B COM SEMESTER 5- MCQ

INCOME TAX - I

| 1. | Income lax | Act was pass | sed in the y | ear | | | |
|-----|----------------------------|----------------|--------------------|----------------------|---|---------------------------|-----------|
| | A) 1934 | B) | 1956 | C) 1961 | | D) 1972 | |
| 2. | Income Tax | Act came int | o force on | | | | |
| | A)1 st April 1 | 935 | B) 1 st | April 1961 | | C) 1st April 1962 | , |
| | D) 1 st April 1 | 1956 | | | | | |
| 3. | Income tax is | s a | | | | | |
| | A) Professio | nal tax | B) Dire | ct tax | C) Indi | rect tax | |
| | D) Service t | ax | | | | | |
| 4. | Income tax r | ates are fixed | l in | | | | |
| | A) Income ta | ax Act | B) Fina | ance Act | C) I | ncome tax rules | |
| | D) Finance r | ules | | | | | |
| 5. | There are | he | ads of inco | ome | | | |
| | A) 3 | B) 4 | C) 5 | D) | 2 | | |
| 6. | A person wi | th the age of | •••••• | or more is co | onsidered a | s a super senior c | itizen as |
| | per Income t | ax Act. | | | | | |
| | A) 56 | B) 60 | C) 80 | D) 8 | 5 | | |
| 7. | The minimum | m exceptiona | ıl limit of i | ncome is | • | | |
| | A) 250,000 | B) 2 | 00,000 | C) 300 | 0,000 | D) 500,000 | |
| 8. | Rebate of Inc | come tax is d | lefined as p | er section | | | |
| | A) 81A | B) 87A | | C) 81C | D) 87 | C | |
| 9. | Section 2(9) | of Income ta | x deals wi | th | | | |
| | A) Person | B) As | sessee | C) Previ | ous Year | | |
| | D) Assessme | ent Year | | | | | |
| 10. | . Assessment | year is the p | period of 1 | 2 months cor | mmencing | from | Every |
| | year. | | | | | | |
| | A) 1 st March | B) 31 | st March | C) 1 st A | pril | D) 30 th April | |
| 11. | When the i | ncome earn | ed in an | year is taxe | ed in the | same year, it i | s called |
| | | | | | | | |
| | A) Advanced | d Assessmen | t I | B) Super Asse | ssment | | |
| | C) Accelerat | ed Assessme | nt I | O) None of the | above | | |
| 12 | Surcharge is | levied when | the total in | ncome exceeds | e | | |

| | A) 5 Crore | B) 10 | 0 Crore | C) 1 Crore | D) 2 Crore |
|-----|------------------|--------------|---------------|-----------------------|--------------------------|
| 13. | Educational ce | ss is charge | s at the rate | of | |
| | A) 2% | B) 1% | C) 3% | D) 5% | |
| 14. | As per Income | tax Act, Pe | erson includ | es | |
| | A) Individual | | B) HUF | C) Local Au | thority |
| | D) All of the a | bove | | | |
| 15. | CBDT stands f | for | | | |
| | A) Central Bur | eau of Dire | ect Taxes | | |
| | B) Central Boa | ard of Direc | t Taxes | | |
| | C) Citizen's Bo | oard of Dire | ect Taxes | | |
| | D) Citizen's B | ureau of Di | rect Taxes | | |
| 16. | 4. CBDT is con | ntrol by | | | |
| | A) Central Gov | vernment | | | |
| | B) State Gover | nment | | | |
| | C) Both (A) an | nd (B) | | | |
| | D) None of thi | s above | | | |
| 17. | To be an Ordin | arily reside | nt in India, | an individual must sa | tisfy |
| | A) Both Basic | Conditions | and One A | dditional Condition | |
| | B) One Basic (| Condition a | nd Both Ad | ditional Conditions | |
| | C) One Basic (| Condition a | nd One Ado | litional Condition | |
| | D) Both Basic | Conditions | and Both A | Additional Conditions | |
| 18. | A Company ha | ıs | types of r | esidential status. | |
| | A) 2 | B) 3 | C) 1 | D) 4 | |
| 19. | A citizen of Inc | dia who goo | es abroad fo | or the purpose of emp | loyment, he must stay in |
| | India in the pre | evious year | for at least | da | ys to become a resident |
| | A) 90 days | B) 1 | 162 days | C) 180 days | D) 182 days |
| 20. | 10. Who is ass | essee in cas | se of a HUF | ? | |
| | A) Karta | B) Coparc | eners | C) Deemed Karta | D) None of these |
| 21. | Dividend from | an Indian (| Company is | | |
| | A) Fully Taxab | ole | B) Part | y Taxable | |
| | C) Fully Exem | pted | D) Non | e of these | |
| 22. | Expenditure in | curred on e | xempted in | come is as | deduction. |
| | A) Fully Allow | ved | B) Part | y Allowed | |
| | C) Not Allowe | ed | D) Non | e of these | |

| 23. | Income exemp | oted from tax a | are stated in th | ne section | Of Incor | me Tax Act. |
|-----|-----------------|------------------|------------------|------------------|-----------|----------------------|
| | A) 5 | B) 10 | C) 12 | D) 8 | | |
| 24. | Income from S | Salary is expla | ined in the sec | ction | | |
| | A) 12 to 14 | B) 15 | to 17 | C) 18 to 22 | | D) 24 to 26 |
| 25. | Salary is defie | d as per section | on | | | |
| | A) 15(2) | B) 16 | (1) | C)17(2) | | D)17(1) |
| 26. | When an URP | F is recognize | ed, the balance | e so transferred | is called | |
| | A) Recognized | l PF | B) Transfer | red PF | | |
| | C) Recognized | l Balance | C) Transfer | red Balance | | |
| 27. | Bonus paid by | the employer | to the employ | yee is | | |
| | A) Fully Taxal | ble | B) Partly Ta | axable | | |
| | C) Fully Exem | pted | D) None of | these | | |
| 28. | Gratuity is def | ined as per sec | ction | | | |
| | A) 10(10A) | B) 10 | (10AA) | C) 10(10) | | D)10A |
| 29. | The highest A | dministrative . | Authority for | Income Tax in | India is | |
| | A) Finance Mi | nister. | B) C | CBDT. | C) Pro | esident of India. |
| | D) Director of | Income Tax. | | | | |
| 30. | Payment made | e by an emp | loyer to emp | loyee monthly | , other t | han salary is called |
| | | | | | | |
| | A) Bonus | B) Al | lowances | C) B | enefits | D) None of these |
| 31. | HRA is | | | | | |
| | A) Fully Taxal | ble | B) Partly Ta | axable | | |
| | C) Fully Exem | pted | D) None of | these | | |
| 32. | Rule expla | ain the taxatio | n of HRA | | | |
| | A) 2 | B) 2A | C) 2AA | D) 2 | AB | |
| 33. | Agricultural in | come in Pakis | stan is assessa | ble for | | |
| | A) Resident | | B) Not Ordi | narily Resident | - | |
| | C) Non-residen | nt | D) N | Not taxable | | |
| 34. | If the assessee | is living in ov | wn house HRA | A is | | |
| | A) Fully Taxal | ble | B) Partly Ta | axable | | |
| | C) Fully Exem | pted | D) None of | these | | |
| 35. | Entertainment | allowance is | allowed as a d | leduction as per | section | ••••• |
| | A) 16 | B) 16(i) | C) 1 | 6(ii) | D) 16 | (iii) |

