balance in NREA will be taxable.

46. Wealth-tax return is to be filed in –

- (A) Form BA
- B) Form BB
- (C) Form AB
- (D) Form AA.

47. According to Wealth-tax Rules, 1957, the notice of demand for recovery of wealth-tax shall be in

- (A) Form C
- (B) Form BB
- (C) Form A
- (D) Form B.

48. Sarath has received a sum of 3 40 000 as interest on enhanced compensation for compulsory acquisition of land by State Government in May, 2014. Of this, only 12,000 pertains to the current year and the rest pertains to earlier years. The amount chargeable to tax for the assessment year 2015-16 would be-

- (A) 12,000
- B) 6.000
- (C) 3,40,000
- D) 1,70,000

49. Which of the following double taxation avoidance agreement (DTAA) emphasises on residence principle-

- (A) UN Mode
- (B) US Model
- (D) OECD Model
- (D) Andean Model.

50. Under section 208, it is obligatory for an assessee to pay advance tax where the tax payable is

- (A) 1 0,000 or more
- (B) 20,000 or more .
- c) 5,000 or more
- (D) 8,000 or more.

51. Which of the following ' cannot claim deduction for the loan taken to purchase a house property

- (A) Karta, in respect of property purchased by HUF
- (B) An indivld.u.al, in respect of property ptrcha:sed by him
- (C) Partner, in respect of property purchased by the firm
- (D) Spouse of an individual, in respect of property purchased jointly by the individual and his/her spouse.

52. Rohit owns a house property in Delhi which he wants to give on rent he seeks your help to determine the reasonable expected rent when monthly municipal value is 20,000, fair rent 25,000 and standard rent 22,000. The reasonable expected rent will be computed with reference to following amount per month

- (A) 22,000
- (B) 20,000
- (C) 5,000
- (D) None of the above

53. Under the Income-tax Act 1961 dividend derived from the shares held as stock-in-trade are taxable under the head-

- A). Income from other sources
- (B) Income from profits and gains of business or profession
- (C) Capital gains
- (D) Either capital gains or income from profits and gains of business or profession.

54. Under the Income-tax Act, 1961, 'notional profit' from speculative business is –

- A) Taxable under the head 'income from profits and gains of business and profession'
- B) Taxable under the head 'income from other sources'
- (C) Taxable either as income from other sources or as income from profits and gains of business and profession
- (D) Not taxable.

55. A person carrying specified profession will have to maintain books of account prescribed by Rule 6F of the Income-tax Rules, 1962, if gross receipts are more than 1,50,000 for

- A) All preceding 5 years
- (B) Any of the preceding 5 years
- C) All preceding 3 years
- (D) Any of the preceding 3 years.

56. If a block of assets ceases to exist on the last day of the previous year, depreciation admissible for the block of assets will be –

- A) Nil
- (B) 50% of the value of the block of assets on the first day of the previous year
- C. The total value of the block of assets on the first day of the previous year
- D. 50% of the value of the block of assets on the last day of the previous year.

57. Under section 40A(3) which of the following payment for an expenditure incurred would not be admissible as deduction from business income –

- (A) 15,000 paid in cash to a transporter
- (B) 15,000 paid in cash to a dealer in the morning and 10,000 paid in cash to the same dealer in the evening
- (C) 40,000 sent through NEFT to the bank account of the dealer for goods purchased
- (D) 19,000 paid through bearer cheque to the dealer for goods purchased.

58. If an individual having a sales turnover of 60 lakh files his return of income for the assessment year 2015-16 after the due date showing unabsorbed business loss of 23,000 and unabsorbed depreciation of 45,000, he can carry forward to the subsequent assessment years

- (A) Both unabsorbed business loss of 23,000 and unabsorbed depreciation of 45,000
- B. only unabsorbed business loss of 23,000
- C. Only unabsorbed depreciation of 45,000
- (D) Neither unabsorbed business loss of 23,000 nor unabsorbed depreciation of 45,000

59. Sameer sold goods worth 50,000 at credit on 1 April, 2011. However, he has written off 10,000 of it as bad debts and claimed deduction for the same during the year 2013-14. On 4th April, 2014, the defaulting debtor made payment 45,000. The taxable amount of bad debts recovered for the year 2014-15 would be-

- (A) 5,000
- (B) 50,000
- (C) 45,000
- (D) 10,000.

