**INCOME TAX LAW & PRACTICE**

**UNIT – 1**

1. Income tax act contains \_\_\_\_\_sections.
2. XIV b) 297 c) XV d) 298

Ans:(d)

1. Highest Administration Authority for Income Tax in India is \_\_\_\_\_
2. Finance Minister b) CBDT c) President d) Director of Income Tax

Ans: (b)

1. Income Tax Act came into force on\_\_\_\_\_\_\_\_\_
2. 1.4.1961 b) 1.4.1962 c) 1.4.1956 d) 1.4.1965

Ans: (a)

1. Part – I act schedule of the Finance Act, 2018 gives rate of Income Tax for AY\_\_\_\_\_\_\_\_\_\_
2. 2018-19 b) 2019-20 c) 2017-18 d) 2016-1

Ans: (a)

1. Notifications issued by CBDT are binding on\_\_\_\_\_\_\_

a) Assessee b) Income Tax Authority

c) Both of the above d) None of the above

Ans: (c)

6. Circulars issued by CBDT are binding on \_\_\_\_\_

a) Assessee b) Income Tax Authority

c) Both of the above d) None of the above

Ans: (b)

1. Income tax is imposed by \_\_\_\_\_\_\_\_\_\_

a) State Government b) central government

c) Both of the above d) Constitution of India

Ans: (b)

1. Parliament has the power to levy tax on income other than \_\_\_\_\_\_\_

a) Exempt Income b) Income of poor people

c) Agricultural Incomes d) All Incomes

Ans: (d)

1. Income Tax Act 1961 applies to \_\_\_\_\_\_\_\_\_
2. whole of India
3. Whole of India Excluding Jammu Kashmir
4. Maharashtra
5. None of the above

Ans(b)

1. The basic – source of Income - Tax law is \_\_\_\_\_\_\_
2. Income Tax Act 1961 b) Income Tax Rules 1962

c) Circulars / Notifications d) Judgement of Work

Ans: (a)

1. Income includes the following types\_\_\_\_\_\_\_\_
2. Legal b) Illegal

c) Both of the above d) None of the above

Ans: (c)

1. In which of the following cases, income of PY is assessable in the previous year itself.
2. A persons leaving India b) Salaried Employee

c) Illegal business d) Charitable institution

Ans: (b)

1. A person includes\_\_\_\_\_\_
2. Individual &HUF b) Firm & Company

c) AOP/BOI, Local Authority, AJP d) All of the above

Ans: (d)

1. Assessment year is the period of 12 commencing on 1st day of \_\_\_\_\_\_

a) April every year b) December every year

c) July every year d) January every year

Ans: (a)

1. Mr. P. maintains his accounts on the basis of calendar year for PY2018 – 19, his AY shall be \_\_\_\_\_\_\_\_
2. 2018-19 b) 2018

c) 2019-20 d) 2019

Ans: (c)

1. Which income is not included in the term ‘income’?

a) Profits & Gains b) Dividend

c) Profit in liece of salary d) Reimbursement of travelling expenses

Ans: (d)

1. What is not included in taxable income?
2. Income from smuggling activity
3. Casual game
4. Capital receipt except gains on transfer of capital asset
5. Income received in India

Ans: (c)

1. Resident but not ordinarily resident pays\_\_\_\_\_\_

a) No income tax at all b) More tax than a resident

c) Less tax than a resident d) Less tax than a non-resident

Ans: (c)

1. Salary paid by an Indian Company to its employee 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 the above

Ans: (c)

1. Income received in India is taxable in the hands of \_\_\_\_\_\_\_\_\_\_

a) Resident only b) Resident and ordinarily resident

c) All assesses d) Resident and not ordinarily resident

Ans: (c)

1. As per the first basic condition, to determine residential status, a person should have been in India during the previous year for \_\_\_\_\_\_\_\_\_\_\_

a) 60 days or more b) 120days or more

c) 182 days or more d) 240 days or more

Ans: (c)

1. An Indian Individual who wants to be resident in India must satisfy at least \_\_\_\_\_\_\_

a) 730days in 10previous years

b) 182 days in the relevant previous year

c) 365 days in the previous year

d) 150 days in the previous year

Ans: (b)

1. Income accrued in India is taxable in the hands\_\_\_\_\_\_\_\_\_\_\_

a) Non-resident only b) Resident and not ordinarily resident

c) All assesses d) Resident and ordinarily resident

Ans: (c)

1. Income accrued and received outside India is taxable in the hands of \_\_\_\_\_\_\_\_\_

a) Non-Resident

b) Resident and ordinarily resident

c) Resident and non ordinarily resident

d) None of the above

Ans: (b)

1. For ascertaining residential status, taxable entities are classified into\_\_\_\_\_\_\_
2. 2 b) 4 c) 5 d) 7

Ans: (c)

1. Past untaxed Income brought to India is taxable in the hands of \_\_\_\_\_\_\_\_\_

a) Resident and not ordinarily resident

b) Resident and ordinarily resident

c) Non-resident

d) None of the above

Ans: (b)

1. Hari got a job in Malaysia and left India on 30. 9. 20.He never left India earlier. His residential status for P.Y.2020 – 21 is\_\_\_\_\_

a) Resident b) Resident & ordinarily resident

c) Non – resident d) None of the above

Ans: (b)

1. Mr. Y. A German, came to India for the first time on 10.1.18 and left to Austria on 15.9.18. He again came to India on 1.5.20 to leave for Singapore on 15.7.20. His residential status for the AY 2021 - 22 is\_\_\_\_\_\_\_\_

a) Resident b) Not ordinarily resident

c) Non - Resident d) None of the above

Ans: (b)

1. During the PY 2020 – 21, the affairs of the HUF are managed partly from Hongkong and partly from Nepal. The residential status of the HUF is \_\_\_\_\_

a) Resident b) Non - Resident

c) Not - Ordinary resident d) None of the above

1. Mr. vikas is of Karta of a HUF whose property is situated at Bangladesh. During the previous year 2020- 21 he came to India with his family for 15 days and went back leaving his family in India. The residential status of HUF is \_\_\_\_\_\_\_\_

a) Resident b) Non - Resident

c) Resident & Ordinary resident d) None of the none of the

1. Reducing tax liability, utilizing the deductions, exemptions or reliefs allowed in the Act and rules in called\_\_\_\_\_\_\_

a) Tax Evation b) Tax Planning

c) Tax Avoidance d) Tax Management

Ans: (b)

1. Concealment of income or false claims to reduce tax liability are cases of \_\_\_\_\_\_\_\_\_\_

a) Tax Evation b) Tax Planning c) Tax Avoidance d) Tax Management

Ans: (a)

1. Tax avoidance is \_\_\_\_\_\_\_\_

a) Illegal b) Immoral c) Lawful d) All of these

Ans: (c)

1. Availing tax holiday by a new industrial undertakings in a backward areas \_\_\_\_\_\_\_\_\_

a) Tax Evation b) Tax Avoidance c) Tax Planning d) None of the above

Ans: (c)

1. An assessee paid insurance premium against risk of damage of destination of stock used for the purpose of his business or profession such expenditure is \_\_\_\_\_\_\_\_\_

a) Revenue b) Capital c) Deferred Revenue d) Illegal

Ans: (a)

1. Salary of member of parliament is taxable under the head\_\_\_\_\_

a) Salary b) Income from other sources c) Income from business d) All of the above

Ans: (b)