| 36. | 6. Any allowance granted for encouraging research, academic and other professional | | | | |
|-----|--|-------------------|-----------|-----------------|-------------------------------|
| | pursuit is called | | | | |
| | A) Research Allowan | ice | B) Aca | ndemic Allowa | nce |
| | C) Higher Educationa | al Allowance | D) Edu | icational Allov | vance |
| 37. | Children education al | lowance is exer | npt up t | to per month p | er child for two children. |
| | A) Rs.100 | B) Rs.150 | | C) Rs.200 | D) Rs.250 |
| 38. | Children hostel allow | ance is exempt | up to po | er month per c | hild for two children. |
| | A) Rs.100 | B) Rs.200 | | C) Rs.250 | D) Rs.300 |
| 39. | Transport allowance | given by the em | ployer | to the employe | ee is exempt up to |
| | A) Rs.1000p.m | B) Rs. | 1600p.n | n | |
| | C) Rs.1000p.a | D) Rs. | 1600p.a | l | |
| 40. | Foreign allowance is | a | | | |
| | A) Fully Exempted A | llowance | | B) Fully Taxa | able Allowance |
| | C) Partly Exempted A | Allowance | | D) None of the | nese |
| 41. | State which of the fol | lowing income | are exe | mpted? | |
| | A) Dearness Allowan | ice | B) City | y Compensator | ry Allowance |
| | C) Foreign Allowance | e | D) Me | dical Allowan | ce |
| 42. | Education allowance | is exempted for | · | | |
| | A) One person | B) Fou | r persoi | ns | |
| | C) Two persons | D) No | ne of the | ese | |
| 43. | A government emple | oyee received | salary 1 | Rs.120,000 ar | nd entertainment allowance |
| | Rs.10,000 during the | previous year. | He spen | nt Rs.6000 on | entertainment. He is entitled |
| | to deduction u/s 16(ii |): | | | |
| | A) 10,000 | B) 6000 | | C) 5000 | D) Nil |
| 44. | A citizen of India who | o goes abroad f | or the p | urpose of emp | loyment, he must stay in |
| | India at least for | d | ays to b | ecome a resid | ent |
| | A) 90 days B) 162 | 2 days C) 180 | days | D) 182 days | |
| 45. | Who among the follo | wing may be "r | ot ordii | narily resident | "? |
| | A) Hindu Undivided | Family. | | | |
| | B) Company. | | | | |
| | C) Association of per | sons. | | | |
| | D) None of these | | | | |
| 46. | The following is not t | taxable as incon | ne unde | r the head "Sa | laries". |
| | A. Commission recei | ved by a full tin | ne direc | tor | |

| | B. Remuneration received by a partner | | | | | | |
|---------------------------------------|---------------------------------------|---|--|--|--|--|--|
| C. Allowances received by an employee | | | | | | | |
| | D. Free accommodation given to a | . Free accommodation given to an employee | | | | | |
| 47. | Previous year means the financial | year immediately preceding the | | | | | |
| | A) Accounting Year | B) Assessment Year | | | | | |
| | C) All of the above | D) None of the above | | | | | |
| 48. | Gratuity received by a government | employee is | | | | | |
| | A) Fully exempted | | | | | | |
| | B) Partly exempted | | | | | | |
| | C) Fully taxable | | | | | | |
| | D) Exempted up to Rs:1,00,000 | | | | | | |
| 49. | The periodic payment of money fo | r the past service is known as | | | | | |
| | A) Gratuity | | | | | | |
| | B) Pension | | | | | | |
| | C) Commuted pension | | | | | | |
| | D) Leave salary | | | | | | |
| 50. | Income received in India whether | occurred in India or outside India, the tax incidence | | | | | |
| | in case of resident is | | | | | | |
| | A) Taxable as per slabs | B) Exempted from tax | | | | | |
| | C) Partly exempted | D) None of the above | | | | | |
| 51. | The income received and accrued o | utside India from a business controlled or profession | | | | | |
| | set up in India, the tax incidence in | case of resident is | | | | | |
| | A) Taxable B) N | on-taxable | | | | | |
| | C) Partly taxable D) N | one of the above | | | | | |
| 52. | Pension is taxable under | head. | | | | | |
| | A) Salary B) House pr | operty | | | | | |
| | C) Capital gains D) or | ther sources | | | | | |
| 53. | Salary received by a Member of Pa | rliament is taxable under the head | | | | | |
| | A) Income from salary | | | | | | |
| | B) Capital gains | | | | | | |
| | C) Profits and gains of business or | profession | | | | | |
| | D) Income from other sources | | | | | | |
| 54. | A person is Non-resident if he fails | to fulfil | | | | | |
| | A) The additional conditions. | | | | | | |

| | B) At least one of the basic condition | s. |
|-----|--|--|
| | C) Both basic conditions. | |
| | D) None of these | |
| 55. | Income received in India is taxable in | the hands of |
| | A) Resident only. | |
| | B) Resident and ordinarily resident o | nly. |
| | C) Non-resident only. | |
| | D) All assessees. | |
| 56. | is exer | npted from income tax. |
| | A) Interest from Indian company | B) Dividend from foreign company |
| | C) Cooperative dividend | D) Dividend from Indian company |
| 57. | The Income TaxAct,1961 broadly co | vers |
| | A) Basic charging income | B) Rebates and reliefs |
| | C) Incomes exempted from income to | ax D) All of the above |
| 58. | Any rent or revenue derived from lan | d which is situated in India and is used for |
| | agricultural purpose is | |
| | A) Partially taxable | B) Fully taxable |
| | C) Exempted from tax | D) None of the above |
| 59. | Residential Status of an assesses can | be |
| | A) Different for different previous ye | ear in the same assessment year |
| | B) Different for different assessment | year |
| | C) None of the above | |
| | D) All of the above | |
| 60. | Which of the following is not include | ed in salary income. |
| | A) Commuted pension | B) Un commuted pension |
| | C) Family pension | D) Leave salary |
| 61. | In case of Tax free salary, | |
| | A) Tax is to be paid by employer | |
| | B) No tax is payable on such salary | |
| | C) Tax is to be paid by the employee | |
| | D) Govt, itself pays the tax at a future | e date. |
| 62. | Dearness allowance is taxable in the | hands of |
| | A) Govt employees | B) Non Govt employees |
| | C) All employees. | D) None of these. |

| 63. A Perk is | | | |
|-----------------------------------|-------------------------|-----------------------------|----------------------|
| A) Cash paid by | employer to employee | | |
| B) Facility provi | ded by employer to en | nployee | |
| C) Amount cred | ited to employees. | | |
| D) None of these | e accounts. | | |
| 64. Perquisites to en | aployees are covered in | n the I.T. Act 1961 under. | |
| A) Sec 2a. | B) Sec. 17b. | C) Sec 28a. | D) Sec. 36 c. |
| 65. The value of Into | erest free concessional | loans to employees is det | ermined on the basis |
| of lending rates | of for the | e same purpose. | |
| A) S.B.I. | B) R.B.I. | C) Central govt. | D) State |
| govt. | | | |
| 66. An employee is | deemed as specified en | mployee if he is a director | in the company or |
| has substantial in | n the company or his cl | hargeable salary per annu | m exceeds. |
| A) Rs. 5,00,000. | В | s) Rs. 2,00,000. | |
| C) Rs. 1,00,000. | D | 9) Rs. 50,000. | |
| 67. Value of rent fre | e accommodation in ca | ase of Govt. employee sha | all be taxable up |
| to | | | |
| A) 15% of empl | oyees salary. | | |
| B) 7.5% of empl | oyees salary. | | |
| C) License fee fi | ixed by Govt. | | |
| D) 10% of empl | oyees salary. | | |
| 68. Value of rent fre | e accommodation a ho | ouse owned by employer i | n case of non- Govt. |
| employees with | above 25 lakhs popula | tion is | |
| A) 10% of empl | oyees salary | | |
| B) 15% of emplo | oyees salary | | |
| C) 7.5% of empl | oyee salary | | |
| D) 20% of empl | oyees salary | | |
| 69. Interest on RPF | balance is exempted up | p to | |
| A) 9.75%. | B) 9.5%. | C) 10%. | D) 12%. |
| 70. Employers contr | ibution to RPF is exem | npted up to | |
| 1 100/ 6 1 | y. B) 13% o | of salary. | |
| A) 10% of salary | | | |
| A) 10% of salary C) 12% of salary | D) 11% c | of salary. | |

