

# B com Finance & Taxation IV Semester – Optional paper 2-VAT

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## **Question Bank**

1. \_\_\_\_\_ is / are empowered to levy and collect income tax.  
A. State governments  
B. Central Government  
C. RBI  
D. local self government department
2. In which year Income Tax was levied in India for the first time?  
A. 1960 B. 1961 C. 1860 D. 1857
3. Income Tax Act was passed in the year \_\_\_\_\_.  
A. 1955 B. 1961 C. 1956 D. 1962
4. CBDT is control by \_\_\_\_\_.  
A. central Government  
B. State Government  
C. both (A) and (b)  
D. none of this above
5. previous year started from \_\_\_\_\_.  
A. April B. March C. January D. September
6. Who is Tax payer?  
A. Assessee B. Businessman C. Trust D. Govt. employee
7. Income tax is a .....  
A. business tax B. profession tax C. Direct tax D. Indirect tax
8. A person is said to be an ordinarily Resident when the person is satisfying \_\_\_\_\_.  
A. both basic and additional conditions  
B. only basic conditions  
C. only additional conditions  
D. not basic and additional conditions
9. 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
10. Who is assessee in case of a HUF?  
A. Father B. spouse C. Karta D. Deemed Karta
11. Education cess on tax payable is at.  
A. 2% B. !% C. 3% D. 5%
12. Agriculture Income is \_\_\_\_\_.  
A. Taxable B. not taxable C. partly taxable D. none of this above
13. Section 10 Of Income Tax Act deals with \_\_\_\_\_.

- A. Deductions
  - B. Exempted incomes
  - C. Income from salary
  - D. Casual incomes
14. Income Tax Authorities are grouped into two main wings Administrative and.....
- A. Judicial. B. Managerial. C. Executives. D. Clerical.
15. The highest Administrative Authority for Income Tax in India is.....
- A. Finance Minister.
  - B. CBDT.
  - C. President of India.
  - D. Director of Income Tax.
16. What are the exemption limit in Hostel Expenditure Allowance?
- A. Rs.200pm B. Rs.300pm C. Rs.400pm D. Rs.500pm
17. Rates of Income tax are fixed under .....
- A. An Ordinance
  - B. The Income Tax Act
  - C. The Finance Act
  - D. Notification of CBDT
18. The number allotted by income tax authorities to assesseees for identification and which should be quoted in all documents and correspondence is.....
- A. I.D. No.
  - B. Register No.
  - C. Permanent Account Number (PAN).
  - D. Licence No.
19. Deduction of tax at source made for incomes which can be calculated in advance is called.....
- A. T.D.S. B. P.A.S. C. F.A.S. D. M.A.S.
20. Due date of filing of return by a non business assessee is.....
- A. 30th June. B. 31st August. C. 31st July. D. 30th November.
21. Under the income- tax act, the incidence of taxation depends on.....
- A. The citizenship of the tax-payer.
  - B. The age of the taxpayer
  - C. The residential status of the tax-payer.
  - D. The gender of the taxpayer
22. Unabsorbed depreciation can be carried forward for set off.....
- A. for a period of four years only.
  - B. for a period of eight years only.
  - C. for an unlimited number of years.
  - D. for a period of eighteen years only.
23. residential status is determined for.....
- A. Previous year B. Assessment year C. Accounting year D. Financial year.
24. How many heads of income are there to compute Gross total income.
- A. Six. B. Five. C. Four. D. Three.
25. Income Tax Act came into force on.....
- A. 01-04-1961 B. 01-04-1962 C. 01-04-1956 D. 01-04-1965
26. Income by way of rent of agricultural land is .....
- A. Business income
  - B. Income from other sources.
  - C. Agricultural income

