1. Basic Concepts and Residential Status

1. Income tax Act came into force as on
A 1-4 -1961 B 1-3 -1961 C 1-4 -1962 D 31-3-1962

2. Person includes
A An A.O.P B A joint stock company C A partnership firm D All of these.

3. __________ amends Income tax Act from time to time.
A. Annual Finance Bill B President C CBDT D State government

4. Income earned during the ______ is to be assessed in _______.
A Previous year, Assessment year B Assessment year, previous year
C Assessment year, financial year D Calendar year, previous year.

5. Every year Income tax rates are specified by the
A Income tax rules B The annual Finance Act C State government D CBDT

6. For the effective implementation of the various provisions of the Income Tax Act,________ has powers to make rules.
A Income tax rules B Finance Act C State government D CBDT

7. Previous year starts from
A 1st April every year
B In the case of newly started business- from the date of commencement
C In the case of newly started business- from the date of commencement. In any other case - 1st April of the year.
D 1st January every year.

8. Which of the following is an example of artificial judicial person?
A Delhi University B ICICI Bank Ltd.
C Ramakrishna Mission charitable trust D Mumbai Municipal Corporation.

9. What is basic exemption limit in case of a resident individual of 35 years?
A Rs.2,50,000 B Rs.5,00,000 C Rs.3,00,000 D Rs. 3,50,000

10. What is basic exemption limit in case of a resident individual of 65 years?
A Rs.2,50,000 B Rs.5,00,000 C Rs.3,00,000 D Rs. 3,50,000

11. What is basic exemption limit in case of a resident individual of 85 years?
A Rs.2,50,000 B Rs.5,00,000 C Rs.3,00,000 D Rs. 3,50,000

12. What is basic exemption limit in case of a non resident individual of 85 years?
A Rs.2,50,000 B Rs.5,00,000 C Rs.3,00,000 D Rs. 3,50,000

13. Maximum allowable rebate under section 87A is
A Rs.5,000 B Rs. 2,500 C Rs. 3,000 D Rs. 3,500

14. Rebate under section 87A is available to
A Any individual B Any resident individual and HUF
C Any resident individual D All assessee

15. Rebate under section 87A is available if total income of an individual does not exceed
A Rs.2,50,000 B Rs.5,00,000 C Rs.3,00,000 <u>D Rs. 3,50,000</u>

16. Income earned during PY 2018-19 is assessed in the A.Y.
<u>A 2019-20</u> B 2020-21 C 2018-19 D 2017-18

17. The term income includes the following types of income
A illegal B legal C recorded in the books of account <u>D legal as well as illegal</u>

18. In which of the following cases, income earned during the previous year is assessed in the same year? / In which of the following cases previous year and assessment year are same?
A Shipping business of non resident B Discontinued business
C Person who are likely to transfer their assets to avoid tax <u>D All of the above</u>

19. For A.Y. 2019-20, the rate of income tax in case of individual or HUF if their total income exceeds basic exemption limit but less than Rs.5,00,000 is
A 10% <u>B 5%</u> C 20% D 15%

20. For A.Y. 2019-20, the rate of income tax in case of individual or HUF if their total income exceeds Rs. 5, 00,000 but less than Rs.10, 00,000 is
A 10% B 5% <u>C 20%</u> D 15%

21. For A.Y. 2019-20, the rate of income tax in case of individual or HUF if their total income exceeds Rs.10, 00,000 is
A 10% B 5% C 20% <u>D 30%</u>

22. For A.Y. 2019-20, the rate of tax applicable to partnership firm is
A 10% B 5% C 20% <u>D 30%</u>

23. For A.Y. 2019-20, the rate of tax applicable to Indian company is
A 10% B 5% C 20% <u>D 30%</u>

24. For A.Y. 2019-20, the rate of tax applicable to foreign company is
A 10% B 5% <u>C 40%</u> D 30%

25. For A.Y. 2019-20, the rate of surcharge in case of an individual whose total income exceeds Rs 50, 00,000 but does not exceed Rs.1, 00, 00,000 is
<u>A 10%</u> B 15% C 40% D 30%

26. For A.Y. 2019-20, the rate of surcharge in case of an individual whose total income exceeds Rs. 1,00,00,000 is
A 10% <u>B 15%</u> C 40% D 30%

27. The rate of tax applicable to domestic company for A.Y.2019-20, where turnover / gross receipts do not exceed 250 crore
<u>A 25%</u> B 30% C 20% D 10%

28. As per section 288A , amount of tax shall be rounded off to the
<u>A nearest multiple of Rs.10</u> B nearest multiple of Rs.100
C nearest multiple of Rs.5 D nearest multiple of Rs.50

29. Finance Act -2018 is applicable to

A P.Y 2018-19 & A.Y.2019-20

B P.Y 2017-18 & A.Y.2018-19

C P.Y 2019-20

D A.Y 2018-19

30. Winnings from lottery, crossword puzzles and card games are treated as

A illegal income

B exempt income

C casual income

D Residuary income

31. Which of the following income is not exempt under section 10?

A Profit received by a member from HUF

C Profit received by a partner from partnership firm

B Salary received by a partner from a firm

D Dividend received from domestic company

32. Income under the Income-tax Act, 1961, is to be computed under -

A five heads

B six heads

B four heads

D seven heads

33. Profit received by Mr. P from M/s ABC traders - a partnership firm is

A Exempt from tax

B taxable as his business income

C Taxable as his salary

D taxable as other sources

34. Income received in India is taxable in the hands of..........................

A. Resident only.

B. Resident and ordinarily resident only.

C. Non-resident only.

D. All assessees.

35. Residential status of an assessee is determined as per the provisions of.......................

A. Section 6

B. Section 7

C. Section 9

D. Section 11

36. Income tax is a .... tax

A. direct

B. indirect

C. consumption

D. local

37. Income accrued in India is taxable in the hands of...........................

A. Non-resident only.

B. Resident and not ordinarily resident only.

C. All assessees.

D. Resident and ordinarily resident only.

38. Income tax is ___________ tax.

A. Direct

B. Indirect

C. State level

D. Local

39. A person is said to be a non resident when he is................

A. not fulfilling any one of the basic conditions

B. fulfilling only basic conditions

C. fulfilling only additional conditions

D. fulfilling both basic and additional conditions

40. An individual who wants to be resident of India must satisfy at least..................

A. One of the two basic conditions.

B. Both the basic conditions.

C. Both the additional conditions.

D. Both the basic conditions and the additional conditions

41. In case of residential status of HUF , firm and AOP if control and management are wholly outside India they are considered as.................

A. Resident.

B. Ordinarily Resident.

C. Non resident

D. None of these.

42. Share of income from firm is...............

A. Taxable in the hands of partner

B. Exempted in the hands of partner.

C. Exempted in the hands of firm.

D. None of these.

43. Casual income is ....
A. Fully taxable. B. Partly taxable. C. Fully exempted. D. None of these.

44. Residential status of taxable entities is determined for.........................
A. Each Assessment year. B Each quarter
C. Each financial year D. Each month

45. A person who is of Indian origin visiting India during the previous year has to stay in India for _______ days during the PY to become resident.
A. 60 B. 180. C. 182 D. 365

46. As per Second additional condition, a resident will be an ordinarily resident if stay in India for at least .... during the seven previous years preceding the relevant previous year.
A. 182 days. B. 365 days. C. 60 days. D. 730 days.

47. A person is Non-resident if he fails to fulfill....................
A. any one of additional conditions B. any one of the basic conditions.
C. any of the basic conditions D. None of the above

48. An Indian company is always....................
A. Resident. B. Non resident. C. Ordinarily resident. D. None of these

49. Incomes which do not form part of total Income are called.............
A. Exceptional incomes B. deemed income C. Exempted incomes. D. Speculative ncome

50. Income accrued and received outside India is taxable in the hands of..........................
A. Non-resident. B. Resident and ordinarily resident.
C. Resident and not ordinarily. D. None of these residents.

51. Past untaxed income brought to India is taxable in the hands of................
A. Resident and not ordinarily resident. B. Resident and ordinarily resident.
C. Non-resident. D. None of the above.

52. Education cess is leviable in case of:
A. An individual B. HUF C. A company only D. All assesses

53. Incomes which accrue or arise outside India but are received directly into India are taxable in case of
A. Resident and ordinarily resident B. Resident and not ordinarily resident
C. Non-resident D. All of the above

54. Income deemed to accrue or arise in India is taxable in case of :
A. Resident and ordinarily resident B. Resident and not ordinarily resident
C. Non-resident D. All of the above

55. Income which accrue outside India from a business controlled from India is taxable in case of:
A. Resident only B. Not ordinarily resident only
C. Both ordinarily resident and Not ordinarily resident D. Non-resident

56. Income which accrue or arise outside India and also received outside India taxable in case of:
A. Resident & Ordinarily resident B. not ordinarily resident

C. Both ordinarily resident and NOR D. None of the above

57. A.O.P should consist of:
A. Individual only B. Persons other than individual only
C. Any category of person D. None of the above

58. An Indian company whose place of effective management is situated outside India shall be
A. Resident in India B. Non-resident in India
C. Not ordinarily resident in India D. None of the above

59. Rebate of Rs. 2,500 is available if
A Total income before deduction does not exceed Rs.3, 50,000.
B Total income after deduction does not exceed Rs.3, 50,000.
C Total income before deduction exceeds Rs.3, 50,000.
D Total income before deduction exceeds Rs.3, 50,000.

60. A company registered in a foreign country, but its place of effective management is situated in India shall be
A. Resident in India B. Non-resident
C. Not ordinarily resident in India D. None of the above

61. Agricultural income is exempt provided the:
A. Land is situated in India B. Land is situated in any rural area India
C. Land is situated whether in India or outside India. D. None of the above

62. Rate of education cess for A.Y. 2019-20is
A. 3% B 4% C 2% D 1%

2. Income From Salary

1 Salary is taxable on
A due basis B receipt basis
C Due or receipt whichever is earlier D Due or receipt whichever is later

2 DA is
A fully taxable if it is considered for retirement benefit or not B fully exempt
C fully taxable if it is for retirement benefit. D not taxable under the head salary

3 Fixed Medical allowance is
A fully taxable B fully exempted C not taxable under the head salary D Partly taxable.

4 Gratuity received during the period of service
A fully taxable B fully exempted C not taxable under the head salary D Partly taxable.

5 Gratuity received by government employee is
A fully taxable B fully exempted C not taxable under the head salary D Partly taxable.

6 Leave encashment received during the period of service
A fully taxable B fully exempted C not taxable under the head salary D Partly taxable.