1. Income tax rates are fixed in \_\_\_\_\_\_\_\_

a) ITACH b) Finance c) Income Tax Rules d) Finance rules

Ans: (d)

1. CBDT stands for \_\_\_\_\_\_\_\_\_\_

a) Central Bureau of Direct Taxes b) Central Board of Direct Taxes

c) Citizen’s Board of Direct Taxes d) Citizen’s Bureau of Direct Taxes

Ans: (b)

1. Profits earned from an illegal business are \_\_\_\_\_\_\_\_\_\_\_

a) Taxable b) Tax Free

c) Ignored by Tax Authorities d) Treated as other income

Ans: (a)

1. As per section 2 (31), the following is not included in the definition of ‘person’\_\_\_\_\_\_\_\_

a) An Individual b) HUF c) A Company d) A Minor

Ans: (d)

1. \_\_\_\_\_\_\_ is the charging section of income under the head profits gains of business or profession
2. Sec.15 b) Sec.24 c) Sec28 d) Sec.17

Ans: (c)

1. Tax deduction available to certain industries for the initial few years is called\_\_\_\_\_\_\_\_\_\_

a) Tax Holiday b) Tax c) TDS d) Advance

Ans: (a)

1. Incomes on which Income tax is not charged are called \_\_\_\_\_\_\_\_\_\_\_\_\_

a) Exceptional Income b) Omitted Income

c) Privileged Incomes d) Excepted Income

Ans: (d)

1. Exempted incomes are defined under section \_\_\_\_\_\_\_\_
2. Sec. 15 b) Sec.18 c) Sec.10 d) Sec.20

Ans: (c)

1. Exempted incomes do not form part of total income of \_\_\_\_\_\_\_\_\_\_\_\_

a) Individuals only b) HUF only c) Firm & Co d) All Assessees

Ans: (d)

1. Incomes absolutely exempt from tax are listed under\_\_\_\_\_\_\_\_\_\_\_\_

a) Sec.2 b) Sec.10 c) Sec.38 d) Sec.80

Ans: (b)

1. Scholarship granted is\_\_\_\_\_\_\_\_\_

a) Fully Exempted b) Fully Taxable c) Partly Exempted d) None of the above

Ans: (a)

1. Allowances of MP/MLA/ or MLC are\_\_\_\_\_\_\_\_\_

a) Fully Exempted b) Fully Taxable c) Partly Exempted d) None of the above

Ans: (a)

1. Tax holiday is \_\_\_\_\_

a) Income tax on holiday income b) Cancellation of tax for the tax entire country

c) Tax exemption for a specified period d) None of the above

Ans: (c)

1. Any payments made under and awards instituted by central or state government are\_\_\_\_\_\_\_\_\_\_

a) Fully Exempted b) Fully Taxable c) Partly Exempted d) None of the above

Ans: (a)

1. Share of income from firm is \_\_\_\_\_\_

a) Taxable in the hands of a partner b) Exempted in the hands of partner

c) Exempted in the hands of firm d) None of the above

Ans: (b)

1. Casual income is \_\_\_\_

a) Fully Taxable b) Partly Taxable c) Fully Exempted d) None of the above

Ans: (a)

1. Under \_\_\_\_\_\_\_\_section of IT Act , exemption on HRA can be claimed

a) Sec.10 (11) b) Sec.10 (12) c) Sec.10 (13) d) Sec.10 (13A)

Ans: (d)

1. Every year the residential status of an assessee \_\_\_\_\_\_\_\_

a) May change b) Will definitely change c) Will not change d) None of the above

Ans: (a)

1. Under the Income tax Act, the incidence of taxation depends on\_\_\_\_\_\_\_\_

a) Age of the tax payee b) The citizenship of the tax payer

c) The religion o the tax payee d) The Residential status of the tax payee

Ans: (d)

1. The Present Income Tax Act is known as\_\_\_\_\_\_

a) ITACT1860 b) ITACT1917 c) None of the above d) ITACT1961

Ans: (d)

1. Income tax is calculated on \_\_\_\_\_\_\_\_\_

a) Sales b) Income c) Value of fixed assets d) Value of current assets

Ans: (b)

1. The incidence of tax on a tax payee depends on his \_\_\_\_\_\_\_\_\_\_

a) Residential Status b) Income c) Both of a&b d) None of the above

Ans: (a)

1. Interest on savings Bank Deposit in SBI is taxable on\_\_\_\_\_

a) Resident b) Non - Resident c) Not ordinarily resident d) All Assessees

Ans: (d)

1. Pension for services rendered in India but received in Burma is taxable in the hands of \_\_\_\_\_\_\_\_

a) Resident b) Not Ordinarily Resident c) Non - Resident d) All Assessees

Ans: (d)

**Unit - II**

1. Clubbing of income is a method to discourage\_\_\_\_\_\_\_\_\_\_\_\_

a) Tax evasion b) Tax avoidance c) Excessive exemption d) Excessive tax payment

**Ans :- b) Tax avoidance**

1. Exemption for inclusion of Minor's income is

a) Rs. 2,000 b) Rs. 2,500 c) Rs. 3,000 d) Rs. 1,500

**Ans :-**  **d) Rs. 1,500**

1. Income from irrevocable transfer of Assets deals with under

a) sec. 50 b) sec.58 c) sec. 62 d) sec. 81

**Ans: - c) Sec. 62**

1. Income from irrevocably transferred asset is

a) Included in transferors income b) Included in transferees income

c) Exempted from loss d) None of these

**Ans:-**

1. Income of an individual is clubbed with income of spouse or minor children or other family members under the provisions of

a) sec. 55 b) sec. 64 c) sec. 82 d) sec. 91

**Ans: -**

1. Income from asset transferred to son's wife without consideration is included in

a) Sons income b) sons wife’s income c) Transferors ncome d) None of these

**Ans:** - **d)** **None of these**

1. Income of minor child is clubbed in the hands mother or father whose income is

a) Higher b) Lower c) Taxable d) Exempted

**Ans: -** a) **Higher**

1. Clubbing of income or Aqqregation of income means adding to an assessee’s income ,income belonging to

a) Another person b) All of the family members

c) All of the relatives d) None of these

**Ans: -**

1. Deemed incomes of assessees in the form of undisclosed investments, cash, bullion, jewellery etc are death in the II Act 1961 under

a) sec. 68x69 b) sec. 75x76 c) sec. 83x84 d) sec. 97x98

**Ans: - a) sec. 68x69**

1. In order to curb tax avoidance practices, some necessary clubbing provision have been incorporated u/s

a) 60 to 64 b) 50 to 54 c) 70 to 74 d) None of these

**Ans: -** a) **60 to 64**

1. Clubbing of income of minor child has been defined u/s

a) sec. 64(IA) b) sec. 74 (IA) c) sec. 64(IB) d) None of these

**Ans: -a) sec. 64 (1A)**

1. The person on whose name the property has been purchased is known as\_\_\_\_\_\_\_\_\_\_

a) Benamidou b) Ostensible owner c) Benamic d) None of these

**Ans: - a) Benamidou**

1. Clubbing provision is applicable for\_\_\_\_\_\_\_\_\_

a) HUF b) Individual c) Firms d) all of the above

**Ans: -Individual**

1. Income parents are separated then the income of minor will be included in the income is\_\_\_\_\_

a) Mother b) Father c) Parent who maintain the minor d) None of the above

**Ans: - c) Parent who maintain the minor**

1. Intra-bead or Inter – source set -off of a loss against income from any source under the head can be done under ITACT 1961\_\_\_\_\_

a) sec. 50 b) sec. 60 c) sec. 70 d) sec. 80

**Ans: - c) sec. 70**

1. Setting off long term capital loss against long term capital is called\_\_\_\_\_\_\_

a) Intra – head set – off b) Inter – head – off c) One all set off d) None of these