D. Casual income

27. Receipt of amount on maturity of LIC Policy is.....

A. A revenue receipt. B. A capital receipt. C. A casual receipt. D. None of these.

28. Which of the following is not a capital receipt?

A. 'Salami' for settlement of Tenancy.

B. Insurance claim received on machinery lost by fire.

C. Lump sum received on sale of shares.

D. Goods sold for cash.

29. Compensation for cancellation of a licence by the government resulting in cessation of business is.....

A. a casual receipt.

B. a capital receipt.

C. a revenue receipt. D. None of the above.

30. Compensation received for loss of trading asset is a.....

A. Capital receipt. B. Revenue receipt. C. a casual receipt. D. None of these.

31. Salary received by the manager of an agricultural farm is .....

A. An agricultural income.

B. A salary income.

C. A business income.

D. A capital income.

32. A citizen of India who goes abroad for the purpose of employment, he must stay in India at least for ..... days to become a resident

A. 90 days B. 162 days C. 180 days D. 182 days

33. Loss due to fire of hired machinery is.....

A. Capital loss.

B. Revenue loss.

C. Capital expenditure

D. None of the above.

34. Embezzlement of cash by a cashier is.....

A. a revenue loss. B. a capital loss. C. a casual loss. D. None of these.

35. Who among the following may be "not ordinarily resident"

A. Partnership firm.

B. Company.

C. Association of persons.

D. Hindu Undivided Family.

36. Agricultural income in Pakistan is assessable for.....

A. Resident

B. Not Ordinarily Resident

C. Non-resident

D. Not taxable

37. The following is not taxable as income under the head "Salaries".

A. Commission received by a full time director

B. Remuneration received by a partner

C. Allowances received by an employee

D. Free accommodation given to an employee

38. Section..... of the Income Tax Act deals with exempted incomes.

A. 2 B. 7 C. 10 D. 80

39. Gratuity received by a government employee is .....
- A. Fully exempted
  - B. Partly exempted
  - C. Fully taxable
  - D. Exempted up to Rs:1,00,000
40. Capital expenditure on scientific research which cannot be absorbed on account of insufficiency of profit in any accounting year can be carried forward for.....
- A. 16 B. 8 C. indefinite D. 12
41. The periodic payment of money for the past service is known as .....
- A. Gratuity
  - B. Pension
  - C. Commuted pension
  - D. Leave salary
42. When a receipt is determined as Capital Receipt or Revenue receipt.
- A. At the time it is received
  - B. While preparing final accounts.
  - C. When the received amount is used.
  - D. None of the above.
43. Pension is taxable under .....head.
- A. Salary B. House property C. Capital gains D. other sources
44. Salary received by a partner from the firm in which he is a partner 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
45. Family pension received by the widow of a deceased employee 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
46. Salary paid by an employer out of capital will be.....
- A. a revenue receipt in the hands of employee
  - B. a capital receipt in the hands of employee
  - C. a casual receipt
  - D. None of the above.
47. Which of the following is not a capital expense?
- A. Installation expenditure of plant of a company.
  - B. Legal expenses for reduction of capital.
  - C. Commission to employees to achieve sales Targets.
  - D. Expenses of promoting a company.
48. Salary received by a Member of Parliament 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
49. Interest on capital paid by the firm to its partners is allowed up to .....
- A. 6% B. 12% C. 15% D. 16%

50. Under Income Tax Act depreciation is allowed on .....
- A. Purchase price B. Market price C. W D V D. Face value
51. The rate of depreciation on intangible asset is .....
- A. 5% B. 15% C. 20% D. 25%
52. Residential status of an assessee is ascertained as per the provisions of.....
- A. Sec. 6. B. Sec. 7. C. Sec. 9. D. Sec. 11.
53. The income tax rate on long term capital gains for an individual is .....
- A. 10% B. 15% C. 20% D. 25%
54. Residential status of taxable entities is.....
- A. Fixed in nature.  
B. Can change from year to year.  
C. Fixed once in 5 years.  
D. None of these.
55. As per the first basic condition to determine residential status, a person should have been in India during the previous year concerned for.....
- A. 60 days or more  
B. 120 days or more.  
C. 182 days or more.  
D. 240 days or more.
56. 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
57. An individual who wants to be resident of India must stay in India for at least.....
- A. 730 days in 10 previous years.  
B. 182 days in the previous year.  
C. 365 days in the previous year.  
D. 150 days in the previous year.
58. A person who is of Indian origin visiting India during the previous year to be called resident must stay in India for at least.....
- A. 60 days in PY.  
B. 6 days in PY and 365 days or more during 4 years preceding the PY.  
C. 182 days in PY.  
D. 730 days during 7 years preceding the PY.
59. As per Second additional condition, a resident will be an ordinarily resident if stay in India for at least ..... days during the seven previous years preceding the relevant .
- A. 182 days. B. 365 days. C. 60 days. D. 730 days.
60. A person is Non resident if he fails to fulfil.....
- A. The additional conditions.  
B. At least on of the basic conditions.  
C. Both basic conditions.  
D. None of thes
61. In case of residential status of HUF ,firm and AOP if control and management are wholly outside India they are deemed as.....
- A. Resident.