7 If the director is working in the capacity of employee than sitting fees should be taxable under the head
A salary B house property

C business & profession D income from other sources

8 which of the following is taxable under the head salary?
A Remuneration received by a partner
B Family pension received by the member of the deceased employee
C Remuneration received by MPs and MLAs
D None of the above

9 Remuneration received by the partner is taxable under the head Income from
A salary B house property C business & profession D income from other sources

10 Remuneration received by MPs and MLAs is taxable under the head_______.
A salary B house property C business & profession D income from other sources

11 Remuneration received by a director who is working in his professional capacity in the company is taxable under the head______
A salary B house property C business & profession D capital gain

12 _____ are a fixed monetary amount paid by the employer to the employees for meeting some particular expenses
A Allowances B perquisites C Non monetary benefits D Profits in lieu of Salary

13 Which of the following allowance/s is /are fully exempt?
A Allowances to a citizen of India, who is a government employee, rendering service outside India
B Allowances given to HC and SC judges
C Allowances received by an employer of UNO from his employer
D All of the above

14 Children education allowance is exempt upto
A Rs.100 per month B Rs.100 per month per child upto maximum of two children
C Rs.300 per month D Rs.300 per month per child upto maximum of two children

15 Uncommuted pension is
A Fully exempt
B Fully taxable in the hands of non government employee
C Fully taxable in the hands of government employee
D Fully taxable in the hands of government or non government employees

16 Family pension is taxable under the head
A salary B house property C business & profession D income from other sources

17 Gratuity received by the employees covered under the payment of Gratuity act is exempt up to
A Actual Gratuity received B Rs.20,00,000
C 15/26 X last drawn salary X years of service D least of above three

18 Meaning of Salary for the purpose of calculating Gratuity exemption in respect of employees covered under Payment of Gratuity act
A Basic salary B Basic salary + DA
C Basic salary + DA if considered for retirement benefit D Basic salary +DA + Commission

19 Employer's contribution to RPF is exempt up to _____ salary
A 10% B 12% C 9.5% D 11%

20 Interest on employees contribution to RPF is exempt up to ______ of Salary.

A 10%
B 12%
C 9.5%
D 11%

21 Employer's contribution to statutory provident fund is

A fully exempt
B exempt up to 12% of Salary
C Fully taxable
D Exempt up to 9.5 of the Salary

22 Interest on Employer's contribution to statutory provident fund is

A fully exempt
B exempt up to 12% of Salary
C Fully taxable
D Exempt up to 9.5 of the Salary

23 Any lump sum received at the time of retirement from statutory provident fund is

A fully exempt
B exempt up to 12% of Salary
C Fully taxable
D Exempt upto 9.5 of the Salary

24 Value of perquisites for use of movable asset being laptop and computer is

A Nil
B 10% of the original cost
C 10% p.a of the original cost
D 15% P.a. of the original cost

25 Any lump sum received at the time of retirement from unrecognized provident fund is

A fully exempt
B exempt up to 12% of Salary
C Fully taxable
D Exempt up to 9.5 of the Salary

26 Employer's contribution and interest on employer's contribution received at the time of retirement from unrecognized PF shall be taxable under the head

A Income from salary
B Income from other sources
C P & G of B&P
D Income from capital gain

27 HRA is exempt upto

A Actual HRA received
B 40%/ 50% of the Salary
C Rent paid as reduced by 10% of the Salary
D Least of the above

28 In which of the following cases, HRA is fully taxable

A Employee resides in his own house
B Employee pays rent which is less than 10% of Salary
C Employee lives in a house for which he does not pay any rent
D all of the above

29 Which of the following Allowances are exempt to the extent spent?

A Uniform allowance
B Conveyance allowance
C Travelling allowance
D All of the above

30 Which of the following Allowances are fully taxable?

A City compensatory allowance
B Children education allowance
C Uniform allowance
D Travelling allowance

31 Transport allowance (between home to office) is exempt

A upto Rs. 1600 per month
B upto Rs. 1600 per month and Rs.3200 per month in case of handicapped or blind or deaf and dumb employees
C Upto Rs.3200 per month in case of handicapped or blind or deaf and dumb employees

D Upto Rs.3600 per month in case of handicapped or blind or deaf and dumb employees

32 Leave travel allowance is fully
A Fully taxable
B Exempt to the extent spent
C Fully exempted
D Partly taxable

33 Any lump sum received at the time of retirement from recognized provident fund after 5 years is
A fully exempted
B exempt up to 12% of Salary
C Fully taxable
D Exempt up to 9.5 of the Salary

34 Which of the statements is correct?
A If the employee has not received gratuity, the commuted value of 1/2 of total pension is exempt from tax.
B If the employee has not received gratuity, the commuted value of 1/3 of total pension is exempt from tax.
C If the employee has not received gratuity, the commuted value of 2/3 of total pension is exempt from tax.
D If the employee has not received gratuity, the commuted value of 1/4 of total pension is exempt from tax.

35 Which of the statements is correct?
A If the employee has received gratuity, the commuted value of 1/2 of total pension is exempt from tax.
B If the employee has received gratuity, the commuted value of 1/3 of total pension is exempt from tax.
C If the employee has received gratuity, the commuted value of 2/3 of total pension is exempt from tax.
D If the employee has received gratuity, the commuted value of 1/4 of total pension is exempt from tax.

36 Employees' contribution to recognised provident fund shall be
A allowed as deduction from the Salary income
B allowed as deduction from gross total income under section 80C
C not allowed as deduction from salary income
D taxable as salary.

37 Standard deduction is allowed from salary income upto
A Rs.60,000 or total salary whichever is less.
B Rs.40,000 or total salary whichever is less.
C Rs.80,000 or total salary whichever is less
D Rs.1,00,000 or total salary whichever is less

38 Salary includes
A Wages
B Allowances
C perquisites
D All of the above

39 Leave encashment received during period of service
A is fully taxable
B is fully exempt
C is partly taxable
D is taxed under the head income from other sources.

40 In case of government employees, taxable value of perquisites for rent free accommodation is
A 10% of Salary
B License fees as determined by the government
C 15% of Salary
D Exempt.

41 In case of non government employees , taxable value of perquisites for rent free accommodation when accommodation is taken on lease by employer shall be
A 10% of Salary
B License fees as determined by the government
C Actual rent paid or 15% of Salary whichever is less.

D Actual rent paid or 15% of Salary whichever is higher.

42 In case of hotel accommodation, value of perquisites shall be
A 24% of Salary
B License fees as determined by the government
C Actual hotel charges or 24% of Salary whichever is less.
D Actual hotel charges or 24% of Salary whichever is higher.

43 Deduction allowed from the Salary are
A Entertainment allowance - in case of government employees B Standard deduction upto Rs. 40,000
C Professional tax D All of the above

44 Professional tax paid by the employee shall be
A Allowed as deduction from the Salary B allowed as deduction from the gross total income
C added in the Salary income D Not at all allowed as deduction from the Salary income

Q-45 Professional tax is charged by
A Central government B State government C Local authority D Any of the above

46 Professional tax paid by the employer on behalf of employee shall be
A allowed as deduction from the Salary
B first added in the Salary income and then allowed as deduction from total salary income
C not allowed as deduction from salary income
D allowed as deduction from gross total income

47 Entertainment allowance is exempt upto
A 20% of the basic salary B Rs.5, 000 C Actual allowance received D Least of the above

48 Profits in lieu of salary is
A taxable under the head salary B exempt income
C taxable under the head business & profession D taxable under the head income from other sources.

49 Commuted value of pension is fully exempted in case of.....................
A. an employee of private sector. B. an employee of a public sector undertaking.
C. a Goverment. employee. D. none of these.

50 ________ is granted to an employee by his employer to meet expenditure actually incurred on payment of rent.
A Dearness Allowance B House Rent Allowance
C City Compensatory Allowance D None of these.

51 “Family” for the purpose of medical facility means -
A Spouse of that individual
B Children of that individual
C Parents, brothers and sisters of the individual or any of them wholly or mainly dependent on the individual.
D All of the above.

52 Allowances received by a government employee working abroad are............
A. Fully exempt B. Exempt to the extent spent
C. Fully taxable. D. Taxable as Income from other sources.

53 Maximum exemption limit of HRA in metro cities is_______

A. Rent paid – 10% of the salary
B. 40% of salary.
C. 10% of salary.
D. 50% of salary.

54 For the purpose of calculating exempt HRA , meaning of salary is

A Basic salary only
B. Basic + DA
C Basic + DA (If considered for retirement benefit)
D Basic + DA (If considered for retirement benefit) + Commission (if based on fixed % of turnover)

55 Education allowance is upto a maximum of..................

A. One child.
B Two children.
C. Two children born after 1/04/1999.
D. Three children.

56 Hostel allowance is exempt upto __________ per child.

A Rs. 100 per month
B Rs, 200 per month
C Rs. 300 per month
D Rs.400 per month

57 Accommodation provided to employee is an example of............................

A. Allowance
B. Profits in lieu of salary
C. Perquisite
D. Retirement benefits

58 Any obligation of an employee paid by the employer is an example of

A. Allowance
B. Profits in lieu of salary
C. Perquisite
D. Retirement benefits

59 Any amount received under key man insurance policy taken on the life of the employee shall be taxable under the head of ....

A. Salary
B. Income from other sources
C. Business or profession
D. None of the above

60 ________ is a type of allowance offered by companies to their employees to compensate for high cost of living in metropolises and large cities.

A DA
B. CCA
C. Medical allowance
D. Transfer allowance

61 Which of the following is not taxable as income under the head "Salaries".

A. Commission received by a full time director
B. Remuneration received by a MPs and MLAs
C. Allowances received by an employee
D. Free accommodation given to an employee

62 Interest on RPF balance is exempted up to......................

A. 9.75%.
B. 9.5%.
C. 10%.
D. 12%.

63 Employers contribution to RPF is exempted up to..................

A. 10% of salary.
B. 13% of salary.
C. 12% of salary.
D. 11% of salary.

3. Income from house property

1 Rent for vacant plot of land is taxable under the head
A Income from House property
<u>B Income from other sources</u>
C Income from business & profession
D Income from business & profession or income from other sources.

