

Art, Commerce & Science College Bodawad
Internal Examination
Sub -Income Tax
Class-Ty Bcom. MCQ-100
Total Marks- 100

1. The Income tax Act extends to
 - a) **Whole of india**
 - b) Whole of India except Jammu & Kashamir
 - c) Whole of India except Sikkim
 - d) Whole of India except jammu & kashamir & Sikkim
2. Every year a Budget is presented before the parliament by
 - a) Prime Minister
 - b) Finance Minister
 - c) **State Minister**
 - d) Education Minister
3. Following are two sentences, find out correct sentence
 1. Income tax is one of the form of Direct Taxes
 2. This tax is Levi able and collected under Income -tax Act, 1961
 - a) Only 1
 - b) **Both1&2**
 - c) Only'2
 - d) Both wrong sentence
4. CBDT stands for..
 - a) Chief board of Direct Taxes
 - b) **Central board of Direct taxes**
 - c) Central board of Duplicate taxes
 - d) None of the above
5. Circulars issued by CBDT are binding on
 - (a) Assessee
 - (b) **Income Tax Authority**
 - (c) Both of above
 - (d) None of the above
6. Circulars are issued by the CBDT to--
the scope & meaning of the provisions of Law.
 - (a) **Clarify the doubts**
 - (b) Exceptions
 - (c) Proper Administration

(d) None of these

7. As per Section 2(7), "Assesses" means ---a person

- (a) By whom any tax or other sum of money is payable
- (b) Against whom proceeding has been taken under the act
- (c) A person deemed to be assessee in default

(d) All of the above

8. A person includes--

- (a) Individual & HUF
- (b) Firm & Company
- (c) AOP/BOI, LA, Every AJP

(d) All of the above.

9. A municipal corporation legally entitled to manage & control a municipal fund is taxable in the status of :

- (a) Individual
- (b) AOP
- (c) LA**
- (d) AJP

10. 'Income' includes the following types

- (a) Legal
- (b) Illegal
- (c) Both**
- (d) None

11. Finance Bill becomes the Finance Act when it is passed by...

- (a) Lok Sabha
- (b) Both Lok Sabha & Rajya Sabha
- (c) Both House of Parliament & signed by President.**
- (d) Both House of Parliament & signed by Prime Minister.

12. Assessment Year is the period of 12 month commencing on 1st day of .

- (a) April every year**
- (b) December every year
- (c) July every year
- (d) January every year

13. Pick-the correct one.

- (a) AY & PY are same concepts.
- (b) AY is the year next to the PY.**
- (c) PY is the year next to the AY.

(d) None of the above

14. Previous Year can be a period of

(a) > 12 months or < 12 months (b) only 12 months

(c) 12 months or < 12 months

(d) \geq 12 months.

15. Assessment year can be a period of

(a) > 12 months or < 12 months

(b) only 12 months

(c) 12 months or < 12 months

(d) \geq 12 months

16. Mr. P sets up a new business on 15.7.2018 & he commenced his business from 1.2.2019. First PY shall be:

(a) 15.7.2018 to 31.3.2019

(b) PY 2018-19

(c) 1.2.2018 to 31.3.2019

(d) PY 2019-20

17. First previous year in case of a business or profession newly set up on 31.3.2019 would be

(a) Start from 1.4.2018 & end on 31.03.2019

(b) Start from 31.3.2019 & will end on 31.3.2019

(c) Start from 1.1.2019 & end on 31.12.2019

(d) Start from 1.1.2019 & end on 31.3.2019

18. All Assesseees are required to follow:

(a) Uniform PY which must be calendar year only

(b) Uniform PY which must be FY only

(c) Any period of 12 months as previous year

(d) Period starting from 1st July to 30th June as PY

19. A person follows Calendar year for accounting purpose. For taxation, he has to follow

(a) Calendar year only – 1 Jan to 31 December

(b) FY only - 1 April to 31 March

(c) Any Calendar or FY as per his choice

(d) He will follow extended year from 1st January to next 31st March (a period of 15 months)

20. Mr. P. maintains his accounts on the basis of calendar year. For PY 2018-19, his AY shall be.

- (a) 2018-19
- (b) 2018
- (c) 2019-20**
- (d) 2019

21. In which of the following cases, income of PY is assessable in the previous year itself.

(a) A persons leaving India

- (b) Salaried Employee
- (c) Illegal business
- (d) Charitable institution

22. If the master of the ship belonging to a NR could not file return of income before the departure of ship from India then it can be filed after the ship has left India but within days.