| | B) Same previous year | ır | | | | | |
|-----|-------------------------|-------------------|----------------------------|-----------------------------|--|--|--|
| | C) Immediately prece | ding academic | year | | | | |
| | D) None of the above | | | | | | |
| 72. | The interest on loan p | aid by the Gov | ernment of India to a no | on-resident outside India | | | |
| | is in | India. | | | | | |
| | A) Not taxable | | B) Partially taxable | | | | |
| | C) Taxable | D) Car | n't say | | | | |
| 73. | The salary, remunerat | ion or compens | sation received by the pa | artners is taxable under | | | |
| | the head | | | | | | |
| | A) Income from Othe | r Sources | B) Income from | n Business | | | |
| | C) Salary | | D) None of the above | | | | |
| 74. | The death-cum-retirer | nent gratuity re | eceived by the Governm | ent Employee or | | | |
| | employee of local aut | hority is | | | | | |
| | A) Partially exempted | l | B) Fully exemp | oted | | | |
| | C) Half taxable | | D) None of the | above | | | |
| 75. | Under Section 15 of I | ncome Tax Act | t, the salary due in previ | ous years and even if it is | | | |
| | not received is | | | | | | |
| | A) Taxable | B) Not | taxable | | | | |
| | C) Partially taxable | D) Nor | ne of the above | | | | |
| 76. | The assesses can clair | n relief under . | | for arrears or advance | | | |
| | salary. | | | | | | |
| | A) Section 89(1) | B) Sec | tion89(2) | | | | |
| | C) Section 89(3) | D) Sec | tion89(4) | | | | |
| 77. | The Payment of Gratu | iity Act came ii | nto force in | | | | |
| | A) 1973 | B) 1980 | C) 1991 | D) 1972 | | | |
| 78. | Deduction from gross | Total income i | s allowed under Sec. 80 | C up to lower of the | | | |
| | Qualifying amount or | a maximum of | · · | | | | |
| | A) Rs. 50,000. | | B) Rs. 80,000. | | | | |
| | C) Rs. 1,00,000. | | D) Rs. 2,00,000. | | | | |
| 79. | Profits earned from an | n illegal busines | ss are | | | | |
| | A) Taxable. | | | | | | |
| | B) Tax free. | | | | | | |
| | C) Ignored by Tax Au | thorities. | | | | | |
| | D) treated as other inc | come. | | | | | |

| 80. | 80. Medical reimbursement is exempt upto if treatment is done in a private | | | | | |
|-----|--|--|--|--|--|--|
| | hospital. | | | | | |
| | A) Rs: 5,000 | B) Rs: 10,000 | | | | |
| | C) Rs: 15,000 | D) Rs: 50,000 | | | | |
| 81. | Which of the following is exe | empted. | | | | |
| | A) C.C.A | B) D.A | | | | |
| | C) Foreign Allowance | D) Medical Allowance | | | | |
| 82. | Free food provided to employ | vees is exempted upto per meal. | | | | |
| | A) Rs: 40 | B) Rs: 50 | | | | |
| | C) Rs: 60 | D) Rs: 15 | | | | |
| 83. | Which of the following is not | t taxable under the head Salary? | | | | |
| | A) Remuneration paid to the | lecturer of a college for setting a question paper | | | | |
| | B) Salary received by a mem | ber of parliament | | | | |
| | C) Commission received by a | an employee director of a company | | | | |
| | D) Both (a) and (b) | | | | | |
| 84. | In accordance with the provis | sions of Section 17(1) of Income Tax Act, 1961, the term | | | | |
| | salary includes | | | | | |
| | A) Any annuity or pension | | | | | |
| | B) Any gratuity | | | | | |
| | C) Any fees, commission, per | rquisite or profits in lieu of or in addition to any salary or | | | | |
| | wages D) All of the above | | | | | |
| 85. | If the employee receives retir | rement gratuity from more than one employer, he can | | | | |
| | claim exemption in respect of | f | | | | |
| | A) Current employer | B) Previous employer | | | | |
| | C) Both employer | D) Not from single employer | | | | |
| 86. | The family pension received | by the family members of armed forces after death of | | | | |
| | employee is | | | | | |
| | A) Exempt fully | B) Exempted after fulfilling of certain | | | | |
| | conditions | | | | | |
| | C) Not exempted | D) None of the above | | | | |
| 87. | The entertainment allowance | is applicable to | | | | |
| | A) Private sector employees | B) Public sector employees | | | | |
| | C) Government employees | D) All of the above | | | | |

| 88. The entertainment tax allowed as a d | deduction under Section 16 | of Income Tax Act is | | | | | |
|--|--|--------------------------|--|--|--|--|--|
| the least of | the least of | | | | | | |
| A) Actual amount of entertainment | A) Actual amount of entertainment allowance received | | | | | | |
| B) 20% of basic salary of the individual | B) 20% of basic salary of the individual | | | | | | |
| C) 50,00 | | | | | | | |
| D) All of the above | | | | | | | |
| 89. Income accrued outside India and re | eceived outside India is tax | able in case of | | | | | |
| | | | | | | | |
| A) Resident and ordinary resident (I | ROR)only | | | | | | |
| B) Resident but not ordinary resider | nt (RNOR)only | | | | | | |
| C) Non-resident only | | | | | | | |
| D) ROR, RNOR and Non-resident | | | | | | | |
| 90. Gross Total Income is arrived after | | | | | | | |
| A) only adding Income under five h | eads of Income | | | | | | |
| B) adding Income under five heads | of Income excluding losses | S | | | | | |
| C) adding Income under five heads | of Income, after applying of | clubbing provisions and | | | | | |
| making adjustment of set off and ca | rry forward of losses | | | | | | |
| D) adding Income under five heads | of Income, after applying of | clubbing provisions and | | | | | |
| making adjustment of set off and ca | rry forward of losses and a | fter allowing deduction | | | | | |
| undersection 80Cto80U | | | | | | | |
| 91. Employer provides a car (below 1.6 | ltr capacity) along with a | driver to X partly for | | | | | |
| official and partly for personal purp | ose. The expenses incurred | by the company are: | | | | | |
| running and maintenance expenses - | - ` 32,000 and driver's sala | ary – ` 36,000 . Taxable | | | | | |
| value of perquisite is | | | | | | | |
| A) 21,600 B)10,800 | C)32,400 | D)39,600 | | | | | |
| 92. Encashment of earned leave is given | ı by | of Income TaxAct, | | | | | |
| 1961. | | | | | | | |
| A) Section 10(10AA) | B) Section12(10A) | | | | | | |
| C) Section 15(10B) | D) None of the above | | | | | | |
| 93. Compensation received on voluntary | y retirement is given by | of | | | | | |
| Income Tax Act,1961. | | | | | | | |
| A) Section 10(10D) | B) Section10(10C) | | | | | | |
| C) Section 10(10E) | D) Section11(10D) | | | | | | |