**Ans: - a) Intra – head set – off**

1. Loss under the head house property cannot be set off against\_\_\_\_\_\_\_\_\_

a) Salary Income b) Business Income c) Capital gain d) Casual Income

**Ans: -** **d) Casual Income**

1. Business loss cannot be set-off against\_\_\_\_\_\_\_

a) House property income b) Business income c) Capital gain d) Salary Income

**Ans: - d) Salary Income**

1. Speculation loss can be set – off against\_\_\_\_\_\_\_\_\_

a) Salary income b) House Property Income c) Speculation income d) Another business income

**Ans: -** **c) Speculation income**

1. Winnings from lotteries, card games etc can be used to set – off losses from\_\_\_\_\_\_\_\_\_

a) Business or Profession b) Capital losses c) Other sources d) None of these

**Ans: -** **d) None of these**

1. Inter head set – off or set – off against income under other heads can be done under IT Act – 1961\_\_\_\_\_\_\_\_\_\_

a) sec. 51 b) sec. 71 c) sec. 91 c) sec. 99

**Ans: -** **b) sec. 71**

1. Loss from long term capital asset can be set – off against \_\_\_\_\_\_\_\_\_

a) STCu b) Business Income c) LTCa d) Salary Income

**Ans: - c) LTCa**

1. How many exceptions are there to the provisions as regards Inter head set off\_\_\_\_\_\_

a) 2 b) 4 c) 6 d) 8

**Ans: -** **c) 6**

1. Casual loss can be set - off against\_\_\_\_\_\_\_

a) Casual Income b) LTCu c) Income from other sources d) None of these

**Ans: -** **d) None of these**

1. The only loss allowed to be carried forward among incomes from other sources is\_\_\_\_\_\_

a) Loss from card games b) Loss due to lotteries

c) Loss from crossword puzzles

d) Loss on account owning maintaining race horses

**Ans: -**

1. Brought forward house property loss can be set – off against\_\_\_\_

a) Salary Income b) Business Income

c) House property d) Income from other sources

**Ans: -** **c) House property**

1. Brought forward business loss can be set – off against\_\_\_\_

a) Salary Income b) other sources income

c) Casual Income d) Business income

**Ans: -** **d) Business income**

1. Carry forward and set – off of losses\_\_\_\_\_

a) Can be done in a given order set off b) Can be done in any order

c) Cannot be done at all

d) Can be done with specific permission from govt

**Ans: -**

1. Brought forward depreciation cannot be set – off against\_\_\_\_\_\_\_\_

a) Business Income b) House Property c) Salary Income d) Capital gains

**Ans: -** **c) Salary Income**

1. Speculation loss can carried forward for\_\_\_\_\_\_\_\_\_\_

a) 8yrs b) 10 yrs c) 5 yrs d) 4 yrs

**Ans: -** **d) 4 yrs**

1. Loss on accounting of maintenance of racehorses can be carried forward for\_\_\_\_\_\_

a) 8 yrs b) 9 yrs c) 10 yrs d) 4 yrs

**Ans: -** **d) 4 yrs**

1. Loss under the head house property can be carried forward for\_\_\_\_\_\_\_\_\_

a) 4 yrs b) 8 yrs c) 9 yrs d) 10 yrs

**Ans: -** **b) 8 yrs**

1. Business loss can be carried forward for\_\_\_\_\_\_

a) 10 yrs b) 9 yrs c) 4 yrs d) 8 yrs

**Ans: -**

1. Unabsorbed depreciation can be carried forward for\_\_\_\_\_\_\_\_

a) 8yrs b) 4 yrs c) 10 yrs d) Unlimited Period

**Ans: - d) Unlimited Period**

1. Loss under the head capital gain can be carried forward for\_\_\_\_\_\_

a) 10 yrs b) 8 yrs c) 4 yrs d) Unlimited Period

**Ans: - b) 8 yrs**

1. Which of the following losses available after Inter source set – off, cannot be

Set - off from incomes in other heads in the same assessment year\_\_\_\_\_\_\_\_\_

a) Speculation losses b) Loss from specified business

c) Loss under the head ‘capital gains’ d) All of the above

**Ans: -** **d) All of the above**

1. Mr. X. has loss from House property of Rs. 1, 10, 000 (computed) for the AY 2021 – 22. He can carry forward such loss for subsequent \_\_\_\_\_\_\_\_\_\_\_assessment years

a) 4 b) Nil c) 8 d) Indefinite period

**Ans: - c) 8**

1. Short term capital loss can be set – off as per provisions of sec.72 of the IT Act 1961 from \_\_\_\_\_

a) Short term capital gain b) Short term capital gain and long term capital gain

c) Long term capital gain d) Profits gains of business & profession

**Ans: - b) Short term capital gain and long term capital gain**

1. Deductions from G. I. T are available when \_\_\_\_\_

a) GTI is a positive figure only b) Even when GTI is negative

c) When GTI is ‘NIL’ d) All the above

**Ans: -** **a)** **GTI is a positive figure only**

1. Deduction from G. T. I in respect of certain payments is available under \_\_\_\_\_\_\_\_\_\_

a) sec. 60 to 65 b) sec. 80 to 80ccc c) sec. 90B to 90U d) sec. 98A to 98H

**Ans: -** **b) sec. 80 to 80ccc**

1. Maximum amount deductible under sec. 80c, 80ccc and 80ccb cannot exceed \_\_\_\_\_\_\_\_\_

a) Rs.1, 00, 000 b) Rs. 50, 00 c) Rs. 80, 000 d) Rs. 1, 50, 000

**Ans: -** **d) Rs. 1, 50, 000**

1. Which of the following is not to be included compute gross qualifying amount for sec. 80c?

a) Contribution to PPF b) Subscription to NSS

c) Payment of Life Insurance Premium

d) Payment of school fees of a poor neighbours children

**Ans: -** **d) Payment of school fees of a poor neighbours children**

1. Deduction u/s 80ccc is in respect of \_\_\_\_\_\_

a) Mediclaim Insurance b) Pension Fund Premium

c) LIC Premium d) NSS

**Ans: -** **b) Pension Fund Premium**

1. Deduction u/s 80ccb is in respect of \_\_\_\_\_

a) Contribution to provided fund b) Medical Insurance c) Pension Fund d) NSS

**Ans: -** **c) Pension Fund**

1. If assesses is a senior citizen, maximum permissible deduction for premium paid for medical insurance u/s 80 N is\_\_\_\_\_\_\_

a) Rs. 5, 000 b) Rs. 10, 000 c) Rs. 25, 000 d) Rs. 50, 000

**Ans: - c) Rs. 25, 000**

1. Deduction u/s 80 DD is in respect of \_\_\_\_

a) Medically handicapped dependent b) Treatment of a specified disease

c) Contribution to PPF d) LIC Premium Paid

**Ans: -** **a)** **Medically handicapped dependent**

1. Maximum deduction in respect of Medical treatment of Handicapped dependent u/s 80DP, is Rs, 75, 000 for disability and in case of severe disability\_\_\_\_\_\_\_\_\_\_\_

a) Rs. 60, 000 b) Rs. 1, 25, 000 c) Rs. 90, 000 d) Rs. 1, 20, 000

**Ans: -** **b) Rs. 1, 25, 000**

1. Deduction u/s 80DDP is in respect of \_\_\_\_\_\_\_\_\_\_
2. Maintenance of handicapped dependent
3. Treatment of specified diseases
4. Treatment of Pension Fund
5. Contribution to PPF