2 Rental income from subletting of house property is taxable under the head
A Income from House property
B <u>Income</u> from other sources
C Capital gain
D Not taxable

3 Rental income of advertisement hoarding shall be taxable under the head
A Income from House property
B <u>Income</u> from other sources
C Capital gain
D Not taxable

4 If charging conditions are satisfied, _________ of the house property shall be taxable.
A Rental income
B <u>Annual</u> value
C Municipal rent
D Fair rent

5 If house property is transferred to a spouse without adequate consideration, the transferor is considered as
A Real owner
B <u>Deemed</u> owner
C Beneficial owner
D None of the above

6 When transferor is considered as deemed owner?
A When house property is transferred to spouse without adequate consideration
B When house property is transferred to minor son without adequate consideration
C When house property is transferred to minor daughter without adequate consideration
<u>D In All of the above cases</u>

7 When transferor is not considered as deemed owner?
A When house property is transferred to spouse without adequate consideration
B When house property is transferred to minor son without adequate consideration
C When house property is transferred to minor daughter without adequate consideration
<u>D When house property is transferred to minor married daughter without adequate consideration</u>

8 Rental income received in respect of employees staff quarters are taxable under the head
A Income from House property
B Income from other sources
C Income from business & <u>profession</u>
D Not taxable

9 Which of the following income is/are taxable under the head income from House property?
A Rent from subletting of house property
B Rent from letting out the vacant plot of land
C Rent of advertisement hoarding
<u>D None of the above</u>

10 Maximum allowable interests on loan taken for construction of house property which is self occupied for the whole year is
A Rs.30, 000
B Rs.1, 50,000
<u>C Rs. 2, 00,000</u>
D Rs.2, 50,000

11 Gross annual value of the self occupied house property shall be

A Nil
B Higher of Municipal rent or fair rent
C Lower of actual rent or standard rent
D Reasonable rent

12 Municipal taxes shall be allowed
A on due basis
B if it is paid in advance
C if it is actually paid by the landlord
D If it is actually paid by the tenant

13 Interest on capital borrowed shall be allowed as deduction if it is borrowed for the purpose of
A Repair or reconstruction of house property
B purchase of house property
C Construction of the house property
D All of the above

14 Interest on capital shall be allowed on _____ basis.
A accrual
B payment
C accrual or payment whichever is earlier
D accrual or payment whichever is later

15 Pre construction period interest shall be allowed in
A 10 years B 5 years C 3 years D 4 years

16 Municipal taxes are allowed if it is paid by
A Landlord B Tenant C Landlord and tenant equally D Sub tenant

17 Which of the following statement is correct?
A Pre construction period interest shall be allowed in 6 years
B Gross annual value of any one self occupied house property owned by an individual or HUF shall be nil.
C Pre construction period interest shall be allowed as deduction in 5 equal installments starting from the year in which loan is taken.
D Pre construction period interest shall be allowed in 4 years.

18 Mr. X has transferred house property to his spouse without consideration; such property is assessed in the hands of
A Mr.X B Mrs.X C Mr.X or mrs. X D a person as decided by the assessing officer.

19 For computing pre construction period interest, pre construction period starts from
A the date on which construction is started
B the date on which house is let out
C the date on which loan was taken
D the date as determined by the landlord.

20 Standard deductions is available @
A 30% of NAV B 30% of GAV C 30% of rent received D 30% fair rent

20 If more than one house property are self occupied by an individual or HUF, than except one another one will be considered as
A Let out B Deemed let out C Partly let out D None of the above

21 Which of the following deduction/s is/ are allowed from income from house property?
A. Municipal taxes
B. Standard deduction
C. Interest on capital borrowed for the purpose of acquisition, construction or reconstruction of the house property.
D. All of the above.

22 Interest paid on fresh loan taken for repayment of original loan taken for acquiring the house property shall ______

A not be allowed as deduction
B be allowed as deduction
C be allowed if is paid by tenant.
D be allowed if approved by the assessing officer.

23 Which of the following shall not be allowed as deduction while computing income from house property?
A Municipal taxes paid by the landlord
B Interest on capital borrowed for the acquisition of the house property
C Interest on unpaid interest on capital borrowed for acquisition of the house property.
D Interest paid on fresh loan taken for repayment of original home loan.

24 While computing income from self occupied house property which of the following deduction is not allowed?
A Municipal taxes
B Interest on loan taken for acquisition of house property
C Standard deduction
D A & C

25 When property is let out for the part of the year and self occupied for the part of the year than
A it is considered as self occupied for the whole year
B it is considered as let out for the whole year
C it is not taxable under the head income from house property
D it is taxable under the head income from other sources.

26 If property is owned by the partner and used by the partnership firm for the purpose of firm's business than
A it is considered as used by the partner for his own business and profession and therefore not assessed under the head house property
B it is considered as used by partnership firm and notional rent is taxable in the hands of the partner.
C notional rent is taxable in the hands of the partnership firm.
D it is taxable in the hands of partner and partnership firm.

27 Rental income of a building constructed on a leasehold land shall
A be taxable under the head income from house property
B be taxable under the head income from other sources
C be taxable under the head income from business and profession.
D not be taxable.

28 If the house property is owned by co owners, rental income is
A not taxable
B taxable in the hands of co owner in the ratio of their ownership
C taxable in the hands of any co owner
D taxable in the hands of a person as determined by the assessing officer.

29 Any one palace occupied by an ex ruler is
A considered as exempt house property
B considered as deemed to to be let out
C considered as used for the purpose of the business
D assessed under the head income from house property

30 Which of the following is not an essential condition for charging income under the head house property
A Property must consist of building or land appurtenant thereto.
B Assessee must be the owner of the building
C Property must not be used for assessee's own business and profession
D Property must be let out during the previous year.

31 Which of the following property is not assessed under the head house property?
A property self occupied for the whole year
B property let out for the whole year
C Property used for the purpose of the business
D property is let out for the whole year

32 If more than one house properties are self occupied than any one property at the option of an assessee is self occupied and all other properties are considered as _______.
A Let out
B Deemed to be let out
C Partly let out
D used for the purpose of the business

33 Which of the following statement is true in respect of arrears of rent?
A Arrears of rent is taxable in the year in which it is received.
B Arrears of rent of rent is taxable in the year in which it becomes due
C Arrears of rent is not taxable.
D Arrears of rent is taxable under the head income from other sources.

34 Unrealised rent is allowed as deduction from
A Gross annual value
B Actual rent if prescribed conditions are satisfied.
C Municipal rent
D standard rent

35 Unrealized rent which was earlier allowed as deduction & received subsequently shall
A be taxed under Income from other sources
B be taxed under Income from House property
C be taxed under Income from business and profession
D not be taxed.

36 Where property is included in the assets of partnership firm , the income from such property should be assessed in the hands of
A partnership firm
B Any one partner in their profit sharing ratio
C Any one partner in their capital ratio
D Any one partner as mutually determined

37 Advance payment of Municipal taxes
A is allowed in the year of payment.
B is allowed in the year of accrual.
C is not at all allowed as deduction.
D is partly allowed as deduction in the year of accrual and partly in the year of payment.

38 Rental income from a property situated outside India shall be taxable in the hands of
A Resident and ordinary resident
B Non resident
C Indian citizen
D Resident and not ordinarily resident

39 Maximum allowable interest in case of self occupied house property when loan is taken for repairs or renewal of house property
A Rs.30, 000
B Rs.1, 50,000
C Rs.2, 00,000
D Rs. 50,000

40 If all charging conditions are satisfied than __________ of house property shall be chargeable to tax.
A Actual rent
B Fair rent
C Standard rent
D Annual value

41 Where building is let out along with Plant and machinery and amenities and the income towards building and other assets are separately identifiable than income from building shall be taxed under the head ______
A Income from House property
B Income from other sources
C Profits and gains of business
D B & C above

42 Where building is let out along with Plant and machinery and amenities and the income towards building and other assets are separately identifiable than income from letting out plant and machinery shall be taxed under the head ______

A Income from House property
B Income from other sources
C Profits and gains of business
D B or C

4. Profits and Gains of Business & Profession

1. Business includes

A. Trade
B. Commerce
C. Manufacture
D. All of the above

2. Preliminary expenses shall be allowed as deduction in..............

A. 5 Instalments.
B. 10 Instalments.
C. 15 Instalments
D. 12 Instalments.

3. Contribution made to an IIT & national laboratory is eligible for deduction up to................

A. 175%
B. 150%
C. 100%
D. 125%

4. Unabsorbed capital expenditure on scientific research can be carried forward for..............

A. 15 years
B. 14 years
C. 8 years
D. Unlimited no of years.

5. Unabsorbed depreciation can be carried forward......................

A. for a period of four years only.
B. for a period of eight years only.
C. for unlimited number of years.
D. for a period of eighteen years only.

6. Gifts from clients received by advocate are ....

A. Professional income
B. Income from other sources
C. Income from other sources
D. None of the above

7. Repairs incurred before installation of an assets is.............

A. Capital expenditure
B. Revenue expenditure
C. Non business expenditure
D. None of the above

8. Rate of depreciation on furniture is ....

A. 5%
B. 15%
C. 10%
D. 20%

9. Rate of depreciation on computer is ....

A. 5%
B. 15%
C. 40%
D. 60%

10. Under Income Tax Act, approved method of depreciation is ....

A. Sum of years digit method
B. Straight line method
C. W D V Method
D. Production unit method

11. The rate of depreciation on intangible asset is.....................

A 5%
B 15%
C 20%
D 25%

12. Interest on capital or loan received by a partner from a firm is

A. Exempt
B. Taxable under business and profession
C. Taxable U/H income from other sources
D. None of the above

13. Certain revenue and capital expenditure on scientific research are allowed as deduction in the previous year of commencement of business even if these are incurred:

A. Five years immediately before the commencement of business

B. 3 years immediately before the commencement of the business
C. Any time prior to the commencement of the business.
D. None of the above

14. If any amount is donated for research, such research should be in nature of
A. Scientific research only
B. Social or statistical research only
C. Scientific or social or statistical research
D. None of the above

15. Preliminary expenses incurred are allowed deduction in
A. 10 equal annual instalments
B. 5 equal annual instalments
C. full
D. None of the above

16. Profession includes
A vocation
B trade
C commerce
D All of the above

17. Which of the following income is taxable under the head business and profession?
A Export incentives
B Remuneration received by a partner from partnership firm
C Compensation paid for termination or modification of agency contract
D All of the above

18. Rental income of leasing out of machinery because of temporary suspension of the business is
A assessed under the head Income from other sources
B assessed under the head Business and profession
C assessed under the head house property
D not taxable.

19. Value of perquisites arising from exercising business and profession is
A assessed under the head Income from other sources
B assessed under the head business and profession
C assessed under the head house property
D not taxable.

20. Any amount received for not carrying out any activity related to business and profession is
A assessed under the head Income from other sources
B assessed under the head Business and profession
C assessed under the head house property
D not taxable.

21. Award received by a sports person is
A assessed under the head Income from other sources
B assessed under the head Business and profession
C assessed under the head house property
D not taxable.

22. Revenue subsidy received from government to assist the assessee in carrying on such business is
A assessed under the head Income from other sources
B assessed under the head Business and profession
C assessed under the head house property
D not taxable.

23. Subsidy for acquiring capital asset shall be
A reduced from actual cost of asset for the purpose of claiming Depreciation.