| 94. | If an employer transfers second hand motor car to the employee, the perquisite is | | | | | | | |
|-----|---|--|-----------------------|------------------------|----------|--|--|--|
| | valued at | | | | | | | |
| | A) Actual cost less de | preciation @3 | 30% for every comp | leted year under strai | ght line | | | |
| | method B) Actual cost | method B) Actual costless depreciation @20% for every completed year under WDV | | | | | | |
| | method | | | | | | | |
| | C) Actual costless dep | reciation @3 | 0% for every compl | eted year under WDV | / method | | | |
| | D) Actual costless dep | reciation @2 | 0% for every compl | eted year under SLM | method | | | |
| 95. | The following is not taxable as income under the head "Salaries": | | | | | | | |
| | A) Commission received by a full-time director | | | | | | | |
| | B) Remuneration rece | ived by a par | tner | | | | | |
| | C) Allowances receive | ed by an emp | loyee | | | | | |
| | D) Free accommodation | on given to a | n employee | | | | | |
| 96. | The following is exem | pt income fro | om Income Tax:. | | | | | |
| | A) Travel concession | to employee | | | | | | |
| | B) Remuneration rece | ived for valua | ation of answer scrip | ots | | | | |
| | C) Encashment of leav | e salary whi | st in service | | | | | |
| | D) Perquisites in India | Į. | | | | | | |
| 97. | Gift to employee up to | | p.a. will | not be treated as perq | uisite | | | |
| | taxable in the hands of | employee. | | | | | | |
| | A) 4,000 | B) 5,000 | C) 10,000 | D) 2,500 | | | | |
| 98. | Salary received by the | manager of | an agricultural farm | is | | | | |
| | A) An agricultural income. B) A salary income. | | | | | | | |
| | C) A business income | | D) A capi | tal income. | | | | |
| 99. | Any benefits attached to an office or position in addition to salary or wages is called | | | | | | | |
| | | | | | | | | |
| | A) Allowances | | B) Perquis | sites | | | | |
| | C) Benefits | | D) None of these | | | | | |
| 100 | Leave travel concession | on is explaine | d as per section | | | | | |
| | A) 10(1) | B) 10 | 0(5) | C) 10(10) | D) | | | |
| | 10(5A) | | | | | | | |
| 101 | .Under the head Incom | e from House | e Property the basis | of charge is | | | | |
| | | | | | | | | |
| | A) Rent Received | B) G | ross Annual Value | | | | | |
| | C) Annual Value | | D) Municipal Val | ue | | | | |

| 102. Foreign house property's | s income is taxable | e only in the case of |
|--------------------------------|---------------------|--|
| A) Non Resident | | narily Resident |
| C) Ordinarily Resident | D) N | one of the above |
| 103. Annual value is defined a | as per section | |
| A) 21(1) | B) 22(1) | C) 23(1) |
| D) 24(1) | | |
| 104. Which of the following is | s deductible from | the annual value of HP? |
| A) Municipal Taxes paid | | |
| B) Municipal taxes paid | by the owner | |
| C) Municipal taxes paid | by the owner for t | he previous year |
| D) Municipal taxes paid | by the owner duri | ng the previous year |
| 105. The Income from House | Property is taxabl | e in the hands of the individual even if |
| property is not registered | in his name | |
| A) When the property ha | s been transferred | to spouse for inadequate consideration |
| B) Where the property is | transferred to a m | ninor child for inadequate consideration |
| C) Where the individual | holds on importab | ple estate |
| D) All of the above | | |
| 106. The following conditions | s must be satisfied | to charge the rental income under the head |
| Income of House Propert | ty: | |
| A) The property should o | consist of any buil | dings or lands |
| B) The asssessee should | be one of the prop | perty |
| C) The property should n | not be used by the | owner for the purpose of business or |
| professional purpose | | |
| D) All of the above | | |
| 107.Mr. Ram owns a house p | roperty. He lent it | to Laxman at `10,000 p.m. Laxman sublet |
| it to Mr. Maruti on month | hly rent of ` 20,00 | 0 p.m. Rental income of Ram is taxable |
| under the head | | |
| A) Income from Salary | | B) Income from Other Sources |
| C) Income from House P | roperty | D) Income from Business |
| 108.Mr. Ram owns a house p | roperty. He lent it | to Laxman at `10,000 p.m. Laxman sublet |
| it to Mr. Maruti on month | hly rent of ` 20,00 | 0 p.m. Rental income of Laxman is taxable |
| under the head | | |
| A) Income from Salary | | B) Income from Other Sources |
| C) Income from House P | roperty | D) Income from Business |

| 109.For | r claiming the dedu | ction for unreal | lised rent, the assessee must | satisfy | | |
|----------|---|------------------|-------------------------------|---------------|--|--|
| A) | Rule 4 | | B) Section 4 | | | |
| C) | Rule 4A | | D) Section 4 A | | | |
| 110.Ru | le 4 includes | | | | | |
| A) | Tenancy must be b | onafide | | | | |
| B) | B) The defaulting tenant has vacated or steps have been taken to vacate the house | | | | | |
| C) | C) The defaulting tenant is not occupying any other property of the owner | | | | | |
| D) | All of the above | | | | | |
| 111. Th | ne tax paid by the te | enant is | | | | |
| A) | Added to rent recei | ived | | | | |
| B) | No adjustment | | | | | |
| C) | Deducted from ren | t received | | | | |
| D) | Added to Annual v | alue | | | | |
| 112.If t | he house remains v | acant for the w | hole year, annual value will | be | | |
| A) | Equal to Municipa | l Value | | | | |
| B) | Equal to Fair rent | | | | | |
| C) | Nil | | | | | |
| D) | None of the above | | | | | |
| 113.A s | sum equal to | is allow | ed as deduction from the ani | nual value. | | |
| A) | 15% | B) 20% | C) 25% | D) 30% | | |
| 114.A s | sum equal to 30% is | s allowed as de | duction from the annual valu | ue as | | |
| A) | Deduction | | B) Standard Deduction | | | |
| C) | Basic Deduction | | D) None of the above | | | |
| 115.Into | erest on loan taken | for which all p | urposes are deductible from | annual value? | | |
| A) | Purchase | | B) Repair | | | |
| C) | Construction | | D) All of the above | | | |
| 116.De | ductions from annu | al value is as p | er section | | | |
| A) | 22 | B)24 | C)26 | D)24A | | |
| 117.Wh | nich of the followin | g is not deduct | ible from annual value? | | | |
| A) | Interest on unpaid | interest | | | | |
| B) | Interest on loan tak | en for repairs | | | | |
| C) | Interest on loan tak | en for reconstr | uction | | | |
| D) | None of the above | | | | | |
| 118.Inte | erest for pre-acquis | ition period is | deductible in | . instalments | | |