60. Under the Income-tax Act, 1961 which of the following outlays incurred by Sun Ltd. during the previous year ended 31st March, 2015 will not be admissible as deduction while computing its business income-

- (A) Contribution to a political party in cash
- (B) Interest on loan taken for payment of income-tax
- (C) Capital expenditure on advertisement
- (D) All of the above.

61. Which of the following business commenced during August, 2014 will not be eligible for deduction under section 35AD

- A) Setting-up and operating a cold chain facility
- (B) A production unit of fertilizer in India
- C) Operating of a 1 star hotel in a village
- (D) Building a hospital of 200 beds

62. Provisions of section 115JC are not at all applicable to –

- (A) LLPs
- (B) Companies
- (C) Partnership firms
- (D) Individuals.

63. Paresh, a software engineer at ABC Ltd. Left India on 10th August 2014 for treatment of his wife. For income-tax purpose, his residential status for the assessment year 2015-16 will be-

- (A) Resident
- (B) Non-resident
- (C) Not ordinarily resident
- (D) Cannot be determined from the given information.

64. A non-professional firm M/s Bright has book profits 9,36,000 .The admissible remuneration to working partners for income-tax purpose shall be –

- A, 6,51,600
- (B) 6,81,600
- C) 2,70,000
- (D) None of the above.

65. MAT credit in respect of excess taxes paid under section 115JB can be carried forward for –

- (A) 7 Assessment years
- (B) 10 financial years
- (C) 10 Assessment years
- (D) 7 Financial years

66. Provisions of section 44AD for computation of presumptive income are not applicable to

- (A) Limited liability partnership
- (B) Partnership firm
- (C) Resident Hindu Undivided Family
- (D) Resident individual.

67. A partnership firm whose sales turnover. 90 lakh has derived income from an industrial undertaking entitled to deduction under section 80-IB. The due date for filing the return of income for the asses.sment year 2015-16 will be'

- A. 31st July, 2015
- (B) 30th September, 2015
- (C) 31 October, 2015 .
- (D) None of the above.

68. An individual having income from proprietary business is required to file the return of income in –

- (A) ITR-2
- (B) ITR-3
- (C) ITR-3A
- (D) ITR-4.

69. Which of the following additional incomes will not be treated as agricultural income under the income tax act 1961

- (A) Additional income from selling ginned cotton as compared to unginned cotton
- (B) Additional income from selling dried-up coffee as compared to raw coffee .
- (C) Additional income from selling cured tobacco as compared to green tobacco -leaves –
- (D) Additional income from selling dried-up tea leaves as compared to raw tea leaves.

70. In terms of section 2(42A), listed securities are treated as long-term capital asset, if they are held for a period of more than-.

- A) 12 Months .
- (B) 36 Months

- (C) 24 Months
- (D) 48 Months.

PART-B

71. Under VAT levy, in respect of local purchases of business inputs a dealer pays-

- (A) Output tax
- (B) Input tax
- (C) Last point tax
- (D) First point tax.

72. Which of the following is true with regard to conducting VAT audit

- (A) Only Practising Company Secretaries can do VAT audit
- (B) Only non-Practising Company Secretaries can do VAT audit
- (C) Practising Company Secretaries can also do VAT audit
- (D) Non-Practising Company Secretaries can also do VAT audit.

73. VAT is,—

- (A) First point tax
- (B) Last point tax
- (C) Single point tax
- (D) Multi-point tax.

74. Which of the following not a rate of VAT as per the White Paper on VAT

- (A) 0%
- (B) 4% J
- (C) 10%
- (D) 20%.

75. Which of the following is a method of computation of VAT

- (A) Gross product method
- (B) Income method
- (C) Consumption method
- (D) Tax credit method.

76. VAT was first introduced at international level in—

- A) India
- B) USA
- (C) France
- (D) UK.

77. Ms. Vivitha, a registered dealer in Tamil Nadu, bought 10 units of raw material-A from another registered dealer in the in the same State for a Sum of 737500 inclusive of 5% VAT. She sold the same to a consumer in TamilNadu . • at a profit of 30% on selling price Net VAT liability payable to the.State Government is

- (A) 1,000

- (B) 2,050
- (C) 4,550
- (D) None of the above

78. The correctness of self-assessment under VAT is checked through a system of –

- (A) Departmental audit .
- (B) Internal audit
- (C) Secretarial audit
- (D) Statutory audit

79. Declared Services are -

- (A) Chargeable to service tax
- (B) Not chargeable to service tax
- (C) Exempt from service tax
- (D) Mentioned under negative list of services. .

80. Negative list of services is contained in the Finance Act, 1994 under

- (A) Section 66B
- (B) Section 66C
- (C) Section 66D
- (D) None of the above.