**Ans: -** **a) Deduction Treatment of specified diseases**

1. u/s 80E is in respect of \_\_\_\_\_\_\_
2. Repayment of Loan taken for higher education
3. Interest on Loan taken for higher education
4. Investment in NSS d) Premium Paid to LIC

**Ans: - a) Interest on Loan taken for higher education**

1. Donation to NDF is allowed to deduction at the rate of \_\_\_\_

a) 100% b) 50% c) 10% d) NIL

**Ans: -** **a) 100%**

1. Donation to Rajiv Gandhi Memorial Fund is allowed as deduction at the rate of \_\_\_\_\_\_\_

a) 10% b) 50% c) 100% d) 25%

**Ans: -** **b) 50%**

1. Deduction U/S 80U is allowed to \_\_\_\_\_\_

a) All assesses b) Handicapped assesses c) Member of H.U.F d) None of the above

**Ans: - b) Handicapped assesses**

1. Cross total income has been defined U/S\_\_\_\_\_\_\_\_\_\_

a) Sec.80 A (1) b) Sec 80(1) c) Sec 80 U d) None of the above

**Ans: -** **a) Sec.80 A (1)**

1. Full form of NSC in deduction from cross total income is \_\_\_\_\_

a) National saving certificate b) National saving

c) National service commission d) None of the above

**Ans: -** **a) National saving certificate**

1. Deduction in respect to donation to charitable institution come U/S\_\_\_\_\_\_\_\_\_\_\_

a) 80 E b) 80 a c) 80 aa d) None of the above

**Ans: - b) 80 a**

1. Deduction in respect of royalty of author\_\_\_\_\_\_\_\_

a) Sec 80 QQB b) Sec 80 RA

c) Sec 80 RDA d) All of the above

**Ans: - sec. 80 QQB**

**UNIT - III**

1. For the AY\_2021-22, the income tax exemption limit for an individual is\_\_\_\_\_\_\_\_\_

a) Rs.1, 80, 000 b) Rs. 2, 00, 000 c) Rs.2, 50, 000 d) Rs. 5, 00, 000

Ans: c) Rs.2, 50, 000

1. An individual resident in India aged 80 years or more is exempted to pay income tax on his total income upto \_\_\_\_\_\_\_\_\_\_\_

a) Rs.1,80,000 b) Rs.2,00,00 c) Rs.2,50,000 d) Rs.5,00,000

Ans: d) Rs.5,00,000

1. An individual resident in India aged 60 years or more is exempted to pay income tax on his total income upto \_\_\_\_\_\_\_\_\_\_\_

a) Rs. 3,00,000 b) Rs. 1,80,000 c) Rs. 2,00,000 d) Rs. 5,00,000

Ans: a) Rs. 3,00,000

1. Rate of income tax on LTC a is\_\_\_\_\_\_\_\_\_\_\_\_\_

a) 10% b) 15% c) 20% d) 30%

Ans: c) 20%

1. Rate of income tax on winning from lottery horse races is \_\_\_\_\_\_\_\_\_\_\_

a) 10% b) 15% c) 20% d) 30%

Ans: d) 30%

1. Rate of income tax on STCG on equity shares in a company is \_\_\_\_\_\_\_\_\_\_\_\_\_\_

a) 10% b) 15% c) 20% d) 30%

Ans: (b)

1. Rate of education cess to be leved on income tax on every individual is \_\_\_\_\_\_\_\_\_\_

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

Ans: (c)

1. Rate SHEC to be levid on income tax on every individual is \_\_\_\_\_\_\_\_\_\_\_\_

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

Ans: (a)

1. An individual is to pay income tax if his taxable income exceeds \_\_\_\_\_\_\_\_\_\_

a) Rs.1,50,000 b) Rs.2,50,000 c) Rs. 3,50,000 d) Rs.5,00,000

Ans: (b)

1. Any income from an impartible estate of HUF is taxable in the hands \_\_\_\_\_\_\_\_\_\_

a) karta b) HUF c) A firm d) None of the above

Ans: (a)

1. Income tax payable by an individual is Rs.7442.50. The rounded off tax payable will be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

a) Rs.7442 b) Rs.7443 c) Rs.7440 d) Rs.7445

Ans: (d)

1. The tax liability of an individual is determined with reference to his \_\_\_\_\_\_\_\_\_\_\_

a) Adjusted Gross total income b) Total income c) Salary d) None of the above

Ans: (a)

1. Rebate U/S.87A,is allowed when the income \_\_\_\_\_\_\_\_\_\_\_

a) Exceeds Rs.5,00,000 b) Does not Exceed Rs.2,50,000

c) Does not Exceeds Rs.5,00,000 d) None of the above

Ans: (d)

1. Profit earned during the year by a partnership firm is Rs.1,40,000. The maximum amount of remuneration deductible from profit is \_\_\_\_\_\_\_\_\_\_

a) Rs.1,26,000 b) Rs.1,40,000 c) Rs.1,50,000 d) Rs.50,000

Ans: (c)

1. Under the Income Tax Act 1961, Partnership firm is Chargeable to tax \_\_\_\_\_\_\_\_\_\_
2. 30%+ HEC or AMT@ 18,596+ HEC
3. 30%+ HEC or AMT@ 17.596+ HEC
4. 30%+ HEC or MAT@ 18.596+ HEC
5. 30%+ HEC or MAT@ 17.566+ HEC
6. Under the IT Act 1961, interest on capital received by a partner from a partnership firm is chauqeable under the head \_\_\_\_\_\_\_\_\_\_\_
7. Profits & gains of business or profession
8. Capital gain
9. Income from other sources
10. None of the above

Ans: (d)

\17. When an LLP has a book pft of Rs.6,00,000, the maximum amount allowable towards the salary of working partners would be \_\_\_\_\_\_\_\_\_\_\_\_\_

a) Rs.4,50,000 b) Rs.6,00,000 c) Rs.3,00,000 d) Nil

Ans: (d)

1. From a tax point of view, a limited liability partnership (LLP) is treated as \_\_\_\_\_\_\_\_

a) Sole trading concern b) Partnership firm

c) Private Limited.co d) Public limited.co

Ans: (d)

1. The book profit of a partnership firm is Rs.1,20,000. The actual remuneration paid to working partners is Rs.3,54,000. The allowable deduction U/S.40(b) towards remuneration to partners is \_\_\_\_\_\_\_\_\_\_

a) Rs.1,50,000 b) Rs.3,54,000

c) Rs.1,08,000 d) Rs.1,20,000

Ans: (a)

1. The provisions of Alternate Minimum Tax (AMT) will apply only when the adjusted total income U/S.115JC exceeds\_\_\_\_\_\_\_\_

a) Rs.1,50,000 b) Rs.3,54,000 c) Rs.1,08,000 d) Rs.1,20,000

1. Remuneration Payable to partner U/S.40(b) is based on \_\_\_\_\_\_\_\_\_\_\_\_

a) Gross Profit b) Net Profit c) Combined Profit d) Book Profit

Ans: (d)