- B. Ordinarily Resident.
  - C. Non resident
  - D. None of these.
62. An Indian company's residential status is that it is always.....
- A. Resident.
  - B. Non resident.
  - C. Ordinarily resident.
  - D. None of these.
63. Salary paid by an Indian company to its employees working in one of its branches outside India is.....
- A. Salary accruing in India.
  - B. Salary deemed to accrue in India.
  - C. Salary accruing outside India.
  - D. None of these.
64. 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 assesseees.
65. Income accrued in India is taxable in the hands of.....
- A. Non-resident only.
  - B. Resident and not ordinarily resident only.
  - C. All assesseees.
  - D. Resident and ordinarily resident only.
66. 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.
67. 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 these.
68. The CII for the financial year 2012-13 is .....
- A. 582 B. 852 C. 632 D. 820
69. Income from a farm house is.....
- A. Income from house property
  - B. Income from business
  - C. Agricultural income
  - D. income from other sources
70. Incomes on which Income tax is not charged are called.....
- A. Exceptional incomes
  - B. Privileged incomes
  - C. Exempted incomes.
  - D. None of the above
71. Exempted incomes are defined under section.....
- A. 15 of income tax Act.

- B. 18 of income tax Act
  - C. 10 of income tax Act.
  - D. 20 of income tax Act.
72. Incomes absolutely exempt from Tax are listed under.....
- A. Sec 2. B. Sec 10. C. Sec 38. D. Sec. 80c.
73. Scholarship granted is.....
- A. Fully exempted. B. Fully taxable. C. Partly exempted. D. None of these.
74. Any payments made under and awards instituted by central or state Governments are.....
- A. Fully exempted B. Fully taxable C. Partly exempted. D. None of these.
75. Allowances of MP/M.L.A / or M.L.C are.
- A. Fully exempted. B. Fully taxable. C. Partly exempted. D. None of these.
76. Income of political parties is not to be included in total income if certain conditions are satisfied. The relevant section of IT Act 1961 is.
- A. Section 13A . B. Sec. 10d. C. Sec. 233B. D. Sec.88G.
77. Tax Holiday is.
- A. Income tax on holiday income.
  - B. Cancellation of tax for the entire country.
  - C. Tax exemption for a specified period.
  - D. None of the above.
78. The existing Maximum Marginal Rate of tax of an individual assessee is.....
- A. 10% B. 20% C. 30% D. 35%
79. Which of the following is not included in salary income.
- A. Commuted pension
  - B. Un commuted pension
  - C. Family pension
  - D. Leave salary
80. 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.
81. Casual income is.
- A. Fully taxable. B. Partly taxable. C. Fully exempted. D. None of these.
82. 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 date.
83. Salary received by a member of parliament is.
- A. Taxable as salary income
  - B. Exempt from tax sources.
  - C. Taxable as income from other sources.
  - D. None of these.
84. Allowances received by a government employee posted abroad are.....
- A. Fully exempted.
  - B. Partly exempted.
  - C. Fully taxable.
  - D. Taxable by the country where posted.