B assessed under the head Income from other sources
C assessed under the head Business and profession
D assessed under the head house property

24. Profits and gains of business and profession shall be computed
A As per cash basis
B As per accrual basis
<u>C As per method of accounting regularly followed by the assessee.</u>
D As per cash or accrual basis as determined by the assessing officer.

25. As per section 32, what are the conditions for allowability of depreciation?
A The asset shall be wholly or partly owned by the assessee.
B The asset shall be wholly or partly used by the assessee for the purpose of the business
C Asset shall fall within the classification of block of asset.
<u>D All of the above</u>

26. Under which section depreciation shall be allowed under the income tax act?
A <u>Section</u> 32 B Section 30 C Section 31 D Section 28

27. Which of the following statement is true?
A Depreciation shall be allowed only and only if assessee has claimed it.
<u>B Depreciation shall be allowed in computing the income even if assessee has not claimed depreciation.</u>
C Depreciation shall be allowed if it is debited to p & L account
D Depreciation shall be allowed at a discretion of assessing officer.

28. Plant includes
A Ships B Vehicles C Books <u>D All of the above</u>

29. Plant does not include
A Tea bushes B Live stock C Furniture <u>D All of the above</u>

30. Which of the following statement/s is /are true?
A Assessee is eligible to claim Depreciation on trial run of machinery also.
B Depreciation shall not be allowed on asset acquired for scientific research.
C Roads within the factory premises for providing approach to the buildings are also eligible for the depreciation.
<u>D All of the above</u>

31. Rate of depreciation on computers including computer software is
<u>A 40%</u> B 20% C 60% D 30%

32. When assessee can claim depreciation at 50% of normal rate?
A In the case of asset acquired during the previous year (newly acquired)
B In the case of asset is used for less than 180 days during the previous year
<u>C In the case of asset acquired during the previous year and used for less than 180 days during the previous year</u>
D In the case of asset acquired during the previous year and used for more than 180 days during the previous year

33. In which of the following cases, 40% rate of depreciation shall be allowed?
A Books being annual publication
B Books owned by the assessee carrying on business in running lending libraries
C computers including computer software

D All of the above

34. In the case of newly acquired asset, 50% of normal depreciation shall be allowed if asset is used for
A less than 180 days during the previous year
B 180 days during the previous year
C 180 days or more during the previous year
D 182 days or more during the previous year

35. In which of the following cases, actual cost of asset shall be taken as nil?
A Assets earlier used for scientific research and subsequently brought into the business.
B Assets acquired by way of gift
C B & C
D None of the above.

36. Additional Depreciation shall be allowed on _________
A Building B Intangible asset C All plant and machinery D Eligible plant and machinery

37. Additional Depreciation shall be allowed only in case of
A any industrial undertaking engaged in manufacturing or producing any article or thing
B any trading concern engaged in buying and selling goods
C any professional firm.
D Any of the above

38. Rate of additional Depreciation is
A 20% B 10% C 5% D 25%

39. On which asset additional depreciation shall not be allowed?
A In case of second hand plant & machinery B Road transport vehicle
C Ships and aircraft D All of the above

40. If any asset is acquired during the previous year and used for less than 180 days during the previous year than
A additional depreciation shall not be allowed.
B only 50% of additional depreciation shall be allowed.
C 50% of additional depreciation shall be allowed in the previous year and remaining 50% shall be allowed in the next year.
D full additional depreciation shall be allowed in the previous year.

41. In the case of amalgamation of two companies
A. Depreciation shall be allowed to amalgamating company
B. Depreciation shall be allowed to amalgamated company
C. Depreciation shall be allowed to amalgamating and amalgamated company on the basis of no of days for which assets are held
D. No depreciation shall be allowed.

42. Unabsorbed depreciation can be carried forward up to
A unlimited no of years B 8 assessment years C 4 assessment years D 6 assessment years

43. Unabsorbed depreciation can be set off against
A any income B any income except salary C business income only D salary income

44. Carried forward unabsorbed depreciation can be set off against

A any income B any income except salary C business income only D salary income

45. Business loss can be set off against
A any income B any income except salary C business income only D salary income

46. Business loss can be carried forward upto
A unlimited no of years B 8 assessment years C 4 assessment years D 6 assessment years

47. Carried forward business loss can be set off against
A any income B any income except salary C business income only D salary income

48. Power sector undertaking has
A an option to claim Depreciation either on SLM or WDV B to claim depreciation as per SLM
C to claim Depreciation as per WDV D to claim depreciation as per annuity method.

49. Power sector undertaking has an option to claim depreciation and such option
A shall be declared before the end of the previous year
B shall be declared before the due date of filing return of income
C Shall be declared before the end of assessment year.
D shall be declared any time during the assessment year.

50. For calculating depreciation, any payment in excess of Rs.__________ made in cash shall be ignored for computing actual cost of the asset.
A 10,000 B 20,000 C 1,00,000 D 1,20,000

51. No depreciation shall be allowed in case of
A Land B Live stock C A & B both D patent

52. Any interest on loan taken for acquisition of plant and machinery shall be capitalised if it relates to the period
A before the plant and machinery put to use. B after the plant and machinery put to use.
C after the purchase of plant and machinery D None of the above

53. When no depreciation shall be allowed from block of asset?
A When all assets in a block are transferred. B when WDV of the block become zero.
C When WDV of the block becomes negative. D All of the above.

54. Power sector undertakings have an option to claim depreciation as per straight line method only on
A tangible assets B Intangible assets C Assets acquired from India D second hand assets

55. In case of power sector undertaking, which has opted for straight line method of depreciation, sale consideration received in excess of cost of asset upon transfer of an asset shall be
A taxable as business income B taxable as capital gain
C taxable as Income from other sources D exempt from tax.

56. Investment allowance under section 32AD shall be applicable to
A All assessee B Individual assessee only C company assessee only D Indian company only

57. Investment allowance under section 32 AD shall be allowed to an assessee
A engaged in trading activity
B sets up an undertaking for manufacture or production of article or thing
C engaged in infrastructure activity

D sets up a power sector undertaking

58. For getting investment allowance u/s 32AD, undertaking shall be established in the notified backward areas of state of
A Andhra pradesh, Bihar, Telangana, Uttarpradesh B Telangana, Uttar Pradesh, Bihar, West Bengal
C West Bengal, UttarPradesh, Bihar, Andhra Pradesh D Telangana, West Bengal, Andhra Pradesh, Bihar

59. If all prescribed conditions are satisfied u/s 32AD, ____% of the actual cost of new asset shall be allowed as deduction.
A 10% B 15% C 20% D 12%

60. Lock in period of new asset under section 32AD shall be
A 8 years from the date of installation. B 5 years from the date of installation.
C 4 years from the date of installation. D 6 years from the date of installation.

61. Investment allowance under section 32AD shall be allowed in respect of investment in
A Buildings B Plant and machinery C Furniture and fixture D Intangible asset

62. Which of the following statement is correct
A Section 32AD - Investment allowance is applicable to company only.
B Section 32 AD - Investment allowance is applicable to all assessees doing business anywhere in India.
C Investment allowance benefit is in addition to depreciation and additional depreciation.
D Assessee getting deduction under section 32AD cannot claim additional depreciation.

63. Investment allowance under section 32AD _______.
A Shall be reduced from the WDV of block of asset.
B shall not be reduced from the WDV of block of asset.
C shall be added in the WDV of block of asset.
D partly added in the block of asset.

64. An amount equal to _____ % of any sum paid to an approved research association for carrying out social science or statistical research.
A 125 B 100 C 150 D 175

65. An amount equal to _____ % of any sum paid to an Indian company, whose main object is of scientific research and development, for carrying out scientific research.
A 125 B 100 C 150 D 175

66. Unabsorbed capital expenditure on scientific research shall be carried forward upto ________years.
A 8 B 4 C unlimited no of years D 12

67. When any asset used for scientific research is sold without having been used for other business purpose than sale consideration to the extent deduction claimed shall be taxed as
A Business income B long term capital gain C Income from other sources D short term capital gain

68. Which of the following statement is correct?
A. No depreciation shall be allowed in respect of assets for which deduction has been claimed for scientific research under section 35
B Assets acquired for scientific research are also eligible for depreciation.
C Assets acquired for scientific research are eligible for depreciation but not eligible for additional depreciation.
D Assets acquired for scientific research are eligible for both depreciation and additional depreciation.

69. In case of company engaged in the business of bio technology or manufacture of any article or thing, weighted deduction of ______% of the expenditure incurred on in house scientific research shall be allowed as deduction.

A 200% B 150% C 125% D 100

70. Weighted deduction of 150% of expenditure on in house scientific research shall be allowed to

A all assessee B company assessee only C individual only D company and firm only

71. Prior period revenue or capital expenditure on scientific research incurred during _____ years immediately preceding the ______ of commencement of business will be allowed as deduction.

A 2, year B 3, year C 3, date D 2, date

72. Prior period scientific research expenditure shall be allowed as deduction

A. in the PY in which the assessee commenced the business.

B. in 5 equal installments starting from the year of commencement.

C. in 3 equal installments starting from the year of commencement.

D. in the PY in which the assessee incurred the expenditure.

73. Which of the following scientific research expenditure is not eligible for deduction under section 35?

A. Expenditure on land B. Expenditure on plant and machinery

C. Salary to research staff D. Expenditure on material required for scientific research.

74. Which of the following company are ineligible for claiming 150% of expenditure incurred on in house scientific research?

A Company engaged in manufacture or production of any article or thing

B Company engaged in manufacture or production of any article specified in 11th eleventh schedule.

C Company engaged in the business of bio technology.

D All of the above.

75. Any expenditure on agricultural extension project as notified by CBDT shall be eligible for deduction @ _____ of such expenditure.

A 200% B 150% C 125% D 100%

76. Any expenditure on skill development project as notified by CBDT shall be eligible for deduction @_____ of such expenditure.

A 200% B 150% C 125% D 100%

77. Which of the following assessee/s is/ are eligible for deduction of 100% of capital expenditure under section 35AD?

A Assessee engaged in the business of cold chain facility

B Assessee engaged in the business of bee keeping and production of honey and beeswax.

C Assessee engaged in the business of setting up and operating a warehousing facility for storage of sugar.

D All of the above.

78. Which of the assessee are eligible for deduction of preliminary expenditure under section 35D?

A Indian company B Non - Corporate resident assessee

C Indian company & non - Corporate resident assessee D Indian and foreign company

79. While computing business income, expenditure incurred for repairing a property taken on lease for business

A shall be allowed as deduction B shall be capitalised and depreciation can be claimed

C shall be ignored D partly capitalised and partly allowed as expenditure.