| A) 3 | B)4 | C)5 | D)7 | | |
|------------------|--|-----------------------------|-----------------------------|--|--|
| 119. Annual va | lue of self-occupied hou | use is | | | |
| A) Equal (| o Municipal Value | | | | |
| B) Equal t | o Fair rent | | | | |
| C) Nil | | | | | |
| D) None of | of the above | | | | |
| 120. From the a | amount of arrears of ren | t received, Is a | llowed as deduction. | | |
| A) 15% | B) 20% | C) 25% | D) 30% | | |
| 121. The balance | ce of unabsorbed loss fr | om HP can be carry forwa | ard to a maximum of | | |
| years. | | | | | |
| A) 6 | B)7 | C)5 | D) None of these | | |
| 122.Rent from | vacant plot of land is as | ssessible under the head | | | |
| A) Income | e from HP | B) Income from Other | Source | | |
| C) Income | from Capital Gain | D) None of the above | | | |
| 123. Subletting | is assessible under the | head | | | |
| A) Income | e from HP | B) Income from Other | B) Income from Other Source | | |
| C) Income | from Capital Gain | D) None of the above | D) None of the above | | |
| 124. In case of | disputed ownership, inc | ome from HP is chargeabl | e in the hands of | | |
| A) Recipio | ent of income | B) Not assessible | B) Not assessible | | |
| C) All ow | ners | D) None of the above | | | |
| 125. What is ex | spected rent? | | | | |
| A) Munici | pal value of Fair value | whichever is lower | | | |
| B) Munici | pal value of Fair value | whichever is higher | | | |
| C) Munici | pal value of Fair value | whichever is higher subject | ct to standard rent | | |
| D) None of | of these | | | | |
| 126. An individ | dual who transfers hous | se property without an add | equate consideration to his | | |
| owner spo | use or to minor child is | called as | | | |
| A) Co-ow | ner | B) Deemed Owner | | | |
| C) Owner | Himself | D) None of the above | | | |
| 127.An indivi | dual is considered as a | in owner of the house pr | roperty for the purpose of | | |
| charging t | ax to | • | | | |
| A) A men | nber of cooperative soci | iety, company or AOP to | whom a building or a part | | |
| there of is | there of is allotted or leased under a house building scheme of the society. | | | | |

| | B) An individual who | transfers house p | roperty without a | n adequate consideration to his |
|-----|----------------------------|--------------------|---------------------|------------------------------------|
| | owner spouse or to mi | nor child | | |
| | C) The holder of impo | ortable estate | | |
| | D) All of the above | | | |
| 128 | .If the assesses let out t | he building or sta | aff quarters to the | employee of business, the rent |
| | collected from such en | nployees is asses | ssable as income | from |
| | A) Business | E | B) House Property | 7 |
| | C) Other Sources | Γ |) None of the abo | ove |
| 129 | .The Gross annual valu | ie of the property | is depends upon | the |
| | A) Standard rent | E | B) Municipal Valu | ation |
| | C) Fair rent | Γ |) All of the abov | e |
| 130 | . Which of the followin | g is not a case of | deemed ownersh | nip of house property? |
| | A) Transfer to a spous | se for inadequate | consideration | |
| | B) Transfer to a minor | r child for inadeq | uate consideratio | n |
| | C) Holder of an impor | table estate | | |
| | D) Co-owner of a prop | perty | | |
| 131 | .If an assesses earns re | ent from a sub-te | nant in respect to | tenanted property let out as a |
| | residence, the said ren | t is | | |
| | A) Exempted under So | ection 10 | | |
| | B) Taxable under the | head income from | n house property | |
| | C) Taxable as busines | s income, as the | letting out is a co | mmercial activity |
| | D) Taxable as income | from other source | ces | |
| 132 | . An assesses, after sale | of house propert | y, receiving arrea | ars of rent (is/is not) chargeable |
| | to tax; the same co | omputed in the | stipulated manu | ner, is chargeable to tax as |
| | | | | |
| | A) Income from Hous | e Property | B) Income | from Other Sources |
| | C) Either (a)or(b) | | D) Neither | (a)nor (b) |
| 133 | .Mr. Shushant is the o | wner of a house, | the details of wh | hich are given below the gross |
| | annual value would b | e | Municipal value | ` 36,000 Actual rent ` 32,000 |
| | Fair Rent` 36,000 Star | ndard Rent` 40,0 | 00 | |
| | A) 36,000 | B) 35,000 | C) 30,000 | D) 40,000 |
| 134 | .Interest on capital, bor | rowed on 10.10.2 | 2000, for self-occ | upied property is deductible up |
| | to a maximum amoun | t of | | |
| | A) 50,000 | B) 1,50,000 | C) 5,000 | D) None of the above |

| 135 | .Interest on loan for se | lf-occupied hou | ise takei | n before 1st April | l, 1999 will be allowed | up |
|-----|-------------------------------|-------------------|-------------------|---------------------|-------------------------|---------|
| | to | •••• | | | | |
| | A) 30,000 | B) 1,50,000 | | C) 10,000 | D) 50,000 | |
| 136 | . Deduction allowed fr | rom annual valı | ie is | ••••• | | |
| | A) Interest on loan fo | r constitution | | B) Interest on lo | oan for repair | |
| | C) Statutory deductio | n | | D) All of the abo | ove | |
| 137 | .When the portion of | the house is se | elf-occu | pied for the full | year and portion is so | elf- |
| | occupied for the who | ole year, the ar | nnual va | alue of the house | e shall be determined | by |
| | | | | | | |
| | A) The full annual va | alue of the hous | se the pr | oportionate annu | ual value of self-occup | ied |
| | portion for the whole | year shall be de | educted | | | |
| | B) Its present standard value | | | | | |
| | C) All of the above | | | | | |
| | D) None of the above | ; | | | | |
| 138 | .Mr. R owns a house. | The Municipal | value o | f the house is `5 | 50,000. He paid ` 8,000 |) as |
| | local taxes during the | year. He uses | this hou | se for his resider | ntial purposes but lets | out |
| | half of the house @ ` | 3,000 p.m. The | annual | value of the hou | se is | |
| | A) 15,000 | B) 16,000 | | C) 17,000 | D) 18,000 | |
| 139 | .If fair rent is not give | s, then assume | • • • • • • • • • | as fair rent. | | |
| | A) Actual rent | | B) Star | ndard rent | | |
| | C) Average rent | | D) No | ne of the above | | |
| 140 | .Rent received by orig | inal tenant fron | n sub-te | nant is taxable u | nder the head | . • |
| | A) Income from House | se Property | | B) Income from | Other Sources | |
| | C) Income from Capi | tal Gain | | D) None of the a | above | |
| 141 | .Income from property | held under trus | st for ch | aritable or religio | ous purposes is | • • • • |
| | A) Exempted from ta | X | B) Tax | able @10% | | |
| | C) Taxable @20% | | D) No | ne of the above | | |
| 142 | .Identify the correct he | ead | | | | |
| | A) Income from busing | ness and profes | sion | | | |
| | B) Profits from busin | ess and profess | ion | | | |
| | C) Profit and Gains fr | rom business ar | nd profe | ssion | | |
| | D) None of these | | | | | |
| 143 | .Business can be defin | ed as per section | on | ••• | | |
| | A) 2(11) | B) 2(12) | | C) 2(13) | D) 2(14) | |