85. Dearness allowance is taxable in the hands of.....
- A. Govt employees
  - B. Non Govt employees
  - C. All employees.
  - D. None of these.
86. House rent allowance is.....
- A. Fully exempted.
  - B. Partly taxable.
  - C. Fully taxable.
  - D. Actual rent paid alone is taxable.
87. Exempted limit of HRA in metropolitan cities is.
- A. 50% of salary. B. 40% of salary. C. 15% of salary. D. none of these.
88. Education allowance is exempted for a maximum of.....
- A. One child. B. Two children. C. Three children. D. Four children.
89. Children education allowance is exempted up to.....
- A. Rs. 200 p.m. per child.
  - B. Rs. 300 p.m. per child.
  - C. Rs. 100 p.m. per child.
  - D. Rs. 400 p.m. per child.
90. Hostel expenditure allowance is exempted up to.....
- A. Rs. 300 per month per child.
  - B. Rs. 200 per month per child.
  - C. Rs. 150 per month per child.
  - D. Rs. 250 per month per child.
91. Entertainment allowance to govt. employees is exempted, which is least of 20% of basic salary or actual allowance or.....
- A. Rs. 1,000. B. Rs. 2,000. C. Rs. 20,000. D. Rs. 5,000.
92. A Perk is.....
- A. Cash paid by employer to employee
  - B. Facility provided by employer to employee
  - C. Amount credited to employees.
  - D. None of these accounts.
93. Perquisites to employees are covered in the I.T. Act 1961 under.....
- A. Sec 2a. B. Sec. 17b. C. Sec 28a. D. Sec. 36 c.
94. The value of Interest free concessional loans to employees is determined on the basis of lending rates of ..... for the same purpose.
- A. S.B.I. B. R.B.I. C. Central govt. D. State govt.
95. An employee is deemed as specified employee if he is a director in the company or has substantial in the company or his chargeable salary per annum exceeds.
- A. Rs. 5,00,000. B. Rs. 2,00,000. C. Rs. 1,00,000. D. Rs. 50,000.
96. Value of rent free accommodation in case of Govt. employee shall be taxable up to.....
- A. 15% of employees salary.
  - B. 7.5% of employees salary.
  - C. License fee fixed by Govt.
  - D. 10% of employees salary.
97. Value of rent free accommodation a house owned by employer in case of non- Govt. employees with above 25 lakhs population is.....



- A. 10% of employees salary
  - B. 15% of employees salary
  - C. 7.5% of employee salary
  - D. 20% of employees salary
98. Interest on RPF balance is exempted up to.....
- A. 9.75%. B. 9.5%. C. 10%. D. 12%.
99. Employers contribution to RPF is exempted up to.....
- A. 10% of salary. B. 13% of salary. C. 12% of salary. D. 11% of salary.
100. 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 Govt. employee.
  - D. none of these.
101. Statutory limit for exemption of compensation received at the time of voluntary retirement (VRS) is.....
- A. Rs. 5,00,000. B. Rs. 8,00,000. C. Rs. 10,00,000. D. Rs. 15,00,000.
102. Deduction from gross Total income is allowed under Sec. 80C 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.
103. Profits earned from an illegal business are.....
- A. Taxable.
  - B. Tax free.
  - C. Ignored by Tax Authorities.
  - D. treated as other income.
104. Contribution made to an approved research association is eligible for deduction up to.....
- A. 50%. B. 80%. C. 100%. D. 125%.
105. Unabsorbed capital expenditure on scientific research can be carried forward for.....
- A. 15 years. B. 14 years. C. 8 years. D. 10
106. 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
107. Excise duty and sales tax are allowed as deduction if paid before.....
- A. Late date of filing of return.
  - B. Previous year end.
  - C. Before 31 st December of the previous year.
  - D. after 31 st December of previous year.
108. Technical know-how acquired after 1.4.98 is eligible for depreciation at.....
- A. 10% p.a. B. 20% p.a. C. 25% p.a. D. 40% p.a.
109. Which of the following is exempted.
- A. C.C.A
  - B. D.A
  - C. Foreign Allowance
  - D. Medical Allowance
110. Free food provided to employees is exempted upto ..... per meal.
- A. Rs: 40 B. Rs: 50 C. Rs: 60 D. Rs: 15
111. The income from the sale of house hold furniture is .....
- A. Taxable income
  - B. Exempted income

C. Capital gain

D. Business income

112. Deduction for other expenses except interest in the computation of income from house property is allowable to the extent of .....