80. While computing business income, current repair expenditure on building
A shall be allowed as deduction B shall be capitalised and depreciation can be claimed
C shall be ignored D partly capitalised and partly allowed as expenditure.

81. While computing business income, capital expenditure on repairs
A shall be allowed as deduction B shall be capitalised and depreciation can be claimed
C shall be ignored D partly capitalised and partly allowed as expenditure.

82. While computing business income, insurance premium paid for building
A shall be allowed as deduction B shall be capitalised and depreciation can be claimed
C shall be ignored D partly capitalised and partly allowed as expenditure.

83. While computing business income, expenditure on Health Insurance premium of employees
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

84. While computing business income, interest on own capital
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

85. While computing business income, expenditure on bonus to employees
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be allowed as deduction subject to section 43B

86. While computing business income, bad debts written off
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

87. While computing business income, provision for bad debts
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

88. While computing business income, income tax paid
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

89. While computing business income, provision for income tax
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

90. While computing business income, GST deposited
A shall be allowed as deduction B shall not be allowed as deduction
C shall be allowed as deduction subject to 43B D shall be partly allowed as expenditure.

91. While computing business income, contribution to recognised provident fund
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

92. While computing business income, contribution to unrecognized provident fund
A shall be allowed as deduction B shall not be allowed as deduction

C shall be ignored D shall be partly allowed as expenditure.

93. While computing business income, Interest on loan pertaining to the period before the asset is put to use
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

94. While computing business income, Provision for gratuity
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

95. While computing business income, Contribution by employer towards unregistered staff welfare fund
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

96. While computing business income, Contribution by employer towards approved Gratuity fund
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

97. While computing business income, donation to National defence fund
A shall be allowed as deduction
B shall not be allowed as deduction
C shall not be allowed as deduction as business expenditure but allowed as deduction under section 80G
D shall be partly allowed as expenditure.

98. While computing business income, donation to approved political party
A shall be allowed as deduction
B shall not be allowed as deduction
C shall not be allowed as deduction as business expenditure but allowed as deduction under section 80GGB/ 80GGC
D shall be partly allowed as expenditure.

99. While computing business income, payment in respect of expenditure made in cash in excess of Rs.10,000
A shall be allowed as deduction B shall not be allowed as deduction
C shall be ignored D shall be partly allowed as expenditure.

100. In respect of an expenditure, payment is made or amount is payable to a specified person is ________ than such expenditure shall be disallowed to the extent it is _________.
A reasonable B unreasonable/excessive C recorded in the books D at market value

5. Capital Gain

1. Any profit on gain arising from the transfer of a capital asset during a previous year is chargeable to tax under the head________.
A Income from salary B Income from House property
C Income from other sources D Income from Capital gain

2. Charging section for capital gain is
A Section 45 B Section 54 C Section28 D Section 22

3. Which of the following conditions is/are satisfied for charging income under the head capital gain?

A There should be a capital asset. B The capital asset is transferred by the assessee.
C Such transfer takes place during the previous year. D All of the above

4 Capital assets include
A Movable property & Immovable property B Tangible or intangible property
C Property Connected with business D All of the above

5 Capital assets do not include
A Any stock in trade B Personal assets of the assessee
C Rural agricultural land D All of the above

6. Personal assets exclude
A Jewellery B Archaeological collections C Drawings D All of the above

7. Gold and silver coins and bars used for Puja of deities
A are treated as capital asset B are treated as personal asset
C are not treated as personal asset D A& C

8. Silver utensils held by an assessee
A are treated as capital asset B are treated as personal asset
C are not treated as personal asset D A& C

9. Financial Securities are
A are treated as capital asset B are treated as personal asset
C are not treated as personal asset D A& C

10. Loose diamonds held by an assessee
A are treated as capital asset B are treated as personal asset
C are not treated as personal asset D A & C

11. Financial assets are treated as short term capital asset
A If Period of holding is less than or equal to 12 months
B If Period of holding is more than 12 months
C If Period of holding is less than or equal to 24 months
D If Period of holding is less than or equal to 36 months-

12. Unlisted shares & immovable property are treated as short term capital asset
A If Period of holding is less than or equal to 12 months
B If Period of holding is more than 12 months
C If Period of holding is less than or equal to 24 months
D If Period of holding is less than or equal to 36 months

13. Jewellery, paintings and drawings are treated as short term capital asset
A If Period of holding is less than or equal to 12 months
B If Period of holding is more than 12 months
C If Period of holding is less than or equal to 24 months
D If Period of holding is less than or equal to 36 months

14. Period of holding of capital asset shall be calculated from the date of acquisition of capital asset to
A date of transfer B immediate succeeding date of transfer
C immediate preceding date of transfer D Last day of the year of transfer

15. The cost of acquisition of bonus shares allotted on or after 1-4-2001 is ....

A. Fair market value of those shares on 1-4-2001 B. Fair market value on the date of issue of shares

C. Nil D. None of the above

16. Transfer in relation to a capital asset includes

A The sale, exchange or relinquishment of the asset B The extinguishment of any rights therein;

C The compulsory acquisition thereof under any law D All of the above

17. Conversion of capital asset into stock in trade is treated as

A transfer B Not a transfer

C exempt transfer D none of the above

18. Allotment of shares in amalgamated company to the shareholders of amalgamating company in view of amalgamation is

A a relinquishment B an extinguishment

C an exchange D a sale

19. Redemption of preference shares by the company is

A a relinquishment B an extinguishment

C an exchange D a sale

20. Immovable property is considered as transfer

A When consideration is received B When agreement is executed

C When possession is transferred D When documents of title are registered

21. When asset is received under a gift, its cost of acquisition, upon subsequent transfer, is

A Nil B Cost to the previous owner

C FMV as on the date of the gift D FMV as on 01/04/2001.

22. Cost of improvement is ___________expenditure incurred by an assessee in making any additions/improvement to the capital asset.

A Revenue B Deferred revenue C Capital D Capital or revenue

23. Any improvement expenses incurred prior to _________ shall be ignored.

A 01/05/2002 B 01/01/2001 C 01/04/2001 D 01/01/2002

24. In case of depreciable assets, capital gains will always be______

A short-term capital gains. B long term capital

C exempt D short term or long term – depends upon period of holding

25. Any distribution of capital assets on the total or partial partition of a HUF

A is taxable in the year of partition. B is taxable in the year such assets are sold

B is taxable in the year of distribution. D is not treated as transfer.

26. Which of the following transfer is an exempt transfer?

A Transfer of Capital Asset by Holding Company to its wholly owned Indian Subsidiary.

B Any transfer, in a scheme of amalgamation, of a capital asset by the amalgamating company to the amalgamated company if the amalgamated company is an Indian company.

C Any distribution of capital assets on the total or partial partition of a HUF

D All of the above

27. Any transfer by way of conversion of preference shares of a company into equity shares of that company
A is taxable in the year of conversion.
B is taxable in the year such shares are sold
C is not treated as transfer.
D is taxable at 10%

28. Any compensation received from insurers on account of damage or destruction of Capital Assets
A shall be exempt
B shall be taxable in the year of destruction.
C shall be taxable in the year in which compensation is received.
D shall be taxable in the year when compensation is fixed by insurance company.

29. While computing capital gain in case of on account of damage or destruction of Capital Assets, benefit of indexation shall
A be available up to year of receipt of compensation
B be available up to year of destruction of capital asset
C be available up to year in which compensation is fixed by the insurance company
D not be available.-

30. Compensation received from insurance company for loss of stock-in- trade or raw material is taxable under
A Profits and gains of business or profession
B Capital gain
C Income from other sources
D Any of the above

31. In case of Conversion of Capital Asset into Stock-in- trade, transfer is taxable in the year
A In which conversion has taken place
B in which stock in trade is sold
C In which money is received.
D which is immediately succeeding the year of conversion

32. In case of computing capital gain on conversion of capital asset into stock in trade, sale consideration shall be
A Amount received upon transfer
B FMV as on the date of sale of stock in trade
C FMV as on the date of conversion
D FMV as on 01/02/2018

33. In case of computing capital gain on conversion of capital asset into stock in trade, benefit of indexation is available up to
A year of conversion
B year of sale of stock in trade
C year of receipt of money
D None of the above

34. In case of transfer of security in a Demat form, for computing capital gain chargeable to tax, the cost of acquisition and period of holding of any security shall be determined on the _______basis
A LIFO
B FIFO
C average
D Weighted average basis

35. If partner transfers any capital asset into partnership firm as capital contribution, __________ shall be considered as sale consideration for computing capital gain.
A amount recorded in the books of the firm
B fair market value of the asset
C amount mutually agreed by the partner
D original cost of asset

6. Income from other sources

1. Gift of sum of money is exempt if
A Aggregate value during particular year is less Rs.50, 000
B Aggregate value during particular year is up to Rs.50, 000
C If value of individual gift is up to Rs.50,000

D Aggregate value during particular year is less Rs.1, 00,000

2. In case of gift of immovable property, value to be taken into consideration shall be
A Market value of property.
B Fair market value of property.
C Stamp duty value of property.
D Value determined by the valuation offer.

3. For the purpose of taxability of gift, Relative includes
A Brother of mother of individual
B bother's daughter of individual
C Cousin of mother
D all the above

4. Property for the purpose of gift shall include
A Shares and securities
B jewellery
C Paintings
D all of the above

5. Which of the following shall not be considered as property for the purpose of taxability of gift?
A Drawings / Paintings
B sculptures
C mobile phone
D Shares and securities

6. The term relative does not include
A Lineal ascendant or descendant of individual
B Lineal ascendant or descendant of spouse of individual
C Lineal ascendant or descendant of brother of individual
D Brother or sister of the either of the parents of the individual

7. If any person has purchased immovable property for Rs.20 lakh but stamp duty value is Rs.23 lakhs, in this case taxable amount of gift shall be
A 3 lakh
B 1 lakh
C Nil
D 23 lakh

8. Which of the following gift is taxable
A Mr. X received cash gift Rs.51,000 from his friend
B Mr. Y received cash gift Rs.51,000 from his fiancée
C Mr. Z received cash gift Rs.51,000 from his friend's father
D all the above

9. Mr. Kashyap has acquired a building from his friend on 10.10.2018 for Rs.15,00,000. The stamp duty value of the building on the date of purchase is Rs.15,70,000. Income chargeable to tax in the hands of Mr. Kashyap is
A Rs. 70,000
B Rs. 50,000
C Nil
D Rs. 20,000

10. Ramesh received Rs. 60,000 from his friend on the occasion of his birthday
A The entire amount of Rs.60, 000 is taxable
B Rs.50, 000 is taxable
C The entire amount is exempt
d) Rs.10, 000 is taxable

11. Mr. Y has received a sum of Rs.51,000 on 24.10.2018 from relatives on the occasion of his marriage.
A Entire Rs.51,000 is chargeable to tax.
B Only Rs. 1,000 is chargeable to tax
C Entire Rs. 51,000 is exempt from tax
D Only 50% i.e., Rs. 25,500 is chargeable to tax

12. Mr. Mayank has received a sum of Rs. 75,000 on 24.10.2018 from his friend on the occasion of his marriage anniversary.
A Entire Rs. 75,000 is chargeable to tax.
B Entire Rs.75,000 is exempt from tax
C Only Rs. 25,000 is chargeable to tax
D Only 50% i.e., Rs. 37,500 is chargeable to tax

7. Clubbing of Income

Q-1 Transfer of income without transfer of asset
A shall not be clubbed
<u>B shall be clubbed in the hands of transferor</u>
C shall be clubbed in the hands of transferee
D shall be clubbed in the hands of transferor if transfer is revocable.