- (a) 30**
- (b) 45
- (c) 60
- (d) 90

23. In case of shipping business of NR, Income =

- (a) 10% of the fare & freight collected by the ship.
- (b) 20% of the fare & freight collected by the ship.
- (c) 25% of the fare & freight collected by the ship.
- (d) 7.5% of the fare & freight collected by the ship.

24. Income of NR from shipping business in India is taxed

- (a) 30% + SC + HEC
- (b) 40% + SC + HEC**
- (c) 50% + SC + HEC
- (d) 60% + SC + HE

25. Gross Total Income means Aggregate of Incomes under all heads of Income-----

- (a) After claiming deduction u/c VI-A
- (b) Before claiming deduction u/c VI-A.**
- (c) Income for which no deduction u/c VI-A.
- (d) None of the above.

26. Total (taxable) Income means Aggregate of Incomes under all heads of Income

- (a) After claiming deduction u/c VI-A**
- (b) Before claiming deduction u/c VI-A.

- (c) Income for which no deduction u/c VI-A.
- (d) None of the above.

27. Any Expenditure incurred to earn Exempt Income shall be allowed as while computing income under any head.

- (a) Deduction
- (b) not allowed as deduction**
- (c) Exemption.
- (d) None of the above

28. Any sum received by an Individual as a member of HUF from the income of HUF shall be .

- (a) Fully taxable
- (b) Fully exempt u/s10(2)**
- (c) Fully taxable u/h "Salary"
- (d) Taxable @ 15%.

29. Share of the profits from the firm by the partner is:

- (a) Fully taxable
- (b) Fully Exempt u/s10(2A)**
- (c) Fully taxable u/h "Salary" (d) Exempt upto Rs. 2.5 lacs

30. Interest on any money standing to any Individual's credit in Non-Resident External A/c in any bank in India is:

- (a) Taxable to person in whose name A/c is being operated
- (b) Exempt to person in whose name A/c is being operated**
- (c) Taxable to person who withdraws Amt from such A/c
- (d) Exempt to person who withdraws Amt from such A/c

31. Amount received by the nominee at the time of closure. opting out of NPS referred to in sec 80CCD due to death of Assessee is exempt upto-----total amount payable

- (a) 30%
- (b) 40%
- (c) 100%**
- (d) 25%

32. Interest on Gold Deposit Bonds & bonds issued by LA:

- (a) Exempt**
- (b) Taxable
- (c) Partly Exempt
- (d) None of the above

33. Mr. P traced a missing person & was awarded a sum of Rs. 1 lac but there was no agreement.

Such sum is-----

(a) Casual income & fully taxable without BEL

(b) Casual income & exempt up to Rs. 2,50,000

(c) Fully exempt

(d) Exempt up to 2,50,000

34. Which Income is taxable in India to NR Individual?

(a) Any Income accrued or Received in India

(b) Any Income accrued outside India

(c) Any Income received outside India

(d) No Income is Taxable in India in the hands of NR.