A. 1/5<sup>th</sup> of Annual Value

B. 30% of Annual Value

C. 25% of Annual Value

D. 20% of Annual Value

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

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

114. Bad debts allowed earlier and recovered latter on is.....

A. Business income.

B. Non business income.

C. Exempted income.

D. Income from other sources.

115. Under valuation of opening stock is.....

A. Deducted from net profit.

B. Added to net profit.

C. Credited to P & L A/c

D. None of these.

116. Under section 44AB the audit of accounts is compulsory if total sales exceed .....

A. Rs: 40 lakhs B. Rs: 50 lakhs C. Rs: one crore D. Rs: five crores

117. Gifts from clients are.....

A. Professional income.

B. Income from other sources.

C. Non taxable item.

D. None of these.

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

A. Capital expenditure.

B. Revenue expenditure.

C. Non business expenditure.

D. None of these.

119. If a depreciable asset is acquired and used for less than 180 days in a financial year, depreciation allowed on it is.....

A. Normal Rate.

B. 50% of Normal Rate.

C. Nil.

D. None of these.

120. Rate of depreciation on residential building is.....

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

121. Rate of depreciation on non residential building is.....

A. 10%. B. 15%. C. 20%. D. 25%

122. Rate of depreciation on furniture is.....

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

123. Additional depreciation is allowed at half the rate, if the asset is used in the initial year for.....

A. 195 days. B. 199 days. C. 360 days. D. Less than 180 days.

124. Under section 44AB 'specified date' means, .....

- A. 30<sup>th</sup> June
  - B. 30<sup>th</sup> September
  - C. 30<sup>th</sup> November
  - D. 31<sup>st</sup> DEcember
125. Income from sale of rural Agricultural land is.....
- A. Taxable capital gain.
  - B. Exempted capital gain.
  - C. Taxable income.
  - D. None of these.
126. What is the time limit for holding of a Financial Asset, to be called Short Term Capital Asset?
- A. Not more than 6 months.
  - B. Not more than 12 months.
  - C. Not more than 24 months.
  - D. Not more than 36 months.
127. To be a long term capital asset, a non financial asset should be held more than.....
- A. 12 months. B. 24 months. C. 36 months. D. 60 months.
128. Shares held for less than 12 months are.....
- A. Short term capital asset.
  - B. Long term capital asset.
  - C. Exempted capital asset.
  - D. projected capital asset.
129. House property held for less than 36 months is.....
- A. Long term capital asset.
  - B. Short term capital asset.
  - C. Exempted capital asset.
  - D. projected capital asset.
130. Indexation is applicable to.....
- A. Sale of short term capital assets.
  - B. Sale of long term debentures.
  - C. Sale of depreciable capital assets.
  - D. Sale of long term capital assets which are not depreciable assets
131. Cost of long term debentures are.....
- A. Eligible for indexing.
  - B. Not eligible for indexing.
  - C. None of these.
  - D. All the above.
132. What is the date on which Fair Market Value of capital assets acquired is determined?
- A. 1.4.2001. B. 1.4.1971. C. 1.4.1981. D. 1.4.1971.
133. FMV on 1.4.81 is applicable to assets.....
- A. Acquired prior to 1.4.81.
  - B. Transferred prior to 1.4.81.
  - C. Acquired after 1.4.81.
  - D. None of the above.
134. Cost of improvement incurred prior to 1.4.81 is.....
- A. Indexed separately.
  - B. Indexed along with cost of acquisition.
  - C. Ignored fully.

D. None of these.

135. Cost inflation rules for the purpose of long term capital gain has been notified by central government

every year starting from the financial year.....