Q-2 Any income from an asset transferred to spouse without _________, such income shall be clubbed in the hands of transferor.
A Consideration
<u>B adequate consideration</u>
C Consent
D inadequate consideration

Q-3 Any income from asset transferred to ________ without adequate consideration shall be clubbed in the hands of transferor in laws.
A spouse
<u>B son's wife</u>
C daughter
D mother

Q-4 Income earned by minor child shall be clubbed in the hands of
A either of the parents.
<u>B either of the parents whose income is greater.</u>
C father
D either of the parents who maintains the child.

Q-5 All Income of the minor child shall be clubbed except
A Income from application of any skill or talent
B Income from manual labour
C Income earned by child suffering from disabilities under section 80U
<u>D All of the above</u>

Q-6 Mr chhotu - minor child earns Rs.2,00,000 from dance performance. Such income
A shall be clubbed in the hands of father.
B shall be clubbed in the hands of either of the parents whose income is higher.
<u>C shall not be clubbed.</u>
D shall be exempt.

Q-7 Income of a minor child suffering from any disability of the nature specified in section 80U
<u>A shall be assessed in the hands of the minor child</u>
B shall be clubbed in the hands of either of the parents whose income is higher
C completely exempt from tax
D to be clubbed with the income of father

Q-8 Income arising to a minor married daughter is -
A to be assessed in the hands of the minor married daughter
<u>B to be clubbed with the income of that parent whose total income, before including minor's income, is greater</u>
C completely exempt from tax
D to be clubbed with the income of her husband

Q-9 Income of a minor child from a fixed deposit with a bank, made out of income earned from application of skill and talent is–
A to be assessed in the hands of the minor child
<u>B to be clubbed with the income of that parent whose total income, before including minor's income, is grater</u>

C completely exempt from tax
D to be clubbed with the income of father

Q-10 Interest from a fixed deposit received by a minor married daughter is –
A to be assessed in the hands of the minor married daughter
B to be clubbed with the income of that parent whose total income, before including minor's income, is higher
C to be clubbed in the hands of husband.
D to be clubbed in the hands of father in law.

Q-11 Any income from asset, except_____, transferred to spouse without adequate consideration shall be clubbed in the hands of transferor.
A house property
B equity shares
C Jewellery
D plot of land

Q-12 If house property is transferred to spouse without adequate consideration,
A Income from such house shall be clubbed in the hands of transferor
B transferor shall be considered as deemed owner.
C such transfer shall be taxable in the hands of spouse.
D half of the rental income shall be clubbed.

Q-13 Mr.X has transferred Rs.50,00,000 to Mrs X without adequate consideration which she has invested in her partnership firm. In Such a case, any _______ from partnership firm shall be clubbed in the hands of Mr.X
A Remuneration
B Profit
C Interest on capital
D loss

Q-14 Mr.X has transferred Rs.50,00,000 to Mrs X without adequate consideration which she has invested in her proprietary concern. Any ______ from such concern shall be clubbed in the hands of Mr.X
A Remuneration
B Profit
C Profit or loss
D loss

Q-15 Income out of clubbed income
A shall be clubbed.
B shall not be clubbed.
C shall be exempt.
D shall be ignored.

Q-16 For Clubbing purpose minor child includes
A Step child
B adopted child
C Minor married daughter
D All of the above

Q-17 For attracting Clubbing provision, transfer of asset shall be
A complete
B irrevocable
C revocable
D registered

Q-18 Any remuneration received by an individual from a concern in which his or her spouse has a substantial interest
A shall always be clubbed.
B shall be clubbed if such individual does not possess any skill, talent, knowledge or experience.
C shall be exempt.
D shall be ignored.

Q-19 6. Mr. A gifts a sum of Rs. 1,00,000 to his brother's wife Mrs. B. Mr. B gifts a sum of 1,00,000 to Mrs. A. From the sum gifted to her, Mrs. B invests in a fixed deposit, income there from is Rs.10,000. Aforesaid Rs.10,000 will be included in the total income of ....

A Mr. A

B Mrs. A

C Mrs. B

D Mr. B

Q-20 Where a minor's income is clubbed with the income of the parent. The maximum amount of exemption u/s 10(32) available to parent is

A Rs.1,500 per month per child

B Rs.1,500 per child upto maximum of two children.

C Rs.1,500 per child

D Rs.1,500 per child per month upto maximum of two children.

8. Set off and carry forward of losses

1 Speculative business loss can be set off against

A Business income only

B Speculative Business income only

C Any income except salary

D Speculative and specified business only.

2 Speculative business loss can be carried forward upto

A 8 assessment years B 4 assessment years C Unlimited no of years D 6 assessment years

3 Loss from Specified business mentioned u/s 35AD can be carried forward upto

A 8 assessment years B 4 assessment years C Unlimited no of years D 6 assessment years

4 No loss can be set of against

A Income from salary

B Income from house property

C Winnings from lottery , crossword puzzels, card games, horse races etc.

D Capital gain

5 Business loss can be set off against

A Any income B Any income except salary C Any income except Capital gain D business income only

6 Short term capital loss can be set off against

A short term capital gain only

B Long term capital gain only

C short term capital gain and Long term capital gain

D Any income

7 Long term capital loss can be set off against

A short term capital gain only

B Long term capital gain only

C short term capital gain and Long term capital gain

D Any income

8 Unabsorbed depreciation can be set off against

A Any income B Any income except salary C Any income except Capital gain D business income only

9 Following losses can be carried forward even if return is filed after the due date

A Income from house property B Unabsorbed depreciation C Long term capital loss D A & B only

10 Which of the following losses can be carried forward only if return is filed within due date

A Business loss , speculative business loss and specified business loss

B Capital loss

C Loss from owing and maintaining horse races

D All of the above

11 Loss under the head house property can be set off

A Against any head of income to the extent of Rs. 2,00,000

B Against income from house property to the extent of Rs. 2,00,000
C Against winnings from lottery
D Against any head of income without any limit

12 Brought forward loss from house property can be set-off –
A Against any head of income to the extent of Rs.2,00,000
B Against income from house property to the extent of Rs.2,00,000
<u>C Against income from house property without any limit</u>
D Against any head of income without any limit

13 Brought forward business loss can be set off against
A Business <u>income</u> only B Same business income only C Any income except salary D Any income

14 Mr. Raghu has incurred business loss of Rs. 7,00,000. He has also earned Rs. 5,00,000 as income from house property. If he files his return of income after the due date mentioned under section 139(1) than
A He cannot set off the business loss of Rs.5,00,000 against income from house property.
<u>B He can set off the loss of Rs. 5,00,000 against income from house property but cannot carry forward remaining 2,00,000.</u>
C He cannot carry forward Rs.7,00,000
D He can neither set off nor carry forward the losses.

15 Mr. Ramu incurred long-term capital loss from sale of listed shares in recognized stock exchange and STT is paid at the time of acquisition and sale of such shares. Such loss –
<u>A can be set-off only against long-term capital gains</u>
B can be set-off against both short-term capital gains and long-term capital gains
C in excess of Rs.1,00,000 can be set-off only against long term capital gain.
D is not allowed to be set-off

16 Mr. Dhubbu incurred short-term capital loss of Ra.6,000 on sale of shares sold through recognised stock exchange. Such loss -
A can be set-off only against short-term capital gains
<u>B can be set-off against both short-term capital gains and long-term capital gains</u>
C can be set-off against any head of income.
D in excess of Rs.1,00,000 can be set-off only against any capital gain.

17 Loss from house property can be set off against
A salary income B Business income C Capital gain <u>D All of the above</u>

18 Loss from textile business can be set off against
A Income from business. B Income from specified business mentioned u/s 35AD
C Income from speculative business <u>D All of the above</u>

19 Which of the following statement is true for loss from card games?
A Loss from card games can be set off against winnings from card games
<u>B Loss from card games cannot be set off against any income.</u>
C Loss from card games can be set off against any income except salary.
D Loss from card games can be set off only against income from other sources.

20 Loss from agricultural activity
<u>A can not be set off against any income.</u> B can be set off against agricultural income.
C can be set off against any income. D can be set off against any income except salary

9. Deductions from gross total income

1. As per section 80CCE, Maximum amount of deduction available under section _____ is Rs. 1, 50,000
A 80C
B 80CCC
C 80CCD(1)
D 80C,80CCC, 80CCD(1)

2. Life insurance premium paid for _____ is allowed as deduction under section 80C
A self
B Self and spouse
C self, spouse and dependent children
D self, spouse and children.

3. Under section 80D medical insurance premium is allowed if paid for _____
A self
B Self and spouse
C self, spouse and dependent children
D self, spouse and children.

4. Tution fees paid for ______ shall be allowed as deduction under section 80C.
A self
B Self and spouse
C children
D self, spouse and children.

5. Which of the following is an eligible investment for claiming deduction under section 80C?
A Employee's contribution to RPF
B Employer's contribution to RPF
C Employer's contribution to SPF
D Employee's contribution to URPF

6. Mediclaim insurance paid for ______ shall be allowed as deduction under section 80D.
A dependent parents
B parents of an individual whether dependent or not
C parents of individual and parents of spouse of individual.
D dependent parents and children.

7 Maximum allowable limit under section 80D for Mediclaim paid for parents is
A Rs 25,000
B Rs.50,000 in case of senior citizen otherwise Rs.25,000
C Rs.50,000
D Rs.30,000 in case of senior citizen otherwise Rs.25,000

8 Interest on education loan is allowed under section 80E for a period of
A 4 years
B 8 years
C 6 years
D 7 years

9. Interest on education loan is allowed under section 80E if loan is taken for the higher education of
A self
B Self and spouse
C children
D self, spouse and children.