1. Rent paid to a partner by firm is \_\_\_\_\_\_\_\_\_\_\_\_

a) Non-business expense b) An allowable expence

c) A disallowed expense d) None of the above

Ans: (a)

1. Salary received by a partner from firm is \_\_\_\_\_\_\_\_\_\_

a) Taxable income from business b) An exempted income

c) Income from other sources d) None of the above

Ans: (a)

1. The firm is assessed as a firm provided conditions mentioned U/S \_\_\_\_\_\_\_\_\_\_ are satisfied.

a) Sec.180 b) Sec. 143 c) Sec.184 d) None of the above

Ans: (c)

1. During the year 2020-21, Basu won Rs.4,00,000 from a motor car rally out of which he deposited Rs.1,50,000 as PPF, He does not have any other income. Net tax payable by Basu for AY 2021-2022 will be \_\_\_\_\_\_\_\_\_\_\_\_

a) Rs. 1,50,000 b) Rs.15,450 c) Rs.1,23,600 d) None of the above

Ans: (d)

1. A registered trade union earned Rs.1,00,000 by way of interest on bank deposit and Rs.1,00,000 by way of interest on bank deposit and Rs.1,50,000 by way of rent from letting out premises. Total income of the Trade Union Chaqeable to tax would be\_\_\_\_\_\_\_\_\_\_\_

a) Rs.224000 b) Rs.280000 c) Rs.250000 d) Nil

1. Total income tax including education cess payable in case of a resident individual aged 58 years, whose computed total income is Rs.3,40,000 for AY2021-2022 would be \_\_\_\_\_\_\_\_\_\_\_\_\_

a)Rs.9270 b) Rs.2080 c) Nil d) Rs.4635

Ans: (c)

1. When a partnership firm bas total sales of Rs.90,00,000 the maximum amount deductible as salary of working partners on the basis of presumptine income determined U/S44 AD is\_\_\_\_\_\_\_\_\_\_\_

a) Rs.5,22,000 b) 3,60,000 c) Rs.3,30,000 d) Nil

Ans: (d)

1. If an LLP claims deduction U/S35AD, the provisions of AMT U/S 115 JC will apply when the adjusted total income exceeds \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

a) No limit b) Rs.50,00,000 c) Rs.20,00,000 d) Rs.3 Crore

Ans: (b)

1. Surcharge on AMT for AY 2021-22 when adjusted total income exceeds Rs.1 crore is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

a) 14% of tax b) Nil c) 12% of tax d) 11% of tax

Ans: (c)

1. Rebate U/S 87A is allowed to an individual if his income does not exceed \_\_\_\_\_\_\_\_\_\_

a) Rs.250000 b) Rs.500000 c) Rs.100000 d) Rs.50,00,000

Ans: (a)

1. Amount of rebate U/S87A is \_\_\_\_\_\_\_\_\_\_
2. Rs. 12500 or tax calculated whichever is less
3. Rs. 5,000 or tax calculated whichever is less
4. Rs.10,000 or tax calculated whichever is less
5. None of the above

Ans: (a)

1. Rebate U/S.86 is allowed only if \_\_\_\_\_\_\_\_\_\_
2. Share of from AOP is included in the total income of an individual
3. Share from AOP is excluded in total income
4. None of the above
5. Both a and b

Ans: (d)

1. Mr. A has business profit of Rs.4,95,000 and received Rs.80,000 as 1/8 th share of profit of an AOP during the PY 20-21. His tax liability is \_\_\_\_\_\_\_\_\_

a) Rs. 3200 b) Rs.2316

c) Rs/ 2500 d) Nil

1. The total income of Mr. A for the PY 2020-21 is Rs.231670. His tax liability is \_\_\_\_\_\_\_\_

a) Nil b) Rs.12500

c) Rs.8000 d) Rs.350

Ans: (a)

1. Mrs. Kamala has attained the age of 65 years on 3.10/2020. She had short term capital gain on sale of plot Rs.156000 and deposited Rs.35000 in PPF. Her tax liability is \_\_\_\_\_\_\_\_\_\_

a) Nil b) Rs.1506

c) Rs. 2808 d) Rs. 1765

Ans: (a)

1. Profit earned during the year by a partnership firm is Rs. 1,40,000. The maximum amount of remuneration deductible from profit is \_\_\_\_\_\_\_\_\_\_\_\_

a)Rs.150000 b) Rs.1400000

c) Rs. 126000 d) Rs. 50,000

Ans: (a)

1. A non-professional firm M/S. Bright has book profit of Rs.9,36,000. The admissible numeration to working partners for income tax purpose shall be \_\_\_\_\_\_\_\_

a) Rs.6,57,600 b) Rs.6,81,600

c) Rs.2,70,000 d) Nil

1. If the individual does not claim deduction U/S AMT is not applicable

a) 80 H to 80 RRB b) 35 AN c) 10 AA d) All of the

Ans: (d)

1. Mr.C.Cage 70 received Rs. 30,000 every month during the PY 2020-21 on revserse mortage of his property with SBI. The amount of receipt liable to tax in the hands of Mr. C is \_\_\_\_\_\_\_\_\_\_

a) Rs. 3,60,000 b) Rs. 2,52,000 c) Rs.40,000 d) Nil

Ans: (d)

1. The deductions are available from the following incomes except \_\_\_\_
2. Mr.ANI’s total income computed under IT 1961 is Rs.3,60,000. His tax liability for AY 2021-22 is \_\_\_\_\_\_\_\_

a) Nil b) Rs.5500 c) Rs.6000 d) Rs.7005

Ans: (a)

1. Mr. Ranjith’s tax liability for the AY 2021-22 is \_\_\_\_\_if his total income is Rs.26,00,000

a) Rs.6,16,200 b) Rs.6,00,000

c) Rs.5,00,000 d) Nil

1. Total income of Mrs. C IS Rs. 3,62,500. Amount of tax payable for the AY 2021-22 is \_\_\_\_\_\_\_\_\_

a) Nil b) Rs. 5625 c) Rs.5500 d) Rs. 5205

Ans: (b)

1. A Firm tax is payable by the \_\_\_\_\_\_\_

a) Firm b) All partners c) Working partners d) Sleeping partners

Ans: (a)

1. A firm has income under all the heads except \_\_\_\_\_\_

a) Salary b) House property c) Capital gains d) Other sources

Ans: (a)

1. Firms are basically classified as \_\_\_\_\_\_

a) Commercial Firms b) Trading Firms

c) Non-Commercial d) Professional and Other Firms

Ans: (d)

1. On total income of the firm the tax rate is \_\_\_\_\_\_\_\_\_

a) 40% b) 30% c) 5% d) 15%

Ans: (b)

1. Profit earned during the year by a partnership firm is Rs. 1,40,000. The maximum amount of remuneration deductible from profit is \_\_\_\_\_\_\_

a) Rs.1,50,000 b) Rs.1,40,000 c) Rs. 1,26,000 d) Rs.50,000

Ans: (a)

1. Rent paid to a partner by firm is \_\_\_\_\_\_\_
2. A non – business expense
3. An allowable expense
4. A disallowed expense
5. None of the above

Ans: (b)

1. The payment is authorized by and is in accordance with the term of partnership deed according to \_\_\_\_\_\_\_\_

a) Sec. 40(b) (ii) b) Sec. 40(b) (iii)

c) Sec. 50(b) (ii) d) None of the above

Ans: (a)