A. 1991-92. B. 1985-86. C. 1981-82. D. 1975-76.

136. Short term capital gain on sale of unlisted shares are.....

A. Taxable.

B. Exempted.

C. Partially Exempted.

D. Partially Taxable.

137. Long term capital gain on sale of unlisted shares are.....

A. Taxable.

B. Exempted.

C. Partially Exempted.

D. Partially Taxable.

138. Exemption u/s 54 is allowed when a residential house is sold and the investment is made in .....

A. Another residential house.

B. Land.

C. Shares.

D. Jewellery.

139. Which one of the following is not an admissible expense

A. Income tax B. Excise duty C. Bad debt D. Sales tax

140. Tax on short-term gain on sale of listed shares is.....

A. 20%. B. 25%. C. 30%. D. 15%.

141. Tax on long term capital gain is.....

A. 10%. B. 20%. C. 30%. D. 25%.

142. Income from other sources is a.....

A. Residuary head of income.

B. Major head of income.

C. Income from a single source.

D. Constant and regular income.

143. Which one of the following is not an income from other sources?

A. Interest on fixed deposit in bank.

B. Winnings from cross word puzzles.

C. Gift in excess of Rs.50,000 from an unrelated person.

D. Profit on sale of building.

144. Which of the following income from other sources is not taxable?

A. Dividend from co-operative society.

B. Dividend from foreign company.

C. Dividend from domestic company.

D. Winnings from lottery.

145. Dividends from co-operative society are.....

A. Exempted. B. Taxable. C. Partially Exempted. D. Partially Taxable.

146. Grossing up of interest on securities is required when.....

A. Interest is received after T.D.S.

B. They are central govt. securities.

C. The interest on bank deposit is less than Rs. 10,000.

- D. None of these.
147. Tax is reduced from casual incomes at.....
- A. 10% + surcharge and cesses.  
 B. 20% + surcharge and cesses.  
 C. 30%.  
 D. none of these.
148. Interest on Bank Term Deposits is subject to tax deduction at source if the interest amount during the relevant previous year exceeds.....
- A. Rs: 2,000. B. Rs: 5,000. C. Rs: 10,000. D. Rs: 30,000.
149. Rate of T.D.S for unlisted securities, including cesses is.....
- A. 10.6%. B. 15.6%. C. 10%. D. 30.6%.
150. Speculation Loss can be carried forward for.....
- A. 8 years B. 10years C. 5years D. 4years
151. Which of the following is not a capital asset.
- A. stock in trade  
 B. Goodwill  
 C. Agricultural land in Mumbai  
 D. Jewellery
152. A partnership firm sold a residential house. The firm will get exemption under section ..... on capital gains.
- A. Sec. 54D B. Sec. 54E C. Sec. 54C D. Sec. 54EC
153. Income of a minor child is included in the total income of .....
- A. Father  
 B. Mother  
 C. Parent whose income is greater  
 D. Transferor of asset
154. The amount of deduction under section 80DD regarding disability is .....
- A. Rs: 30,000 B. Rs: 50,000 C. Rs: 75,000 D. Actual expense.
155. Which of the following is eligible for 100% deduction ?
- A. National Children Fund  
 B. Rajiv Gandhi Foundation  
 C. National Sports Fund  
 D. Nehru Memorial Fund
156. Section C applies on .....
- A. Individual and HUF  
 B. Co-operative Society  
 C. Firm  
 D. Company
157. Donation on PM's National Relief Fund is deductible 100% out of the gross total income of the assessee, under section .....
- A. 80C B. 80CC C. 80G D. 80GG
158. For the P.Y , 2012-13, the maximum permissible deduction under section 80C is .....
- A. Rs: 80,000 B. Rs: 1,00,000 C. Rs: 2,00,000 D. 1,12,000
159. The rate of surcharge on tax payable is .....% when taxable income is Rs: 5,57, 500.
- A. 3% B. 5% C. 10% D. Nil
160. The basic exemption up to which income is not taxable for an individual resident is .....