| 144. Income from i | legal busines | s is | | | | |
|--|------------------------------|------------------|-----------------------|------------------------|----------------|--|
| A) Partly taxab | A) Partly taxable B) Taxable | | | | | |
| C) Exempted | | D) None of these | | | | |
| 145.Expenditure or | n scientific re | search is in | the section | | | |
| A) 31 | B) 32 | 2 | C)35 | D)36 |) | |
| 146. Any payments | made outside | e India and | TDS is not paid, th | nen it is | •••• | |
| A) Allowed | | B) Disal | lowed | | | |
| C) Partly allow | /ed | D) None | of these | | | |
| 147. Payment made in cash exceeding is disallowed. | | | | | | |
| A) 15000 | B) 20 | 0000 | C) 25000 | D) 30 | 0000 | |
| 148. Interest on dela | ayed paymen | t of VAT is | s | | | |
| A) Allowed | | B) Disal | lowed | | | |
| C) Partly allow | /ed | D) None | of these | | | |
| 149.Under the Ir | come Tax | Act,1961, | depreciation on | machinery is | charged on | |
| | ••• | | | | | |
| A) Purchase pr | ice of the ma | chinery | B) Written of | down value of t | the machinery | |
| C) Market pric | e of the mach | ninery | D) All of the | D) All of the above | | |
| 150.As per section | 30, which ex | xpenditure | incurred for a buil | ding used for th | ne business or | |
| profession shall | ll not be allow | wed as dedu | iction? | | | |
| A) Rent, rates | and taxes | | B) Insurance | e of building | | |
| C) Repairs of b | ouilding | | D) C | D) Capital expenditure | | |
| 151.Group of asse | ts falling wit | hin a class | of assets compris | sing of tangible | & intangible | |
| assets is known | n as: | | | | | |
| A) Group of as | sets | | B) Block of | assets | | |
| C) Set of asset | S | | D) N | one of these | | |
| 152. If a block of a | assets ceases | to exist on | the last day of the | e previous year | , depreciation | |
| admissible for | block of asse | ets will be . | | | | |
| A) Nil | | | | | | |
| B) 50% of the | value of the b | olock of ass | sets on the first day | of 'he previous | s year | |
| C) The total va | lue of the blo | ock of asset | s on the first day o | of the previous y | /ear | |
| D) 50% of the | value of the l | olock of ass | sets on the last day | of the previous | year. | |
| 153.Payments to re | sidents on w | hich tax ha | s not been deducte | d/ paid shall be | disallowed to | |
| the extent of | | | | | | |
| A) 0% | B) 30 |)% | C) 1 | 00% | D) 50% | |

| 154. Which of the followin | g taxes are allowed as deducti | ion while comput | ing the bus | siness |
|----------------------------|---------------------------------|---------------------|--------------|--------|
| income | | 1 | C | |
| A) Wealth-tax | B) Income-tax | | | |
| C) Sales tax | D) None of the | above | | |
| 155.DS made a cash payme | ent of Rs. \ 2,95,000 on 28th M | March, 2019 as th | e banks we | ere on |
| | e payment was to be made u | | | |
| expenditure to be disal | | <i>C</i> , | | |
| A) Rs. 2,95,000 | B) Rs.2,75,000 | C) Nil | D) | Rs. |
| 10,000 | , , , | , | , | |
| 156. Where an assessee d | oing a business incurs any e | expenditure in re | espect of v | which |
| | person in a day exceeds Rs. | • | • | |
| | or demand draft to claim ded | | • | Ū |
| restriction does not app | | | • | |
| A) Payments made to 1 | . • | | | |
| B) Payments made to o | cultivators | | | |
| C) Payment of termina | l benefits to employees not ex | ceeding ` 50,000 | | |
| D) All of the above | | | | |
| 157. Deemed profits charge | able to tax under section 41 in | cludes: | | |
| A) Taxability of Balan | cing Charge in case of Power | Generating Under | takings. | |
| B) Sale of an asset u | used for scientific research w | ithout having be | en used fo | or the |
| purposes of business o | r profession. | | | |
| C) Recovery of bad de | bts. | | | |
| D) All of the above. | | | | |
| 158.DS discontinued whole | esale trade in medicines from 1 | lst June, 2015. He | recovered | Rs.` |
| 1,40,000 in September | c, 2018 being a bad debt whic | h was written-off | and allow | ed in |
| assessment year 2015- | 14. He has eligible brought fo | orward business lo | oss of who | lesale |
| trade in medicines of F | Rs. ` 1,60,000. The consequence | ce of bad debt reco | overy is tha | ıt — |
| A) It is chargeable to t | ax | | | |
| B) It is eligible for set- | off against brought forward bu | usiness loss | | |
| C) The brought forwar | d business loss is taxable now | | | |
| D) 50% of the amount | recovered now is taxable | | | |
| 159.As per section 43B, c | ertain payments are to be allo | owed as deduction | n only on a | actual |

A) Any sum payable by the assessee to the Indian Railways for the use of railway assets.

payment. Such sums include:

| | B) Employer's contribution to provident fund or superannuation fund or gratuity fund | | | | |
|------|---|----------|--------------------------|-------------------------|--|
| | or any other fund for the welfare of employees. | | | | |
| | C) Bonus or commission to employees for services rendered as referred uls 36(1)(ii). | | | | |
| | D) All of the above. | | | | |
| 160 | The profits and gains of any business | of insu | urance, including an | y such business carried | |
| | on by a mutual insurance company or by co-operative society, shall be computed in | | | | |
| | accordance with rules contained in | First S | chedule to the Act. | The profits and gains | |
| | derived from life insurance business is taxable at what rate? | | | | |
| | A) 11.5% B) 12.5% | | C) 10% | D) Nil | |
| 161 | 161. Which is the charging section of income under the head profits and gains of business | | | | |
| | or profession? | | | | |
| | A) Section 15 B) Sect | tion 24 | | | |
| | C) Section 28 D) Section 28 | tion 17 | , | | |
| 160 | Domon & Co. o northorobin firm roo | ا لمديند | Da ` 5 00 000 from | an inguman aa aammany | |
| 102 | 2. Raman & Co., a partnership firm, rec | | | | |
| | under key man insurance policy cons | - | - | | |
| | of premium Rs. 2, 30,000 paid earli | | | - | |
| | the firm. The amount received from t | ne inst | irance company is – | | |
| | A) Tax-free under section 10(10D) | | B) Fully taxable as | income | |
| | C) Rs.` 2,70,000 is taxable | | D) Rs.` 2,30,000 is | taxable | |
| 163 | 3. Assessee is having stock existing in t | he busi | iness. Valuation of s | tock will be at: | |
| | A) Cost price | | B) Market price | | |
| | C) Cost or market price, whichever is | s less | D) Cost or marke | et price, whichever is | |
| more | | | | | |
| 164 | Export Incentives taxable under this l | head in | icludes: | | |
| | A) Cash Compensatory Support | | B) Duty Dr | rawback | |
| | C) Profit on transfer of DEPB | | D)All of the | e above | |
| 165 | includes any ar | rangen | nent or understandir | ng or action in concert | |
| | whether or not it is formal or in writin | g or wh | hether or not it is inte | ended to be enforceable | |
| | by legal proceedings: | | | | |
| | | | | | |

| A) Contract | B) Agreement |
|---|---|
| C) Service | D) Profession |
| 166. Which of the following conditions are to | be fulfilled for charging an income under the |
| head profits and gains of business or prof | ession |
| A) There should be profits and gains. | |
| B) Business or profession must be carried | l on by the assessee. |
| C) Business or profession should be carri | ed on at any time during previous year. |
| D) All of the above. | |
| 167. Which of the following are included in bo | usiness according to section 2(13): |
| A) Trade B) 0 | Commerce |
| C) Manufacture | D) All of the above |
| 168.X, Manager of XYZ Ltd. since 2004 wa | as terminated by the company on 1 st August, |
| _ | f Rs. 200 lakh. Such compensation is |
| | • |
| A) Chargeable under the Wealth-tax Act, | 1957 |
| B) Not chargeable under the Income-tax | |
| C) Chargeable under section 17(3)(i) | |
| D) Chargeable under section 28(ii) (a). | |
| 169.DSK, an LLP had taken key man insurar | ace policy on the life of its managing partner. |
| • | er, 2018 and an amount of Rs.`75lakh was paid |
| | The amount so received on maturity of the |
| policy by the managing partner is | · |
| A) Fully exempt u/s 10(10D) | B)50% of Rs. 75lakh exempt |
| C) Rs.` 75lakh taxable | D)Rs.` 25 lakh exempt and Rs.` 50 lakh |
| taxable | , |
| 170. Circulars and Notifications are binding of | n the |
| A) Central Board of Direct Taxes (CBDT | |
| C) Income Tax Appellate Tribunal (ITA) | , |
| 171. Who amongst the following confers on the | |
| A) ITAT | B) Central Government |
| C) CBDT | D) State Government |
| 172. Amendments by the finance act are made | , |
| A) First day of next financial year | B) First day of same financial year |
| | D) None of the above |
| C) Last day of same Accounting year | D) None of the above |