1. Collective group of persons is known as \_\_\_\_\_\_\_\_

a) Firm b) Society c) Person d) None of the above

Ans: (a)

1. When a partnership firm has total sales of Rs. 90 lacks, the maximum amount deductible as the salary of working partners on the basis of presumptive income determined U/S 44 AN is \_\_\_\_\_\_\_\_\_\_

a) Rs. 5,22,000 b) Rs. 3,60,000 c) Rs. 3,30,000 d) None of the above

1. Total income of Mr. Madan is Rs. 5,16,000. He is asenior citizen. His tax liability is \_\_\_\_\_\_\_\_\_\_

a) Rs.13,728 b) Rs.13,000 c) Nil d) Rs.15,000

Ans: (a)

1. The exception slab for super senior citizen under Alternative tax regime is \_\_\_\_

a) Rs.2,50,000 b) Rs.500000 c) Rs.3,00,000 d) None of the above

Ans: a) Rs.2,50,000

1. The at the rate of 12% is charged if tax total income of an individual exceeds\_\_\_\_

a) Rs. 10 lacks b) Rs. 15 lacks c) Rs. 5 lacks d) Rs. 25 lacks

Ans: a) Rs. 10 lacks

1. Long term capital gain is taxable at a flat rate of \_\_\_\_\_\_\_\_

a) 10% b) 20% c) 30 % d) 5%

Ans: b) 20%

1. The slab rate for senior citizen under old regime is \_\_\_\_\_\_\_\_\_
2. Upto Rs. 2,50,000-Nil, 2,50,000-5,00,000-5%, 5,00,000-10,00,000-20%, Above Rs.10,00,000
3. Upto Rs. 3,00,000 - Nil, 3,00,000 - 5,00,000 - 5%, 5,00,000 - 10,00,000 - 20%, Above Rs.10,00,000 - 30%
4. Either (a) or (b) d) None of the above

Ans: (b)

1. The casual income is taxable at a flat \_\_\_\_\_\_\_

a) 15% b) 20%

c) 30% d) None of the above

Ans: c) 30%

13. PAN card application form for a company can be sighned by ----

(a)Trustee (b)Karta (c)Director (d)Partner

Ans: ©.

14.PAN is a --- digit unique alphanumeric number issued by the IT department.

(a)20 (b)15 (c) 5 (d) 10.

Ans: (d).

15.Online applications can be done on website of ----

(a)NSDL (B)UTI (c) Both (A) & (B) (d) State Government

Ans: (a).

16.Full form of ITR is ----

(a)Income Tax Refund (b) Income Tax Return (c) Income Tax Remuneration (d) Indian Tax Return.

Ans: (b).

17.Income tax return can be filied through -----

(a) [www.gst.gov.in](http://www.gst.gov.in) (b)[www.mca.gov.in](http://www.mca.gov.in) (c)[www.incometaxindiafiling.gov.in](http://www.incometaxindiafiling.gov.in) (d)None of the above.

Ans: (c).

18.------ are the details required for filing of Income tax returns.

(a)PAN, Aadhar Card, Current address and Bank details. (b)Income proofs and information about all the deduction u/s80 (c)TDS and Advance tax payments, (d)All of the above

Ans: (d).

19. The return of income is to be furnished in ----

(a)ITNS281 (b)Form 26AS (c) Form 26Q (d) ITR1 to 7(as the case may be).

Ans: (d).

20. Self assessment is required when an assesse submits his return of income under section---

(a)139 (b)142 (c)148 (d)All of these.

Ans: (d).

21.Where the amount paid by the assesse falls short of the aggregate of tax , interest and fee, the amount shall be adjusted first towards ----.

(a) Interest &fee tax (b)Interest,tax (c)Fee,tax (d)interest,fees.

Ans: (a).

22.Scrutiny assessment is made when the return of income has been filed and assessing Officer considers it necessary to ensure that the assesse has not ----

(a)understated the income (b)computed excessive tax (c)underpaid the tax (d)all of the above.

Ans: (d).

23.The notice u/s 143(2) of scrutiny assessment shall be served on the assesse ---

(a)within a period of 6 months from the end of the financial year in which return is furnished

(b)within a period of 6 months from the end of the due date of furnishing of return.

(c) within a period of 6 months from the end of the date furnishing of return.

(d) None of the above .

Ans: (a).

24. Best Judgement assessment is done---

(a) u/s 143(2) (b)143(A) (C)144 (D)448.

Ans: (c).

25. Best Judgement assessment is done if—

(a) the peron fails to file return (b) files to comply with all the terms of noticeu/s 142(1)or direction u/s 142(2A) or u/s 143(2) (c) both (a) &(b) (d) None of the above.

Ans: (c).

26.Under the Bset Judgement Assesmment –

(a) Assessing officer cannot assess , the income below return (b) A.O cannot grant refund (c) A.O caanot assess losses (d) All of the above

Ans: (d)

27.The time limit for serving notice u/s 148, where no assessment order has been possible is—years from the end of the relevant assessment year,

(a)2 (b)4 (c)beyond 4 years but upto 6 years if income escaped exceeds Rs.100,000 (d) both (b) & (c).

Ans(d).

28. Notice for assessment or reassessment of the escaped income of non-resident cannot be issued to statutory agent of the non-resident after expiry ---years from the end of the relevant assessment year,

(4) (b)6 (c)2 (d)16

Ans: (b).

29.First appeal can be filed by ---

(a) Department only (b)Assessing only (c) a or b (d) None of the above.

Ans:(b).

30. The time limit for completion of Assessment/reassessment under sections 143 and 144 of Income Tax Act, 1961 is ----

(a) 24 months from the end of the relevant assessment year .

(b)18 months from the end of the relevant assessment year .

(c)12 months from the end of the relevant assessment year .

(d) 9 months from the end of the relevant assessment year .

Ans: (b).

31.The assesse can file an application for rectification of mistake as per Section 154 OF THE Act when it is ----

(a) a mistake of fact (b) a mistake of law (c) both of the above (d) None of the above.

Ans: (c).

32. X filed his return of income for the A.Y 2021-22 on 31st July 2021. The return so filed was selected for scrutiny assessment. The notice u/s 143(2) for making scrutiny assessment can be served by -----

(a) 30th September 2022 (b) 31st December2022 (c) 31st March 2022 (d)31st December 2020.

Ans: (a).

33. The time limit for issue of notice u/s148, when income in relation to any asset located outside India, chargeable to tax has escaped assessment is from the end of the relevant assessment year is----

(a)upto 4 years (b) upto 6 years (c) Beyond 4 years but upto 8 years (d) beyond 4 years but upto 16 years.

Ans: (d).

34.Where it is not clear as to who amongst the two persons has received the income, the AO can commence procedings against both the assesses to determine the question as to who is responsible for paying tax. The assessment is called as -----

(a) Summary assessment (b) Scrutiny assessment (c)Precautionary assessment (d)Re-assessment

Ans: (c)

35.First appeal can be filed by ----

(a) Department only (b) Assessee only (c)both of these (d)None of these.

Ans: (b).

36.The requirement of granting the assesse a reasonable opportunity of being heared u/s 127(1) is in nature ----

(a) Recommendatory (b)Mandatory (c)Discretionary (d)Optional

Ans: (b).

37. Choose correct category of assesses with PAN AFZFK7109K is----

(a) Proprietorship (b)Company (c)Individual (d)Partnership.

Ans: (d).