35. Income earned & received outside India but later on remitted to India, is taxable to:

(a) ROR

(b) RNOR

(c) NR

(d) None

36. Income Tax Act was passed in the year.....

(a) 1934

(b) 1956

(c) 1961

(d) 1972

37. Income Tax Act came into force on.....

A) 1st April 1935

B) 1st April 1961

C) 1st April 1962

D) 1st April 1956

38. Income tax is a.....

A) Professional tax

B) Direct tax

C) Indirect tax

D) Service tax

39. Income tax rates are fixed in.....

A) Income tax Act

B) Finance Act

- C) Income tax rules
- D) Finance rules

40. There are heads of income

- A) 3
- B) 4
- C) 5**
- D) 2

41. A person with the age of or more is considered as a super senior citizen as per Income tax Act.

- A) 56
- B) 60
- C) 80**
- D) 85

42. The minimum exceptional limit of income is.....

- A) 250,000
- B) 200,000
- C) 300,000**
- D) 500,000

43. Rebate of Income tax is defined as per section

- A) 81A
- B) 87A**
- C) 81C
- D) 87C

44. Section 2(9) of Income tax deals with.....

- A) Person
- B) Assessee
- C) Previous Year
- D) Assessment Year**

45. Assessment year is the period of 12 months commencing from Every year.

- A) 1st March
- B) 31st March
- C) 1st April**
- D) 30th April

46. When the income earned in an year is taxed in the same year, it is called

.....

- (a) Advanced Assessment

- (b) Super Assessment
- (C) Accelerated Assessment**
- (d) None of the above

47. Surcharge is levied when the total income exceeds

- (a) 5 Crore
- (b) 10 Crore
- (c) 1 Crore**
- (d) 2 Crore

48. Educational cess is charges at the rate of

- a) 2%
- b) 1%
- c) 3%**
- d) 5%

49. As per Income tax Act, Person includes

- a) Individual
- b) HUF
- c) Local Authority
- d) All of the above**

50. CBDT is control by

- a) Central Government**
- b) State Government
- c) Both (a) and (b)
- d) None of this above

51. To be an Ordinarily resident in India, an individual must satisfy

- a) Both Basic Conditions and One Additional Condition
- b) One Basic Condition and Both Additional Conditions**
- c) One Basic Condition and One Additional Condition
- d) Both Basic Conditions and Both Additional Conditions

52. A Company has types of residential status.

- a) 2**
- b) 3
- c) 1
- d) 4

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

- a) 90 days

- b) 162 days
- c) 180 days
- d) 182 days**

54. Who is assessee in case of a HUF?

- a) Karta**
- b) Coparceners
- c) Deemed Karta
- d) None of these

55. Dividend from an Indian Company is

- a) Fully Taxable
- b) Partly Taxable
- c) Fully Exempted**
- d) None of these

56. Expenditure incurred on exempted income is as deduction.

- a) Fully Allowed
- b) Partly Allowed
- c) Not Allowed**
- d) None of these

57. Annual value of self-occupied house is

- a) Equal to Municipal Value
- b) Equal to Fair rent
- c) Nil**
- d) None of the above

58. From the amount of arrears of rent received, Is allowed as deduction.

- a) 15%
- b) 20%
- c) 25%
- d) 30%**

59. The balance of unabsorbed loss from HP can be carry forward to a maximum of years.

- a) 6
- b) 7**
- c) 5
- d) None of these

60. What is expected rent?

- a) Municipal value of Fair value whichever is lower

- b) Municipal value of Fair value whichever is higher
- c) Municipal value of Fair value whichever is higher subject to standard rent**
- d) None of these

61. An individual who transfers house property without an adequate consideration to his owner spouse or to minor child is called as

- a) Co-owner
- b) Deemed Owner**
- c) Owner Himself
- d) None of the above

62. Any payments made outside India and TDS is not paid, then it is

- a) Allowed
- b) Disallowed**
- c) Partly allowed
- d) None of these

63. Payment made in cash exceeding is disallowed.

- a) 15000
- b) 20000**
- c) 25000
- d) 30000

64. Interest on delayed payment of VAT is

- a) Allowed**
- b) Disallowed
- c) Partly allowed
- d) None of these

65. Under the Income Tax Act, 1961, depreciation on machinery is charged on

- a) Purchase price of the machinery
- b) Written down value of the machinery
- c) Market price of the machinery**
- d) All of the above

66. As per section 30, which expenditure incurred for a building used for the business or profession shall not be allowed as deduction?