10. Maximum amount of deduction under section 80GG for rent paid is
A Rs.2,000 per month
B Rs.4,000 per month
C Rs.5,000 per month
D Rs.1,000 per month

11. Deduction u/s 80C in respect of Life Insurance Premium, Contribution to provident fund, etc. is allowed to:
A Any assessee
B an individual
C An individual or HUF
D An individual or HUF who is resident in India

12. The payment for Insurance premium under section 80D should be paid:
A in cash
B by any mode other than cash
C by cheque
D through account payee cheque/ account payee bank draft

13. The deduction under section 80QQB in respect of royalty income of authors of certain books is subject to a maximum limit of-

A Rs.1,00,000 <u>B Rs.3,00,000</u> C Rs.5,00,000 D Rs.2,00,000

14.Deduction under section 80TTA is allowed

A to every person for interest on saving accounts

B to an individual for interest on fixed deposit

<u>C to an individual and HUF for interest on savings account</u>

D to an individual and HUF for interest on any account

15. No deduction under section 80C to 8OU is available against

A Long term capital gain taxable at 20% and 10%.

B Short term capital gain taxable at 15%

C Winnings from lottery, crossword puzzels, card games taxable at 30%

<u>D All of the above</u>

16. Mr. Shwetketu has taken a Life Insurance policy in the name of dependent son and paid premium by cheque of Rs.15,000 and sum assured shall be Rs.2,00,000 , in this case maximum amount of deduction allowed u/s 80C shall be

A Rs.<u>15,000</u> B Rs.20,000 C Rs.10,000 D Nil

17. Mr. Shwetketu has taken a Life Insurance policy in the name of dependent father and paid premium by cheque of Rs.15,000 and sum assured shall be Rs.2,00,000 , in this case maximum amount of deduction allowed u/s 80C shall be

A Rs.15,000 B Rs.20,000 C Rs.10,000 <u>D Nil</u>

18. Mr. Shwetketu has taken a Life Insurance policy in the name of dependent son and paid premium by cheque of Rs.15,000 and sum assured is Rs.1,00,000 , in this case maximum amount of deduction allowed u/s 80C shall be

A Rs.15,000 B Rs.20,000 <u>C Rs.10,000</u> D Nil

19. Mr. Shwetketu has taken a Life Insurance policy in the name of dependent handicapped daughter and paid premium by cheque of Rs.18,000 and sum assured is Rs.1,00,000 , in this case maximum amount of deduction allowed u/s 80C shall be

<u>A Rs.15,000</u> B Rs.20,000 C Rs.18,000 D Nil

20. Mr. X taken Mediclaim policy for his parents who is senior citizen and paid premium by cheque of Rs.35,000. Deduction allowed u/s 80D shall be:

A Rs.25,000 <u>B Rs.35,000</u> C Rs.50,000 D Nil

21. Deduction u/s 80E in case of payment of interest on loan taken for pursuing higher education is allowed to:

A Any assessee <u>B an individual</u>

C An individual or HUF D An individual who is resident in India

22. The payment for Insurance premium under section 80D should be paid:

A in cash <u>B by any mode other than cash</u>

C by cheque D through account payee cheque/ account payee bank draft

23. Mr. X has income under the head salary Rs.75,000 and income from long term capital gains Rs.2,50,000, in this case maximum amount of deduction allowed shall be

A Rs.75,<u>000</u> B Rs.3,25,000 C Rs.2,50,000 D Nil

24. Mr. Aruni made a donation of Rs.40,000 to National defence Fund and Rs.10,000 to Rajiv Gandhi Foundation by cheque. He made a cash donation of Rs.12,000 to a public charitable trust registered under section 80G of the Act. The deduction allowable to him under section 80G for A.Y.2019-20 is
A Rs.45,000 B Rs.50,000 C Rs.62,000 D Rs.30,000

25.Maximum deduction under chapter VI is restricted to __________.
A Amount of investment B Rs.1,50,000 C Gross total income D Rs. 50,000

26. Interest on saving bank account is allowed as deduction u/s 80 TTA to individual and HUF to the extent ____
A Rs.10,000 B Rs.50,000 C Rs. 12,000 D Rs.25,000

27. Which of the following donation are not allowed under section 80G
A Donation made in kind B Donation made in cash exceeding Rs.2,000
C Donation given to unregistered trust D All of the above.

28. Deduction of Rs.50,000 under section. 80CCD(1B) is available for investment in
A Annuity plan of LIC B Unit linked plans of LIC C NPS D PPF

29. Amount of deduction in respect of medical treatment expenditure under section 80DDB shall be
A Rs.40,000 B Rs.1,00,000
C Rs.40,000 and in case of Medical treatment of senior citizen - Rs.1,00,000 D Rs 60,000

30. Deduction under section 80C is available on
A Actual payment basis B Accrual basis
C the basis of income D Actual payment or accrual basis

31. Allowable deduction under section 80E is for
A Principal amount repaid towards educational loan B Interest paid on educational loan
C Tuition fees paid for two children D Principal and interest paid on educational loan

32. Under section 80TTA which of the following bank interest shall not be allowed as deduction?
A Interest on savings bank A/c B Interest on FD C Interest on RD D B & C

33. Deduction under section 80U is available to
A Salaried person B Political party
C Resident Individual suffering from permanent physical disability D Non resident

10. Procedure for assessment& advance tax

1. Every company or firm has to file its return
A of income B of income or loss C of income if it income exceeds Rs.2, 50,000. D of loss.

2. Every individual has to file their return of income if
A total income after deductions mentioned under chapter VI exceeds Rs.2,50,000.
B total income before deductions mentioned under chapter VI exceeds basic exemption limit.
C total income before deductions mentioned under chapter VI exceeds Rs.2,50,000.
D total income including exemptions exceeds basic exemption limit.

3. The due date for filing of a return of income for a company is -
A 31st July of relevant assessment year. B 30th September of relevant assessment year.

C 31st October of relevant assessment year. D 31st August of relevant assessment year.

4. The due date for filing of a return of income of a working partner of auditable firm is
A 31st July of relevant assessment year. B 30th September of relevant assessment year.
C 31st October of relevant assessment year. D 31st August of relevant assessment year.

5. The due date for filing of a return of income of a non auditable - non corporate assessee is
A 31st July of relevant assessment year. B 30th September of relevant assessment year.
C 31st Octoberof relevant assessment year. D 31st August of relevant assessment year.

6. Mr. A has income under the head salary is Rs.3,20,000 and deduction under section 80C Rs.1,00,000, in this case
A he need not file any return of income
B he has to file return of income upto 31st July of assessment year
C he has to file return of income upto 30th September of assessment year
D none of these

7. The return of a company has to be verified by -
A the Managing Director or Director B the General Manager C the Secretary D the Manager

8. If there is a genuine mistake or omission in the return of income filed, assessee can___________
A cancel the return.
B revise the return within prescribed time limit.
C apply the authority for rectifying the mistake.
D apply the authority to allow him to file the revise return.

9. Which of the following statement is true?
A Assessee can file any number of revised returns. B Belated return cannot be revised.
C Revised return replaces the original return D Both A & C

10. As per section 139(1), which of the following assessee has to compulsorily file its return of income or loss?
A Companies only B firms only C both companies and firms D All assessee

11. If the return is filed after the due date mentioned under section 139(1) than assessee can not
A revise its return. B carry forward certain losses.
C set off certain losses. D carry forward and set off of losses.

12. Which of the following losses cannot be carried forward if belated return is filed?
A Loss from business B Capital loss
C Loss from owing and maintaining horse races. D All of the above.

13. Which of the following can be carried forward even if return is filed belatedly?
A Loss from house property B Unabsorbed depreciation
C Speculative business loss D A & B both

14. A return can be revised
A within one year from the end of relevant assessment year.
B on or before the expiry of relevant assessment year.
C within two years from the end of relevant assessment year.
D within two years from the end of the previous year.

15. Which of the following consequences will apply if assessee files return after the due date mentioned u/s 139(1)?
A Assessee has to pay interest u/s 234A on amount of tax payable.
B Assesseecan not carry forward certain losses mentioned u/s 139(3).
C Assessee has to pay fee u/s 234F
D All of the above.

16. Mr. Shah files his return of income for A.Y. 2019-20 on 31 January, 2020 showing total income of Rs.9,25,000. U/s 234F He is liable to pay fee of–
A Rs. 5,000 B Rs. 1,000 C Rs. 10,000 D Rs.7,000

17. Mr. Shah files his return of income for A.Y. 2019-20 on 31 October, 2019 showing total income of Rs. 4, 25,000. U/s 234F He is liable to pay fee of–
A Rs. 5,000 B Rs. 1,000 C Rs. 10,000 D Rs.7,000

18. Mr. Shah files his return of income for A.Y. 2019-20 on 31 October, 2019 showing total income of Rs.5,25,000. U/s 234F He is liable to pay fee of–
A Rs. 5,000 B Rs. 1,000 C Rs. 10,000 D Rs.7,000

19. Due date of filing Return of income of partnership firm is
A on or before 30th September of relevant assessment year.
B in case of auditable partnership firm - 30th September otherwise 31st July of the relevant assessment year.
C on or before 31st July of relevant assessment year.
D on or before 30th June of relevant assessment year.

20. Every resident and ordinarily resident individual has to file his return of income, even though his total income before deductions is less than Rs.2,50,000, if
A he is the owner of any property situated outside India.
B he is the beneficial owner of any property situated outside India.
C He is the beneficiary in any property situated outside India.
D All of the above.

21. Advance tax is payable only if tax payable during a particular year is ________.
A Rs.10,000 or more B Rs. 5,000 or more C Rs.10,000 or less D Rs. 5,000 or less

22. Due date of filing Return of income of company is
A on or before 30th September of relevant assessment year.
B in case of auditable partnership firm - 30th September otherwise 31st July of the relevant assessment year.
C on or before 31st July of relevant assessment year.
D on or before 30th june of relevant assessment year.

23. First instalment of advance tax shall be paid on or before _____ of the previous year
A 15th June B 15th December C 15th july D 15th April

24. Second instalment of advance tax shall be paid on or before _____ of the previous year
A 15th June B 15th December C 15th july D 15th September

25. Third instalment of advance tax shall be paid on or before _____ of the previous year
A 15th June B 15th December C 15th july D 15th April

26. Third instalment of advance tax shall be paid on or before _____ of the previous year
A 15th June B 15th December C 15th july <u>D 15th march</u>

27. Interest u/s 234A shall be levied
<u>A for late filing of return of income on amount of tax payable</u> B for late payment of advance tax
C for deferment of advance tax D for non deduction of TDS

28. Interest u/s 234A shall be levied @
A 1% per <u>month</u> or part of the month B 1% C 2% per month or part of the month D 2%

29. Interest u/s 234B shall be levied
A for late filing of return of income on amount of tax payable <u>B for non/late payment of advance tax</u>
C for deferment of advance tax D for non deduction of TDS

30. Interest u/s 234C shall be levied
A for late filing of return of income on amount of tax payable B for non/late payment of advance tax
C for deferment of <u>advance tax</u> D for non deduction of TDS

31.Senior citizen has to pay advance tax only when
A such senior citizen has income u/h capital gains.
B such senior citizen has income u/h house property
<u>C such senior citizen has income u/h business/profession</u>
D such senior citizen has income u/h casual income

32.Advance tax payable upto 15th June of the previous year is at least _____.
<u>A 15% of estimated tax</u>. B 45% of estimated tax. C 75% of estimated tax. D 100% of estimated tax.