| 173. | As per section 2(31), the follows | ing is not incl | luded in th | e definition | of 'pers | on' | |
|-------|-----------------------------------|-----------------|-------------|--------------|----------|-------|----------|
| 1 | A) An individual | | B) | A Hindu ur | ndivided | fan | nily |
| (| C) A company | | D) | A minor | | | |
| 174. | Which amongst the following is | an exception | to the pre | vious year 1 | ule? | | |
| 1 | A) Business or Profession newly | y set up. | B) | Where a | source | of | income |
| 1 | newly set up. | | | | | | |
| (| C) Non-resident engaged in ship | pping busines | s D) | None of the | e above | | |
| 175. | Which amongst the following is | not a head of | f Income? | | | | |
| 1 | A) Salaries | | B) Income | from house | e Proper | ty | |
| (| C) Capital gains | | D) | Income from | m expor | ts | |
| 176. | Which of the following is not in | cluded in tax | able incom | ne – | | | |
| 1 | A) Reimbursement of expenses | | B) Cash gi | fts received | from n | on re | elatives |
| (| C) Income from illegal activity | | D) Profit | on sale of | f equity | sh | ares of |
| ι | unlisted company | | | | | | |
| 177.] | In case of non-residents engage | d in shipping | g business | in India inc | come ea | rned | during |
| t | the financial year is | | | | | | |
| 1 | A) Taxable in India the same fir | nancial year | | | | | |
|] | B) Taxable in India the relevant | assessment y | rear | | | | |
| (| C) Not taxable in India in the sa | me financial | year | | | | |
|] | D) Not taxable in India | | | | | | |
| 178. | Additional surcharge (education | cess) of 3% | per cent is | payable on | | | |
| 1 | A) Income tax B) | Income tax 1 | plus surcha | arge | | | |
| (| C) Surcharge D |) None of the | se | | | | |
| 179.7 | The salary, remuneration or com | pensation red | ceived by t | he partners | is taxab | le ur | nder the |
| 1 | head | | | | | | |
| 1 | A) Income from Other Sources | | B) Income | from Busin | ness | | |
| (| C) Salary | D) Non | e of the ab | ove | | | |
| 180.7 | The death-cum-retirement gratui | ity received b | y the Gove | ernment Em | ployee o | or en | nployee |
| (| of local authority is | | | | | | |
| 1 | A) Partially exempted | | B) Fully ex | xempted | | | |
| (| C) Half taxable | | D) None o | f the above | | | |
| 181.1 | Rent Free Accommodation give | n to an emplo | yee by the | employer i | s a | | |
| 1 | A) Allowance | | B) Perquis | ite | | | |
| (| C) Profit in lieu of salary | D) Non | e of the ab | ove | | | |

| 182 | .Payment of Gratuity Act cam | ne into fo | orce in | • • • • • • • | |
|-----|---------------------------------|------------|------------------------|---|--------------------|
| | A) 1973 B) 198 | 30 | C) 1991 | Γ | D) 1972 |
| 183 | .The entertainment allowance | is appli | cable to | • | |
| | A) Private sector employees | | B) Public sector en | nployees | |
| | C) Government employees | | D) All of the abov | e | |
| 184 | is the re | ent fixed | under Rent control | l Act. | |
| | A) Municipal rental value | | B) Fair rental valu | e | |
| | C) Standard rent | | D) Real rent | | |
| 185 | .For computation of Gross Ar | nual Va | lue, if actual rent is | s more than e | xpected rent, then |
| | we select the | | | | |
| | A) Actual rent | | B) Expecte | ed rent | |
| | C) Any of the above | | D) None of the abo | ove | |
| 186 | .Under the Income Tax A | ct, 196 | 1, depreciation o | n machinery | y is charged on |
| | | | | | |
| | A) Purchase price of the made | chinery | B) Written down v | alue of the m | nachinery |
| | C) Market price of the machi | nery | D) All of the abov | e | |
| 187 | are no | t treated | as agricultural inco | ome. | |
| | A) Income from poultry farm | ning | B) Income from bo | ee heaving | |
| | C) Purchase of standing crop |) | D) All of the abov | e | |
| 188 | Suman, has rendered service | es in Indi | a and retired in 20 | 11. He then s | hifted and settled |
| | in Singapore. The pension re | ceived b | y him for such serv | vices would b | be |
| | ? | | | | |
| | A) Deemed to accrue or arise | outside | India | | |
| | B) Deemed to accrue or arise | in India | ı | | |
| | C) Deemed to accrue or arise | in India | only when it is re | ceived in Ind | ia |
| | D) Deemed to accrue or aris | e in Indi | a only when it is re | eceived outsid | de India |
| 189 | .Educational cess is leviable i | n case o | f | | |
| | A) Individual | B) HU | F | | |
| | C) Company | D) All | assesses | | |
| 190 | .A car is imported after 1- 4- | 2005 by | R Ltd. from Lond | on to be used | d by its employee. |
| | R Ltd. shall be allowed depre | eciation | on such car at: | | |
| | A) 15% B) 40% | % | C) | 60% | D) |
| | Nil | | | | |

| 191. Certain revenue and capital expenditure on s | scientific research are allowed as deduction |
|--|--|
| in the previous year of commencement of bu | usiness even if these are incurred: |
| A) Five years immediately before the comm | nencement of business |
| B) 3 years immediately before the commend | cement of the business |
| C) Any time prior to the commencement of | the business. |
| D) None of these | |
| 192. Preliminary expenses incurred are allowed of | deduction in: |
| A) 10 equal annual instalments | B) 5 equal annual instalments |
| C) full | D) None of these |
| 193. In case the assessee follows mercantile systematical systems. | em of accounting, bonus or commission to |
| the employee are allowed as deduction on: | |
| A) Due basis | B) Payment basis |
| C) Due basis but subject to section 43B | D) Any of the above |
| 194. For person carrying on profession, tax audit | is compulsory, if the gross receipts of the |
| previous year exceeds | |
| A) Rs.50 lakhs | B) Rs.40 lakhs |
| C) Rs.10 lakhs | D) Rs.5 lakhs |
| 195.Tax audit is compulsory in case a person | on is carrying on business whose gross |
| turnover/sales/receipts, as the case may be, | exceeds: |
| A) Rs. 10 lakhs | B) Rs. 40 lakhs |
| C) 1 crore | D) 10 crore |
| 196. In case an assessee is engaged in the business | s of civil construction, presumptive income |
| scheme is applicable if the gross receipts pa | aid or payable to him in the previous year |
| does not exceed: | |
| A) Rs.10 lakhs | B) Rs. 40 lakhs |
| C) Rs. 50 lakhs | D) 1 crore |
| 197.In case an assessee is engaged in the bus | iness of retail trade, presumptive income |
| scheme is applicable if the total turnover of | such retail trade of goods does not exceed: |
| A) Rs.10 lakhs | B) Rs.30 lakhs |
| C) Rs.40 lakhs | D) Rs.50 lakhs |
| 198.A is entitled to children education allowand | ce @ Rs. 80 p.m. per child for 3 children |
| amounting Rs. 240 p.m. It will be exempt to | the extent of: |
| A) Rs.200 p.m. | B) Rs.160 p.m. |
| C) Rs. 240 p.m. | C) Rs. 120 p.m. |

| 199. | R gifted his house property to his wi | fe in 2000. R has let out the house property @ |
|------|---|---|
|] | Rs.5,000 p.m. The income from such | house property will be taxable in the hands of: |
| | A) Mrs. R | |
|] | B) R. However, income will be con | mputed first as Mrs. R's income and thereafter |
| (| clubbed in the income of R | |
| | C) R as he will be treated as deemed of | owner & liable to tax |
|] | D) None of the above | |
| 200. | Income tax is a | |
| | A) Direct tax | B) Indirect tax |

