



## Dr.G.R.Damodaran College of Science

(Autonomous, affiliated to the Bharathiar University, recognized by the UGC)Re-  
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CRISL rated 'A' (TN) for MBA and MIB Programmes

III B.Com[IT] [2015-2018]

Semester V

Core:DIRECT TAX-515B

Multiple Choice Questions.

1. The tax is \_\_\_\_\_

- A. National income
- B. domestic income
- C. per capita income
- D. both A and B

ANSWER: A

2. Direct Tax is getting from \_\_\_\_\_

- A. customer
- B. buyer
- C. employees
- D. persons

ANSWER: D

3. Income Tax Act was passed

- A. 1955
- B. 1961
- C. 1956
- D. 1939

ANSWER: B

4. Assessment year is called

- A. Tax paid
- B. income earned
- C. loss
- D. profit earned

ANSWER: A

5. Who is Tax payer?

- A. Assessee
- B. businessman
- C. trust
- D. farmer

ANSWER: A

6. Who is Resident?

- A. followed any one of the basic condition

- B. not followed
- C. additional conditions followed
- D. none of this above

ANSWER: A

7. one of the basic conditions under residential Status \_\_\_\_\_days

- A. 186
- B. 182
- C. 181
- D. 180

ANSWER: B

8. Who is an ordinarily Resident?

- A. both basic and additional
- B. only basic
- C. only additional
- D. not basic and additional conditions

ANSWER: A

9. Who is assessee in HUF?

- A. Father
- B. spouse
- C. karta
- D. deemed karta

ANSWER: C

10. Education cess on tax payable is at.

- A. 2%
- B. !%
- C. 3%
- D. 5%

ANSWER: A

11. The following is capital receipt

- A. Salary paid by HUF to a member is.
- B. Dividend from investment.
- C. Bonus shares.
- D. Sale of technological know- how.

ANSWER: B

12. Share of profits from PFAF of a partner is.

- A. Business income.
- B. Exempted income.
- C. Income from other sources.
- D. Capital gain.

ANSWER: B

13. Interest on capital of partner from PFAF is.

- A. Business income.
- B. . Income from other sources
- C. Exempted income.

D. None of these.

ANSWER: A

14. Rent paid by AOP to a partner for using his premises is.

- A. Allowed fully.
- B. Allowed partially.
- C. Disallowed
- D. None of these.

ANSWER: A

15. Share of income received from AOP is entitled to rebate at.

- A. 10%
- B. Nil.
- C. Average rate.
- D. 20%.

ANSWER: C

16. There is no exemption limit and flat rate of tax is applicable to.

- A. Individuals.
- B. Partnership firms.
- C. AOP.
- D. Companies and partnership firms.

ANSWER: C

17. Minimum Alternate Tax (MAT) payable by companies is dependent on.

- A. Gross profit.
- B. Book profit.
- C. Cash profit.
- D. Operating profit.

ANSWER: B

18. House rent allowances is \_\_\_\_\_

- A. Fully taxable
- B. partly taxable
- C. fully exempted
- D. none of this above

ANSWER: B

19. Income Tax Authorities are grouped into two main wings Administrative and.

- A. Judicial.
- B. Managerial.
- C. Executives.
- D. Clerical.

ANSWER: A

20. The highest Administrative Authority for Income Tax in India is.

- A. Finance Minister.
- B. CBDT.
- C. President of India.
- D. Director of Income Tax.

ANSWER: B

21. What are the exemption limit in HEA?

- A. Rs.200pm
- B. Rs.300pm
- C. Rs.400pm
- D. Rs.500pm

ANSWER: B

22. Determining the tax liability is called.

- A. Assessment
- B. Scrutiny.
- C. Enquiry.
- D. Enquiry.

ANSWER: A

23. Belated return can be filed by an assessee earlier or before completion of assessment and.

- A. 6 months.
- B. . 1 year.
- C. 2 years.
- D. 2 years.

ANSWER: B

24. 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.

ANSWER: C

25. Liability of an employer to deduct tax at source is.

- A. a. Liability
- B. Liability Optimal.
- C. capital
- D. None of these.

ANSWER: C

26. For tax deducted at source, employer issues to employee.

- A. . Form 20.
- B. . Rs.8,000.
- C. Form 16.
- D. Form 31A.

ANSWER: C

27. 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

ANSWER: C

28. Dividends declared by Indian company are assessable under the head.

- A. Income from other source.
- B. Fully taxable under the head other source.
- C. Capital gain.
- D. Casual income.