81. The main rule of the Place of Provision of Services Rules, 2012 is-

- A) Rule 4
- (B) Rule 2
- C) Rule 3
- (D) Rule 14

82. Services by the Reserve Bank of India are not chargeable to service tax because -

- (A) They are covered in negative list
- (B) They are covered in mega exemption notification
- (C) Definition of 'service' excludes the same
- (D) None of the above.

83. Services rendered to World Health organization (WHO) are not chargeable to service tax because –

- (A) They are covered in negative list y
- (B) They are covered in mega exemption notification
- (C) Definition of 'service' excludes the same
- (D) None of the above.

84. For certain services under service tax, a specified percentage of discount allowed is known as

- (A) Rebate
- (B) Abatement
- (C) Exemption

(D) Deduction.

85. Which of the following services provided to an individual is not covered under mega exemption notification –

- (A) Legal services provided by an individual as an advocate
- (B) Services provided by an individual as a Company Secretary in practice
- (C) Legal services provided by a partnership firm of advocates
- (D) Services provided by an Arbitral Tribunal.

86. Rounding-off of service tax should be done to the nearest

- (A) Rupee
- (B) Ten rupees
- (C) Hundred rupees
- (D) Fifty rupees.

87. The Superintendent of central excise is bound to grant a certificate of service tax registration within –

- (A) 3 Days from the date of receipt of the application
- (B) 7 Days from the date of receipt of the application
- (C) 10 Days from the date of receipt of the application
- (D) One month from the date of receipt of the application.

88. A small scale service provider shall make an application for service tax registration when the aggregate value of taxable services provided in a financial year exceeds –

- (A) Seven lakh rupees
- (B) Eight lakh rupees
- (C) Nine lakh rupees
- (D) Ten lakh rupees.

89. Which of the following service is not notified as continuous supply of service –

- (A) Telecommunication service
- (B) Commercial or industrial construction service
- (C) Construction of residential complex
- (D) Aircraft carrier service.

90. If Prem has paid 15 lakh as service tax in the year 2013-14, the due date for the payment of service tax for the quarter ended 31st March, 2015 will be

- (A) 31st March, 2015
- (B) 5th April, 2015
- (C) 6th April, 2015
- (D) None of the above.

91. Access Ltd. was required to pay service tax by 5th October, 2014, but made the payment on 1st April, 2015. The company paid service tax of 32 lakh in the financial year 2013-14. Interest on delayed payment would be calculated @

- A.) 18% per annum
- B) 15% per annum
- (C) 24% per annum
- D) Any rate not below 10% and not exceeding 16% per annum.

92. There was a delay of 22 days in the filing of service tax return by partnership firm. The penalty or late fee payable for such deed filing is ---

- (A) 500
- (B) 20 per day
- C) 1,000
- (D) 2,000.

93. There was a delay of 10 day in payment of service tax of 5 lakh by Vijay, an assessee. The penalty payable for delayed payment is

- (A) 1,613
- (B) 1,000
- C. 3,226
- (D) None of the above

94. Any person who is liable to pay service or required to take registration, fails to take registration shall be liable to pay a penalty which may extend to –

- (A) 100000
- (B) 50,000
- (C) 20,000
- D.10,000.

95. An application for service tax registration should be submitted in-

- A) Form ST-1
- (B) Form ST-2
- (C) Form ST-3
- (D) Form ST-4.

96. The application for registration shall be made within a period of commencement of business/service by an input service provider

- (A) 20 Days
- (B) 30 Days
- (C) 90 Days
- (D) None of the above

97. The gross amount charged by a service provider on 12th February 2015 for rendering taxable service is 157304. The value of taxable service would be –

- (A) 1,57,304
- (B) 1,57,000
- c) 1,40,000
- (D) None of the above..

98. India follows which approach for levying service tax at present
(A) Selective approach ..
B-) Comprehensive approach
(C) Hybrid approach
D) As per the directions of Central Board of Excise & Customs (CBEC)

99. Which of the following is not eligible for input tax credit--
A) Purchases made in the course of inter-State trade
(B) Purchases for zero rated intra-State sales /"
(C) Purchases for intra-State trade
(D) Purchases for execution of intra-State works contract.

100. Under_____method of VAT levy in India, the rate of tax is applied to the difference between the value of output and the cost of input--
(A) Invoice
(B) Addition
(C) Subtraction
(D) Tax credit.

Bibliography:

ICSI June 2015 Exam Paper