- A. Rs: 1,00,000 B. Rs: 2,00,000 C. Rs: 5,00,000 D. None of the above
161. The Total income of an individual is Rs: 3,46,994. The rounded off total income will be.....
- A. Rs: 3,46,000 B. Rs: 3,47,000 C. Rs: 3,46,990 D. Rs: 3,50,000
162. The income tax payable by an individual is Rs:8,562.55. The rounded off tax payable will be .....
- A. Rs: 8,562 B. Rs: 8,563 C. Rs: 8,560 D. Rs: 8,570
163. The maximum tax exemption to a senior citizen for the assessment year is .....
- A. Rs: 3,00,000 B. Rs: 2,00,000 C. Rs: 1,00,000 D. Rs: 2,50,000
164. If STT is paid, then STCG tax on the transfer of capital asset is .....
- A. 10% B. 15% C. 20% D.25%
165. Education cess for the A.Y is .....
- A. 3% B. 5% C. 10% D. 15%
166. According to section ....., TDS shall be payable during the financial year in respect of the total income of the assessee.
- A. 206 B. 207 C. 208 D. 210
167. .... must be paid according to the provisions of “ Pay As You Earn” Scheme.
- A. Income Tax B. TDS C. Advance tax D. Education cess
168. Advance tax is payable when tax payable by an assessee is .....or more.
- A. Rs: 5,000 B. Rs: 10,000 C. Rs: 15,000 D. Rs: 1,00,000
169. The rate of surcharge payable on tax for the A.Y. 2013-14 is .....
- A. 5% B. 10% C. 3% D. Nil
170. The non-taxable income for the woman assessee is .....
- A. Rs: 1,00,000 B. Rs: 1,90,000 C. Rs: 2,50,000 D. Rs: 3,00,000
171. If S T T is paid, then LTCG tax on the transfer of listed equity shares is .....
- A. 15% B. 5% C. 10% D. Nil
172. Out of income from growing and manufacturing of latex ....., is considered as agricultural income.
- A. 40% B. 45% C. 60% D. 65%
173. For SSIs , a deduction of ..... % of profit is available to individual assessee.
- A. 50% B. 40% C. 25% D. Nil
174. Donation is deductible u/s .....
- A. 80C B.80D C. 80 E D. 80 G
175. Tax deduction available to certain industries for the initial few years is called .....
- A. Tax holiday B. Tax exemption C. TDS D. PAYE
176. Contribution to RPF is deducted u/s .....
- A. 80C B. 80D C. 80E D. 80G
177. The maximum amount of deduction under section 80D in the case of a senior citizen is .....
- A. Rs: 10,000 B. Rs: 15,000 C. Rs: 20,000 D. Rs: 25,000
178. Which among the following deduction is available only to disabled persons :
- A. 80 C B. 80 G C. 80 Q D. 80 U
179. Section 80C provides for deduction in respect of tuition fee to ..... children.
- A. One B. Two C. Three D. None
180. The maximum amount deductible u/s 80GG in respect of rent paid is .....
- A. Rs: 10,000 B. Rs: 12,000 C. Rs: 20,000 D. Rs: 24,000
181. The amount deductible for severe disability u/s 80U is .....
- A. Rs: 1,00,000 B. Rs: 1,20,000 C. Rs: 50,000 D. Rs: 90,000