D) None of the above

C) Any of the above

ANSWER KEY

2. C) 1st April 1962 3. B) Direct tax 4. B) Finance Act 5. C) 5 6. C) 80 7. C) 300,000 8. B) 87A 9. D) Assessment Year 10. C) 1st April 11. C) Accelerated Assessment 12. C) 1 Crore 13. C) 3% 14. D) All of the above 15. B) Central Board of Direct Taxes 16. A) Central Government 17. B) One Basic Condition and Both **Additional Conditions** 18. A) 2 19. D) 182 days 20. A) Karta 21. C) Fully Exempted 22. C) Not Allowed 23. B) 10 24. B) 15 to 17 25. D)17(1) 26. C) Transferred Balance 27. A) Fully Taxable 28. C) 10(10) 29. B) CBDT 30. B) Allowances

31. B) Partly Taxable

1. C) 1961

| ונ | |
|--------|---------------------------------|
| 32.] | B) 2A |
| 33. | A) Resident |
| 34. | A) Fully Taxable |
| 35. | C) 16(ii) |
| 36. | B) Academic Allowance |
| 37. | A) Rs.100 |
| 38.] | D) Rs.300 |
| 39.] | B) Rs.1600p.m |
| 40. | A) Fully Exempted Allowance |
| 41. | C) Foreign Allowance |
| 42. | C) Two persons |
| 43. | C) 5000 |
| 44.] | D) 182 days |
| 45. | A) Hindu Undivided Family. |
| 46. | B. Remuneration received by a |
| 1 | partner |
| 47. | B) Assessment Year |
| 48. | A) Fully exempted |
| 49.] | B) Pension |
| 50. | A) Taxable as per slabs |
| 51. | A) Taxable |
| 52. | A) Salary |
| 53.] | D) Income from other sources |
| 54. | B) At least one of the basic |
| (| conditions. |
| 55. | D) All assesses |
| 56.] | D) Dividend from Indian company |
| 57.] | D) All of the above |
| 58. | C) Exempted from tax |
| 59.] | B) Different for different |
| ä | assessment year |
| | ~~ |

60. C) Family pension

- 61. A) Tax is to be paid by employer
- 62. C) All employees
- 63. B) Facility provided by employer to employee
- 64. B) Sec. 17b.
- 65. A) S.B.I.
- 66. D) Rs. 50,000.
- 67. C) License fee fixed by Govt.
- 68. B) 15% of employees salary
- 69. B) 9.5%
- 70. C) 12% of salary
- 71. A) Immediately succeeding assessment year
- 72. A) Not taxable
- 73. B) Income from Business
- 74. B) Fully exempted
- 75. A) Taxable
- 76. A) Section 89(1)
- 77. D) 1972
- 78. C) Rs. 1,00,000.
- 79. A) Taxable.
- 80. C) Rs: 15,000
- 81. C) Foreign Allowance
- 82. B) Rs: 50
- 83. D) Both (a) and (b)
- 84. D) All of the above
- 85. C) Both employer
- 86. B) Exempted after fulfilling of certain conditions
- 87. C) Government employees
- 88. D) All of the above
- 89. A) Resident and ordinary resident (ROR)only

- 90. D) adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses and after allowing deduction undersection 80Cto80U
- 91. C)32,400
- 92. A) Section 10(10AA)
- 93. B) Section10(10C)
- 94. D) Actual costless depreciation@20% for every completed yearunder SLM method
- 95. B) Remuneration received by a partner
- 96. D) Perquisites in India
- 97. B) 5,000
- 98. B) A salary income.
- 99. B) Perquisites
- 100.B) 10(5)
- 101.C) Annual Value
- 102.C) Ordinarily Resident
- 103.C) 23(1)
- 104.D) Municipal taxes paid by the owner during the previous year
- 105.D) All of the above
- 106.D) All of the above
- 107.C) Income from House Property
- 108.B) Income from Other Sources
- 109.A) Rule 4
- 110.D) All of the above
- 111.B) No adjustment
- 112.C) Nil
- 113.D) 30%
- 114.B) Standard Deduction

| 115.D) All of the above | 142.C) Profit and Gains from business |
|--------------------------------------|---|
| 116.B)24 | and profession |
| 117.A) Interest on unpaid interest | 143.C) 2(13) |
| 118.C)5 | 144.B) Taxable |
| 119.C) Nil | 145.C)35 |
| 120.D) 30% | 146.B) Disallowed |
| 121.B)7 | 147.B) 20000 |
| 122.B) Income from Other Source | 148.A) Allowed |
| 123.B) Income from Other Source | 149.C) Market price of the machinery |
| 124.A) Recipient of income | 150.D) Capital expenditure |
| 125.C) Municipal value of Fair value | 151.B) Block of assets |
| whichever is higher subject to | 152.A) Nil |
| standard rent | 153.B) 30% |
| 126.B) Deemed Owner | 154.C) Sales tax |
| 127.D) All of the above | 155.C) Nil |
| 128.C) Other Sources | 156.D) All of the above |
| 129.D) All of the above | 157.D) All of the above |
| 130.D) Co-owner of a property | 158.B) It is eligible for set-off against |
| 131.D) Taxable as income from other | brought forward business loss |
| sources | 159.D) All of the above. |
| 132.C) Either (a)or(b) | 160.B) 12.5% |
| 133.A) 36,000 | 161.C) Section 28 |
| 134.B) 1,50,000 | 162.B) Fully taxable as income |
| 135.A) 30,000 | 163.C) Cost or market price, whichever |
| 136.D) All of the above | is less |
| 137.A) The full annual value of the | 164.D)All of the above |
| house the proportionate annual | 165.B) Agreement |
| value of self-occupied portion for | 166.D)All of the above |
| the whole year shall be deducted | 167.D)All of the above |
| 138.B) 16,000 | 168.D) Chargeable under section 28(ii) |
| 139.A) Actual rent | (a). |
| 140.B) Income from Other Sources | 169.C) Rs.` 75lakh taxable |
| 141.A) Exempted from tax | 170.D) Income Tax Authorities |
| | 171.C) CBDT |

172.A) First day of next financial year 187.D) All of the above 173.D) A minor 188.B) Deemed to accrue or arise in 174.C) Non-resident engaged in India shipping business 189.D) All assesses 175.D) Income from exports 190.D) Nil 176. A) Reimbursement of expenses 191.B) 3 years immediately before the 177.C) Not taxable in India in the same commencement of the business financial year 192.B) 5 equal annual instalments 178. B) Income tax plus surcharge 193.C) Due basis but subject to section 179. B) Income from Business 43B 180.B) Fully exempted 194.C) Rs.10 lakhs 181.B) Perquisite 195.B) Rs. 40 lakhs 182.D) 1972 196.B) Rs. 40 lakhs 183.C) Government employees 197.C) Rs.40 lakhs 184.C) Standard rent 198.A) Rs.200 p.m. 199.C) R as he will be treated as deemed 185.A) Actual rent 186.B) Written down value of the owner & liable to tax machinery 200.A) Direct tax