33. Advance tax payable up to 15th September of the previous year is at least _____.
A 15% of estimated tax. <u>B 45% of estimated tax</u>. C 75% of estimated tax. D 100% of estimated tax.

34.Advance tax payable upto 15th December of the previous year is at least _____.
A 15% of estimated tax. B 45% of estimated tax. <u>C 75% of estimated tax</u>. D 100% of estimated tax.

35. Advance tax payable upto 15th march of the previous year is at least _____.
A 15% of estimated tax. B 45% of estimated tax. C 75% of estimated tax. <u>D 100% of estimated tax.</u>

36. Every person carrying on business or profession is mandatorily required to apply for PAN, if its total sale exceeds
<u>A Rs. 5,00,000</u> B Rs. 1,00,000 C Rs. 8,00,000 D Rs.12,00,000

11. Tax deducted at source.

1 In case of payment made to resident contractor, no TDS if amount single bill does not exceed
A Rs.1, 80,000 B <u>Rs.30,000</u> C Rs.50,000 D Rs.1,00,000

2 In case of payment made to resident contractor, no TDS if aggregate amount during the year does not exceed
A Rs.1,80,000 B Rs.30,000 C Rs.50,000 <u>D Rs.1,00,000</u>

3 In case of payment made to resident contractor being an individual TDS shall be deducted at
<u>A 1%</u> B 2% C 3% D 10%

4 In case of payment made to resident contractor being a company TDS shall be deducted at
A 1% B 2% C 3 % D 10%

5 The rate of TDS on rental payments of building is -
A 2% B 5% C 10% D 1%

6. Under section 194A, no TDS on interest
A paid by a firm to partners B on savings bank C on time deposits D A & B

7 The rate of TDS on rental payments of plant, machinery or equipment is -
A 2% B 5% C 10% D 1%

8 Every person making payment of interest other than interest on securities to any resident shall deduct tax at source @
A 10% B 5% C 2% D 1%

9 Under section 194A- payment of interest other than interest on securities, no TDS shall be deducted
A If interest being paid or payable during a particular year to a particular person does not exceed Rs.5,000.
B If interest being paid or payable during a particular year to a particular person does not exceed Rs.15,000.
C If interest being paid or payable during a particular year to a particular person does not exceed Rs.30,000.
D If interest being paid or payable during a particular year to a particular person does not exceed Rs.1,80,000.

10 Under section 194 A if interest is being paid by bank or post office, tax shall be deducted only if
A If interest being paid or payable during a particular year to a particular person does not exceed Rs.5,000.
B If interest being paid or payable during a particular year to a particular person exceeds Rs.10,000.
C If interest being paid or payable during a particular year to a particular person does not exceed Rs.30,000.
D If interest being paid or payable during a particular year to a particular person does not exceed Rs.1,80,000.

11 Every person shall be required to deduct tax at source ___ in case of payment of winning from horse races .
A 2% B 5% C 10% D 30%

12 In case of Winnings from house races tax shall be deducted at source only if amount paid or payable during a particular year to a particular person is exceeding
A Rs.10,000. B Rs.20,000. C Rs.5,000. D Rs.15,000.

13. In case of Winnings from card games tax shall be deducted at source only if amount paid or payable during a particular year to a particular person is exceeding
A Rs.10, 000. B Rs.20, 000. C Rs.5, 000. D Rs. 25,000

14. Under section 194 C - payment to contractor- tax shall be deducted at source only if the amount being paid is exceedi__________ or aggregate amount paid or payable during a particular financial year to a particular person exceeds
A Rs.30,000 or Rs.1,00,000 B Rs Rs.1,00,000 or Rs.30,000
C Rs.30,000 or Rs.75,000 D Rs.75,000 and Rs.1,00,000

15. An Individual or Hindu Undivided Family shall be required to deduct tax at source under section 194 C only if the turnover of business or profession has exceeded the limit mentioned under section 44AB

A during the financial year immediately preceding the relevant year.
B during the financial year
C in any previous year
D in any assessment year

16. Under section 194 IA, no tax shall be deducted at source in case of payment for purchase of

A agricultural land which is situated in the rural area.
B land which is situated in the rural area.
C agricultural land which is situated in the rural area or urban area.
D agricultural land or building which is situated in the rural area.

17. Under section 194 A , no tax shall be deducted bg the bank in respect of interest on

A Fixed deposits
B recurring deposits
C savings bank account
D A & B

18. Rs.2 lakh is paid to Mr. Vansh, a resident individual on 15.3.2019 by the State of Gujarat on compulsory acquisition of his urban agricultural land.

A No tax is deductible at source
B Tax is deductible@ 1%
C Tax is deductible @ 5%
D Tax is deductible@ 10%

19. (ii) On 01.06.2018, Mr. Ganesh made three nine month fixed deposits of Rs. 1 lakh each carrying interest @ 9% with Gandhi road Branch, Sardar road Branch and Shastri road Branch - Branches of YES Bank, a bank which has adopted CBS. The fixed deposits mature on 28.2.2019. Tax is required to be deducted on

A 30,000
B 27,000
C 20,250
D not required to be deducted

Chapter 1 - Basic Concepts and Residential Status

1	2	3	4	5	6	7	8	9	10
C	D	A	A	B	D	C	A	A	C
11	12	13	14	15	16	17	18	19	20
B	A	B	C	D	A	D	D	B	C
21	22	23	24	25	26	27	28	29	30
D	D	D	C	A	B	A	A	A	C
31	32	33	34	35	36	37	38	39	40
B	A	A	D	A	A	C	A	A	A
41	42	43	44	45	46	47	48	49	50
C	B	A	A	C	D	B	A	C	B
51	52	53	54	55	56	57	58	59	60
D	D	D	D	C	A	C	A	B	A
61	62								
A	B								

Chapter 2 - Income From Salary

1	2	3	4	5	6	7	8	9	10
C	A	A	A	B	A	A	D	C	D
11	12	13	14	15	16	17	18	19	20
C	A	D	B	D	D	D	B	B	C
21	22	23	24	25	26	27	28	29	30
A	A	A	A	C	A	D	D	D	A
31	32	33	34	35	36	37	38	39	40
C	A	A	A	B	B	B	D	A	B
41	42	43	44	45	46	47	48	49	50
C	A	D	A	B	B	D	A	C	C
51	52	53	54	55	56	57	58	59	60
D	A	D	D	B		C	C	A	B
61	62	63							
B	B	C							

Chapter 3 - Income from house property

1	2	3	4	5	6	7	8	9	10
D	B	B	B	B	D	D	C	D	C
11	12	13	14	15	16	17	18	19	20
A	C	D	A	B	A	B	A	C	A
21	22	23	24	25	26	27	28	29	30
D	B	C	D	B	A	A	B	A	D
31	32	33	34	35	36	37	38	39	40
C	B	A	B	B	A	B	A	A	D
41	42								
A	D								

Chapter 4 - Profits and gains of business & profession

1	2	3	4	5	6	7	8	9	10

A	A	B	D	C	A	A	C	C	C
11	12	13	14	15	16	17	18	19	20
D	**A**	B	C	B	D	D	B	B	B
21	22	23	24	25	26	27	28	29	30
B	B	A	C	D	A	B	D	D	D
31	32	33	34	35	36	37	38	39	40
A	C	D	A	D	D	A	A	D	C
41	42	43	44	45	46	47	48	49	50
C	A	B	B	B	B	C	A	B	A
51	52	53	54	55	56	57	58	59	60
C	A	D	A	B	A	B	D	B	B
61	62	63	64	65	66	67	68	69	70
B	C	B	C	B	C	A	A	B	B
71	72	73	74	75	76	77	78	79	80
B	A	A	B	B	B	D	C	A	A
81	82	83	84	85	86	87	88	89	90
B	A	A	B	D	A	B	B	B	A
91	92	93	94	95	96	97	98	99	100
A	B	B	B	B	A	C	C	B	B

Chapter 5 - Capital gain

1	2	3	4	5	6	7	8	9	10
D	A	D	D	D	D	D	B	D	D
11	12	13	14	15	16	17	18	19	20
A	C	D	C	C	D	A	B	A	D
21	22	23	24	25	26	27	28	29	30
B	C	C	A	B	D	C	C	B	A
31	32	33	34	35					
B	C	A	B	A					

Chapter 6 - Income from other sources

1	2	3	4	5	6	7	8	9	10
B	C	B	D	C	C	A	D	C	A
11	12								
C	A								

Chapter 7 - Clubbing of income

1	2	3	4	5	6	7	8	9	10
B	B	B	B	D	C	A	B	B	B
11	12	13	14	15	16	17	18	19	20
A	B	C	C	B	D	C	B	D	C

Chapter 8 - Set off and carry forward of losses

1	2	3	4	5	6	7	8	9	10
A	B	C	C	B	C	B	B	D	D
11	12	13	14	15	16	17	18	19	20
A	C	A	B	A	B	D	D	B	A

Chapter 9 - Deductions from gross total income

1	2	3	4	5	6	7	8	9	10
D	D	C	C	A	B	B	B	D	C
11	12	13	14	15	16	17	18	19	20
C	B	B	C	D	A	D	C	A	B
21	22	23	24	25	26	27	28	29	30
B	B	B	A	C	A	D	C	C	A
31	32	33							
B	D	C							

Chapter 10 - Procedure for assessment & advance tax

1	2	3	4	5	6	7	8	9	10
B	B	B	B	A	B	A	B	D	C
11	12	13	14	15	16	17	18	19	20
B	D	D	B	D	C	B	A	B	D
21	22	23	24	25	26	27	28	29	30
A	A	A	D	B	D	A	A	B	C
31	32	33	34	35	36				
C	A	B	C	D	A				

Chapter 11 - Tax deducted at source

1	2	3	4	5	6	7	8	9	10
C	A	A	B	C	D	A	A	A	B
11	12	13	14	15	16	17	18	19	20
D	A	A	A	A	C	C	A	C	
21	22	23	24	25	26	27	28	29	