38. Choose the form to be filled in for allotment of PAN card by Mr.X who is a resident Indian citizen of 65 years.

(a)Form49A (b)Form49AA (c)Form15G (d) Form15H

Ans: (a).

39.Same PAN cannot be allotted to more than ----

(a)1 person (b)3persons (c)5persons (d)2persons.

Ans:(a).

40.Which of the following is not a proof of address?

(a)Passport (b)Electricity bill (c)Telephone bill (d)School leaving Certificate.

Ans:(d).

41.For filing online return person required to upload XML file, which the person can generate by using which of the utility provided by income tax department?

(a)Word utility (b)PPT utility (c)Excel utility (d)Access utility.

Ans:(c).

42.PAN is required to be quoted in the documents pertaining to deposit of cash with bank, if the aggregate amount of cash to be deposited in bank is Rs.------ or more.

(a)Rs.10,000 (b)Rs.15,000 (c)Rs.50,000 (d)Rs.60,000

Ans: (c)

43.A person who has not been allotted PAN, shall make declaration in Foem No----while opening a bank account

(a)Form No 61 (b)Form No15H (c) Form No15G (d) Form No.60

Ans: (d).

44. The last character of PAN indicates-----

(a)Surname (b)First name (c)Middle name (d)Alphabetic Check Digit.

Ans: (d).

45.If the recipient does not furnish his PAN to the deductor tax will be deducted at the normal rate or at the rate of ---------- whichever is higher.

(a)10% (b)15% (c)20% (d)2%

Ans: (a).

46.Which of the following is pre-requisite of e-payment?

(a)Internet banking account (b)Good internet connection (c)Valid TAN or PAN (d)All of the above.

Ans: (d).

47.The full form of CPC IS ------

(a)Centralised pre-processed centre (b)Control procedure centre (c)Centralised processing centre (d)Central processing control.

Ans: (c).

48.The provisions for allotment of PAN are laid down u/s----

(a)Section 139A (b)Section 144 (c)Section114B (d) Section 49A

Ans: (d).

49.In formation of PAN the fourth alphabet ‘J’ stands for-----

(a)Body of individuals (b)Trust (c)Association of persons (d) Artificial Juridicial person

Ans: (d).

50.PAN card application form for a PAN of a company can be signed by -----

(a)Trustee (b)Karta (c)Director (d) Partner

Ans: (c)

51.If a person failed to comply with the provisions relating to PAN then penalty can be levied u/s -----

(a)272 (b)272A (c) 272B (d)271

Ans: (c)

52. Application for obtaining PAN is to be in Form ------

(a)48 (b)49A (C)49B (d)ITR-1

Ans: (b).

53.A return of income when notified defective, has to be rectified within ----

(a)30 days (b)The financial year (c)15 days (d)60 days

Ans: (d).

54.Mandatory e-filing of returns is required in the following cases ----.

(a)Income exceeding Rs.5,00,000 (b)Assessee claiming relief u/s 90,90A, 91 (c)Bptha&b (d)Either a or b

Ans: (d).

55.Which of the following cases requies mandatory e-filing of audit report?

(a)Audit report u/s44AB (b) Audit report u/s92E (c)Audit report u/s115JB (d)All of the above

Ans: (d).

56.Incorrect claim u/s143(1) refers to -----

(a)Inconsistent claim (b) Non-substantiated claim (c)Excessive claim (d)All of the above

Ans: (d).

57.Where doubts relating to the true ownership of the income arises then following assessment shall be made-----

(a)Best Judgement assessment (b) Protective Assessment (c)Assessment u/s145(3) (d)Assessmentu/s143(3)

Ans: (b).

58.Assessment u/s143(3) for A.Y 2021-22 shall be made within a period of --- months from the end of the relevant assessment year.

(a)24 (b) 36 (c)12 (d)18

Ans: (c).

59.Assessment u/s144 for A.Y 2021-22 shall be made within a period of --- months from the end of the relevant assessment year.

(a)24 (b) 36 (c)12 (d)18

Ans: (c).

UNIT-V

1.Deduction of Tax at Source made for incomes which can be calculated in advance is called -----

(a)TDS (b) FAS (c)PAS (d)TCS

Ans: (a).

2. Which form is required to be filed in respect of quarterly TDS return of salary?

(a)Form26Q (b) Form27EQ (c)Form27Q (d)Form24Q

Ans: (d).

3.--------- consists of all the details about the tax collected from source.

(a)Form26Q (b) Form27EQ (c)Form27Q (d)Form24Q

Ans: (a).

4..--------- is the rate of tax deduction at source from Insurance commission in case of a person.

(a)2% (b)10% (c)5% (d)4%

Ans: (c).

5..--------- Form is applicable TDS in respect of salary..

(a)15 (b) 16 (c)17 (d)18

Ans: (b).

6.Tax Deducted at source will be @.--------- in respect of winnings from lotteries.

(a)30% (b) 40% (c)50% (d)60%

Ans: (a).

7..The interest rate charged as penalty for delay in deduction of tax at source is --------- .

(a)1% per month (b)5% per month (c)2% per month (d)1.5% per month

Ans: (a).

8.Tax Deduction entry can be made through ------.

(a)payment voucher (b) Receipt voucher (c)Journal voucher (d)all of the above

Ans: (c).

9.The rate of TDS on interest on dsecurities other than government securities is ----

(a)5% (b) 10% (c)20% (d)15%

Ans: (b).

10.Tax at source will be deducted @---- from payments by way of rent for use of plant, machinery or equipment.

(a)2% (b) 7% (c)10% (d)5%

Ans: (a).

11.Tax deducted at source is deemed to be the ---- of the person from whose income the tax has been deducted at source.

(a)Expense (b) Income (c)both (d)None of the above

Ans: (b).

12.Tax at source will be deducted on wonnings from horse races if the amount exceeds -----

(a)Rs.10,000 (b) Rs.5,000 (c)Rs.20, 000 (d)Rs.30,000

Ans: (a).

13.Tax at source will be deducted on payment by way of insurance commission if the amount exceeds------

(a)Rs.15,000 (b) Rs.20,000 (c)Rs.5,000 (d)Rs.30,000

Ans: (a).

14.In respect of transfer of immovable property, which of the following Form.No is used to issue TDS certificate?

(a)Form No.16 (b) Form No.24Q (c)Form No16A (d)Form No16B

Ans: (d).

15.Employee is required to furnish evidence of tax deduction claimed by him in ------ to the employer.

(a)Form 12B (b) Form 12BA (c)Form 10E (d)None of the above

Ans: (a).

16.As per section 192A premature withdrawal from RPF would attract TDS @------

(a)5% (b) 20% (c)10% (d)Nil

Ans: (c).

17. The rateof TDS in case of listed debentures for the financial year 2020-21 is ----

(a)20% (b) 21% (c)10% (d)30%

Ans: (c).

18.----- means any procedings for Assessment under the Act.

(a)Petition (b) Case (c)Evidense (d)Suit

Ans(b).

19.The date of commencement of a proceeding for assessment /reassessment u/s 147 shall be---------

(a)Date if first hearing (b) Date of issuance of notice (c)Date of receipt of notice (d)None of the above

Ans(b).

20.Assessment shall be deemed to be completed on the date of passing of------

(a)Show cause notice (b) Judicial order (c)Assessment order (d)Final order.

Ans(c).

21.In which of the following cases the settlement commission does not have a jurisdiction?

(a)Wrong disclosure of income (b)Incorrect claim of deduction (c)Failure to deduct tax at source (d)All of the above.