ANSWER: B

29. A person engaged in a profession of accountancy whose income exceeds Rs. 1, 20,000 have to maintain books of account, if the gross receipt in any one of the three years. immediately preceding the previous year.

- A. Rs. 10,00,000.
- B. Rs. 2,00,000.
- C. Rs. 2,50,000.
- D. Rs. 35,000

ANSWER: A

30. 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 years.
- B. 8 succeeding previous years.
- C. . Indefinite period.
- D. 12 years.

ANSWER: C

31. Embezzlement of cash in a money lending business shall be treated as.

- A. Business expenditure.
- B. Revenue loss incidental to business.
- C. Capital expenditure.
- D. Capital loss.

ANSWER: B

32. Distinction between 'capital' and 'Revenue' is made based on.

- A. Separate Act passed by government, and Tribunals.
- B. Definition of the terms given in Income Tax Act 1961.
- C. Judicial precedents from courts.
- D. None of the above.

ANSWER: C

33. 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.

ANSWER: B

34. 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. Lumpsum received on sale of shares.
- D. Goods sold for cash 'Patent rights'.

ANSWER: D

35. Any payment made to discharge a revenue liability, if refunded later on, shall be.
- A. Revenue expenditure.
  - B. Capital expenditure.
  - C. Illegal expenditure.
  - D. Personal expenditure.

ANSWER: D

36. Which of the following is not a revenue expense?
- A. Rent of office building
  - B. Sales tax and excise duty paid
  - C. Payment made on dismissal of company
  - D. Remuneration to promoters of a temporary employee

ANSWER: A

37. Embezzlement of cash by a cashier is.
- A. a revenue loss.
  - B. a capital loss.
  - C. a casual loss.
  - D. None of these.

ANSWER: A

38. Remuneration paid to members of AOP is.
- A. Inadmissible expense of AOP.
  - B. Allowable business expenses of AOP.
  - C. Expense for members.
  - D. None of these.

ANSWER: A

39. Share of income received from AOP is entitled to rebate at.
- A. 10%
  - B. nil
  - C. Average
  - D. 20%

ANSWER: C

40. If individual shares of partners of AOP/BOI are unknown, tax is charged on the total income of AOP/BOI at the Maximum Marginal rate of.
- A. 20%
  - B. 25%
  - C. 28%
  - D. 30.9%

ANSWER: D

41. 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.

ANSWER: A

42. Dividends declared by Indian company are assessable under the head.

- A. Income from other source.
- B. Fully taxable under the head other source
- C. Capital gain.
- D. Casual income.

ANSWER: B

43. Rent received from building held by an assessee as stock-in-trade is taxable under the head.

- A. profit or gains of business or profession
- B. income from house property.
- C. income from other source.
- D. income from salaries.

ANSWER: B

44. A short term capital asset (except financial assets) is the one held for not more than.

- A. 48 months.
- B. 36 months.
- C. 60 months.
- D. 70 months.

ANSWER: B

45. A person engaged in a profession of accountancy whose income exceeds Rs. 1, 20,000 have to maintain books of account, if the gross receipt in any one of the three years. immediately preceding the previous year.

- A. Rs. 10,00,000.
- B. Rs. 2,00,000.
- C. Rs. 2,50,000.
- D. Rs. 35,000.

ANSWER: A

46. 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

ANSWER: C

47. Embezzlement of cash in a money lending business shall be treated as.

- A. Business expenditure.
- B. Revenue loss incidental to business.
- C. Capital expenditure.
- D. Capital loss.

ANSWER: B

48. Distinction between capital and Revenue is made based on.

- A. Separate Act passed by government, and Tribunals.
- B. Definition of the terms given in Income Tax Act 1961.
- C. Judicial precedents from courts.
- D. None of the above.

ANSWER: C

49. Which of the following is a capital receipt?

- A. Commission received.
- B. Salary received
- C. Salary received
- D. Sale proceeds of Building.

ANSWER: C

50. 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.

ANSWER: B

51. 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.

ANSWER: C

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

- A. Capital receipt.
- B. Revenue receipt.
- C. Casual receipt.
- D. None of these.

ANSWER: B

53. Any payment made to discharge a revenue liability, if refunded later on, shall be.

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

ANSWER: A

54. 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.

ANSWER: A

55. Which of the following is not a revenue expense?

- A. Rent of office building.
- B. Sales tax and excise duty paid.
- C. Payment made on dismissal of company.
- D. Remuneration to promoters of a temporary employee.