182. When a loan is taken for the education of a child, the father is entitled to deduction u/s .....
- A. 80 C B. 80 G C. 80 E D. 80 U
183. Income of a minor child is exempted up to .....
- A. Rs: 1,000 B. Rs: 1,500 C. Rs: 1,200 D. Rs: 2,000
184. Loss from business can be carried for ..... years.
- A. 6 B. 8 C. 12 D. 16
185. Income of Benami transactions shall be included in the income of .....
- A. Real owner B. Transferor C. transferee D. None of these
186. Dividend from an Indian company is .....
- A. Fully Taxable B. Fully Exempted C. Partly Taxable D. None of the above
187. The amount received from URPF is .....
- A. Taxable  
B. Exempted  
C. Exempted, subject to certain conditions  
D. None of the above
188. .... section deals with exempted incomes.
- A. Section 80 B. Section 17 C. Section 10 D. Section 23
189. There will be no partial integration, if the agricultural income does not exceed .....
- A. Rs: 15,000 B. Rs: 25,000 C. Rs: 50,000 D. Rs: 5,000
190. Salary on which income tax is borne by the employer is called .....
- A. Foregoing salary B. Tax free salary C. Tax holiday D. None
191. STCL can be set off in the same assessment year from .....
- A. STCG B. LTCG C. both D. Not possible
192. Maximum amount of deduction allowable under section 80CCF is .....
- A. Rs: 10,000 B. Rs: 20,000 C. Rs: 25,000 D. Rs: 1,00,000
193. Maximum Marginal Rate for the current A.Y. ( 2013-14) is .....
- A. 25% B. 20% C. 30% D. 35%
194. Income tax is a form of ..... tax
- A. Direct tax B. Indirect tax C. Value Added Tax
195. Interest on loan taken before 1-4-1999 for construction or repairs of self occupied house shall be deducted upto Rs: .....
- A. Rs: 25,000 B. Rs: 30,000 C. Rs: 1,00,000 D. Rs: 1,50,000
196. For claiming exemption u/s 54, the assessee should construct the residential property within .....
- A. One year before or 2 years after the date of transfer  
B. One year before or 3 years after the date of transfer  
C. Within 3 years after the date of transfer  
D. Within 2 years after the date of transfer.
197. The cost of acquisition of bonus shares allotted on or after 1-4-1981 is .....
- A. Fair market value of that shares on 1-4-1981  
B. Fair market value on the date of issue of shares  
C. Nil  
D. None of these
198. Any sum received under key man insurance policy taken on the life of the employee shall be .....
- A. Taxable under the head Business or profession  
B. Taxable under the head income from other sources

C. Taxable in the hands of employee

D. Exempt from tax

199. The rent fixed as per municipal valuation is called .....

A. Municipal value B. Fair rental Value C. Standard rent D. Actual rent

200. Rent free accommodation is an example for .....

A. Allowance B. Compensation C. Perquisite D. Profit in lieu of salary.

### Answer Key :

1 B 41 B 81 A 121 A 161 C

2 C 42 A 82 A 122 C 162 C

3 B 43 A 83 C 123 D 163 D

4 A 44 C 84 A 124 B 164 B

5 A 45 D 85 C 125 B 165 A

6 A 46 A 86 B 126 B 166 B

7 C 47 C 87 A 127 C 167 C

8 A 48 D 88 B 128 A 168 B

9 A 49 B 89 C 129 B 169 D

10 C 50 C 90 A 130 D 170 B

11 A 51 D 91 D 131 B 171 D

12 B 52 A 92 B 132 C 172 D

13 B 53 C 93 B 133 A 173 C

14 A 54 B 94 A 134 C 174 D

15 B 55 C 95 D 135 C 175 A

16 B 56 A 96 C 136 A 176 A

17 C 57 B 97 B 137 A 177 C

18 C 58 C 98 B 138 A 178 D

19 A 59 D 99 C 139 A 179 B

20 C 60 B 100 C 140 D 180 D

21 C 61 C 101 A 141 B 181 A

22 C 62 A 102 C 142 A 182 C

23 A 63 A 103 A 143 D 183 B

24 B 64 D 104 D 144 C 184 B

25 B 65 C 105 C 145 B 185 A

26 C 66 B 106 C 146 A 186 B

27 B 67 D 107 A 147 C 187 A

28 D 68 B 108 C 148 C 188 C

29 C 69 C 109 C 149 C 189 D

30 A 70 C 110 B 150 D 190 B

31 B 71 C 111 B 151 A 191 C

32 D 72 B 112 B 152 D 192 B

33 A 73 A 113 A 153 C 193 C

34 A 74 A 114 A 154 B 194 A

35 D 75 A 115 A 155 C 195 B

36 A 76 A 116 C 156 A 196 C

37 B 77 C 117 A 157 C 197 C

38 C 78 C 118 A 158 B 198 A



39 A 79 C 119 B 159 D 199 A  
40 C 80 B 120 A 160 A 200 C