Ans:(c)

22.The application form for applying to settlement commission is to be applied in ----

(a)Duplicate (b)Triplicate (c)Quadraplicate (d)either a or c

Ans:(c)

23.The order passed by ------- is final and cannot be opened in any proceedings of IT Act.

(a)ITAT (b)CBDT (c)Settlement commission (d)Supreme court.

Ans:(c)

24.Settlement commission has to issue preliminary notice to the applicant within ----- days from the date of the application.

(a)15 (b)7 (c)30 (d)45.

Ans:(b)

25.Before ---- an Application the applicant shall be given an option to be heared.

(a)Accepting (b)Rejecting (c)Transferring (d)Closing

Ans:(a)

26.If the assesse fails to pay taxes as per the order within the time specified he shall be liable to pay interest @ ------- p.m

(a)1% (b)1.5% (c)1.75% (d)1.25%

Ans:(d).

27.Settlement commission is a -----

(Executive authority (b)Judicial body (c)Legal authority (d)Quasi-judicial body.

Ans:(d).

28.------ is the monetary limit to go for settlement commission.

(a)Rs.5,00,000 (b)Rs.7,50,000 (c)Rs.10,00,000 (d)Rs.15,00,000.

Ans:(c)

29.The time limit for filing an application with settlement commission is ----

(a)2 years (b)3 years (c)10years (d)None of the above.

Ans: (d).

30.The number of times an applicant go for settlement in a particular issue shall be restricted to a maximum of ----

(a)2 times (b)3 times (c)5times (d)1time.

Ans:(d)

31.The time limit for revision by commissioner of income taxu/s 264 is -----

(a)3 months (b)6 months (c)1 year (d)2 years

Ans: (c)

32.The time limit for making revisional order u/s 263(2) and 263(3) is -------

(a) 6 months from the date of assessment

(b)6 months from the date of order

(c)1 year from the end of financial year

(d)None of the above

Ans:(c)

33.Revision of an order which is prejudicial to the revenue is made under section ----

(a)264 (b)260 (c)263 (d)262

Ans:(c)

34.The first appeal can be filed by ----

(a)Department only (b)Assessee only (c)a or b (d)None of the above

Ans: (b)

35.Tax refund has to be claimed within ----

(a)5 years (b)same year (c)1 year (d)Next year

Ans: (c)

36.The rate of TDS in case of fees for technical services u/s 194J is ----

(a)2% (b)5% (c)7.5% (d)10%

Ans: (a).

37.The rate of TDS on E-Commerce transactions u/s 194-O is -----

(a)2% (b)5% (c)1% (d)10%

Ans: (c)

38.The rate of TDS on E-Commerce transactions u/s 194-O is applicable from----

(a)1st day of October,2020 (b)1st day of October 2021 (c)1st day of April 2020 (d)1st day of April 2021

Ans: (a)

39.The person responsible for paying any income by way of winnings from lotteries an amount exceeding Rs.10,000, but not exceeding Rs.50,00,000 shall deduct----

(a)TDS @30.996 (b)No TDS (C)TDS @31.296 (d)TDS@3096

Ans: (d)

40.The electronic payment of taxes is mandatory for ----

(a)All corporate assesses (b)other assesses subject to compulsory audit u/s44AB

(c)botha and b (D)None of the above

Ans: (c)

41.Laxmi&co. paid Rs.6,10,000 as contract payments to MonuLtd.during the financial year 2020-21. It did not deduct tax at source u/s194C. The amount liable for disallowance is -----

(a)Rs.6,10,000 (b)Rs.3,05,000 (c) Rs.12,200 (d)Rs.1,83,000

Ans: (d).

42.Rohan won a state Governemntloteery of Rs.1,00,000 on 11th October 2020. The Government should deduct tax on such winning amount to -----

(a)Rs.30,000 (b)Rs.33,000 (c)Rs.33,990 (d)Rs.30,900

Ans:(a).

43.If a payee eligible for commission exceeding Rs.50,000 does not furnish his PAN to the payer, tax is deductible at source at-----

(a)Nil rate (b)20% (c)10% (d)30%

Ans: (b).

44.The liability to deduct tax at source on insurance commission will arise when the commission paid to an agent for the year exceeds -----

(a)Rs.5,000 (b)Rs.10,000 (c)RS.15,000 (D)Rs.20,000

Ans: (c)

45.No TDS is required u/s 194DA on payment of a sum under the life insurance policy if the sum does not exceed ------

(a)Rs.10,000 (b)Rs.50,000 (c)Rs.1,00,000 (d)Rs.2,00,000

Ans: (c)

46.The quarterly return of TDS relating to payments made to non-resident and the foreign co. being a unit holder of mutual funds is to be filed in return Form No.----

(a)24Q (b) 27Q (c)26Q (d)22Q

Ans: (b).

47.Tax is to be collected at source in the following cases except -----

(a)Tendu leaves (b)Grant of lease licence of parking lot, toll plaza, mining and quarrying

(c)Sale of alcoholic liquor for human consumption (d)All the above

Ans: (d).

48.When a motor vehicle exceeding Rs.-------- is sold the provisions of TCS are attracted.

(a)Rs.5,00,000 (b)Rs.8,00,000 (c)Rs.10,00,000 (d)Rs.12,00,000

Ans: (c)

49.Samar purchased a ‘Honda Accord’ car for Rs.28,00,000 from a dealer. The dealer should collect tax at source of -----

(a)Rs.56,000 (b)Rs.1,40,000 (c)Rs.28,000 (d)Rs.5,600

Ans: (c)

50.The rate of collection of TCS on Tendu leaves is ----

(a)196 (b)596 (c)2596 (d)296

Ans: (a).

51. The form for filing TCS is return is------

(a)27C (B)27EQ (c)26EQ (d)28EQ

Ans: (b).

52.Advance tax will not be paid if tax payable after TDS is not more than or equal to -----

(a)Rs.10,000 (b)Rs.15,000 (c)Rs.20,000 (d)Rs.25,000

Ans: (b).

53.Interest is payable under section ------ for non-payment or short payment of advance tax

(a)234A (b)234B (c)234C (d) 244

Ans: (b).

54.Interest is payable under section ------ for deferment of advance tax.

(a)234A (b)234B (c)234C (d) 244

Ans: (c).

55.If 4th instalment of advance tax is not paid within specified period, interest is calculated for ----months.

(a)1 (b)2 (c)3 (d)4

Ans: (a).

56.Interest for default in payment of instalments of advance tax is levied u/s----

(a)234A (b)234B (c)234C (d)234D

Ans: (c)

57.Interest for deferment in payment of advance tax u/s 234C is calculated on the tax liability computed on -----

(a)Assessed income (b)Returned income (c)Disputed income (d)Appealed income

Ans:(b).

58.The liability to pay interest u/s 234B would arise when the advance tax plus TDS/TCS to the credit of the assesse is less than -----

(a)75% of the assessed tax (b)90% of the assessed tax (c)60% of the assessed tax

(d)100% of the assessed tax.

Ans: (b).

59.Interest is payable to an assesse on refund under the income tax Act 1961 at the rate of ----

(a) 5% (b)6% (c)9% (d)12%

Ans: (b).

60.Interest payable u/s234C is computed at -----

(a)Compound interest @1%p.a

(b)Simple interest @1% (c)Compound interest @2%p.a

(d)Simple interest @2%

Ans: ( a)

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