- a) Rent, rates and taxes
- b) Insurance of building

- c) Repairs of building
- d) Capital expenditure**

67. Group of assets falling within a class of assets comprising of tangible & intangible assets is known as :

- a) Group of assets
- b) Block of assets**
- c) Set of assets
- d) None of these

68. Export Incentives taxable under this head includes:

- a) Cash Compensatory Support
- b) Duty Drawback
- c) Profit on transfer of DEPB
- d) All of the above**

69. includes any arrangement or understanding or action in concert whether or not it is formal or in writing or whether or not it is intended to be enforceable by legal proceedings

- a) Contract
- b) Agreement**
- c) Service
- d) Profession

70. Circulars and Notifications are binding on the

- a) Central Board of Direct Taxes (CBDT)
- b) Assessee
- c) Income Tax Appellate Tribunal (ITAT)
- d) Income Tax Authorities**

71. Who amongst the following confers on the power to issue circulars and clarifications?

- a) ITAT
- b) Central Government
- c) CBDT**
- d) State Government

72. Amendments by the finance act are made applicable from

- a) First day of next financial year**
- b) First day of same financial year
- c) Last day of same Accounting year

d) None of the above

73. Additional surcharge (education cess) of 3% per cent is payable on

a) Income tax

b) Income tax plus surcharge

c) Surcharge

d) None of these

74. The salary, remuneration or compensation received by the partners is taxable under the head----

a) Income from Other Sources

b) Income from Business

c) Salary

d) None of the above

75. The death-cum-retirement gratuity received by the Government Employee or employee of local authority is

A) Partially exempted

B) Fully exempted

C) Half taxable

D) None of the above

76. Rent Free Accommodation given to an employee by the employer is a

a) Allowance

b) Perquisite

c) Profit in lieu of salary

d) None of the above

77. Income tax is a

a) Direct tax

b) Indirect tax

C) Any of the above

d) None of the above

78. In case an assessee is engaged in the business of civil construction, presumptive income scheme is applicable if the gross receipts paid 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

79. In case an assessee is engaged in the business 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

80. A is entitled to children education allowance @ 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

81. Payment of Gratuity Act came into force in

- a)1973
- b)1980
- C) 1991
- d) 1972**

82. Municipal tax is a deduction from

- a) **Gross annual value**
- b) Net annual value
- c) Standard rent
- d) Fair rent

83. Unrealised rent is a deduction from..

- a) GAV**
- b) NAV
- c) Income from the head house property
- d) No deduction

84. Mr Mahesh has two houses properties. Both are self-occupied. The annual value of..

- a) Both houses shall be nil
- b) One house shall be nil**
- c) No house shall be nil
- d) Annual value shall be Ready. 100000/_

85. Preliminary expenses incurred are allowed deduction in:

- a) 10 equal installment
- b) 5 equal installment**
- c) Full

d) Nil

86. Depreciation allowed in the case of

- a) Tangible assets only
- b) Intangible assets only
- c) **Tangible & intangible assets**
- d) Capital assets

87. Perquisite received by the addressee during the course of carrying on his business or profession is taxable under the head

- a) Salary
- b) Other sources
- c) **Business or profession**
- d) Perquisites income

88. Deduction u/s 37(1) Shall be allowed of those expenditure which are of

- a) **Revenue nature**
- b) Capital nature
- c) Both revenue & capital nature
- d) Not applicable

89. Income under the head income from other sources is taxable on..

- a) Due basis
- b) Receipt basis
- c) Accrued basis
- d) **On the basis of method of accounting regularly employed by the addressee**

90. Maximum limit of family pension exemption is... as per section 57

- a) RS.2000
- b) Rs 5000
- c) **Rs 15000**
- d) Rs.50000

91. If no system of accounting is followed Interest on securities is taxable on

- a) **Due basis**
- b) receipt basis
- c) Due or receipt basis at the option of the addressee
- d) Partial basis

92.....are not treated as agricultural income.

- a) Income from poultry farming
- b) Income from bee keeping
- c) Purchase of standing crop
- d) **All of the above**

93. Which of the following taxes are allowed as deduction while computing the business income

.....

- a) Wealth-tax
- b) Income-tax
- C) Sales tax**
- d) None of the above

94. Which of the following are included in business according to section 2(13) :

- A) Trade
- B) Commerce
- C) Manufacture
- D) All of the above**

95. The entertainment allowance is applicable to.....

- A) Private sector employees
- B) Public sector employees
- C) Government employees**
- D) All of the above