ANSWER: D

56. Loss due to fire of hired machinery is.



- A. Capital loss.
- B. Revenue loss.
- C. Capital expenditure.
- D. None of the above.

ANSWER: B

57. Embezzlement of cash by a cashier is.

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

ANSWER: A

58. Total income is determined on the basis of Residential Status of the assessee in the previous year according to.

- A. Sec. 3.
- B. Sec. 5.
- C. Sec. 8.
- D. Sec. 12.

ANSWER: B

59. Residential status of an assessee is ascertained as per the provisions of.

- A. Sec. 6.
- B. Sec. 7.
- C. Sec. 9.
- D. Sec. 11.

ANSWER: A

60. For ascertaining residential status taxable entities are classified into.

- A. 2 categories.
- B. 4 categories.
- C. 5 categories.
- D. 7 categories.

ANSWER: C

61. 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.

ANSWER: B

62. 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.

ANSWER: C

63. 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. None of these.

ANSWER: A

64. An individual who is leaving India for an employment and wants to be a resident must stay in India for at least.

- A. 60 days in PY and 365 days in preceding the previous year.
- B. 182 days in PY 4 preceding years.
- C. 730 days or more during 7 years.
- D. None of these

ANSWER: B

65. An individual who wants to be an ordinarily resident must satisfy.

- A. One of the basic conditions only.
- B. One of the basic conditions and both the additional conditions.
- C. Both the additional conditions only.
- D. One of the additional conditions only.

ANSWER: B

66. First additional condition for resident to be an ordinarily resident is that he must have been resident in at least two out of the.

- A. 10 previous years proceeding the relevant previous year.
- B. 8 previous years proceeding the relevant previous year.
- C. 12 previous years proceeding the relevant previous year.
- D. None of these.

ANSWER: A

67. Second additional condition for resident to be an ordinarily resident is that he must have stayed in India during the seven previous years proceeding the relevant previous year at least.

- A. 182 days.
- B. 365 days.
- C. 60 days.
- D. 730 days.

ANSWER: D

68. A person is Non resident if he fails to fulfill.

- A. The additional conditions.
- B. At least on of the basic conditions.
- C. Both basic conditions.
- D. None of these.

ANSWER: B

69. In case of residential status of HUF firm AOP and EOP if control and management are wholly outside India they are deemed as.

- A. Resident.
- B. Ordinarily Resident.
- C. Nonresident .
- D. None of these.

ANSWER: C

70. An Indian company's residential status is that it is always.

- A. Resident.
- B. Nonresident.
- C. Ordinarily resident.
- D. None of these.

ANSWER: A

71. If control and management of its affairs was fully in India a foreign company becomes.

- A. Resident in India.
- B. Ordinarily resident in India.
- C. Non resident.
- D. None of these.

ANSWER: A

72. 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.

ANSWER: C

73. 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.

ANSWER: A

74. 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.

ANSWER: D

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

- A. Non-resident only.
- B. Resident and not ordinarily resident only.
- C. All assesses.
- D. Resident and ordinarily resident only.

ANSWER: C

76. Income received outside India from a business controlled from India is taxable in the hands of.

- A. Resident and ordinarily resident and resident and not ordinarily resident.
- B. Non-resident only.
- C. Not ordinarily resident only.
- D. None of these.

ANSWER: A

77. 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

ANSWER: B

78. 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.

ANSWER: D

79. Incomes on which Income tax is not charged are called

- A. Exceptional incomes
- B. Privileged incomes
- C. Exempted incomes.
- D. exempted

ANSWER: D

80. 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.

ANSWER: C

81. Exempted incomes do not form part of total income of

- A. . Individual assessee only
- B. HUF only.
- C. Firm and company assessee only
- D. all assessee

ANSWER: D

82. Incomes absolutely exempt from Tax are listed under

- A. Sec 2.
- B. Sec 10.
- C. Sec 38.
- D. Sec. 80c.

ANSWER: B

83. Remuneration received by embassy or high commission employees of a foreign state is fully exempt from tax under.

- A. Section 9a.
- B. Sec 14(e).
- C. Sec 10 b. (ii) to (vi)
- D. Sec 20 (s).

ANSWER: C

84. Scholarship granted is.

- A. Fully exempted.

- B. Fully taxable.
- C. Partly exempted.
- D. None of these.

ANSWER: A

85. 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.

ANSWER: A

86. Allowances of MP/M.L.A / or M.L.C are.

- A. Fully exempted.
- B. Fully taxable.
- C. Partly exempted.
- D. None of these.

ANSWER: A

87. Income of Non profit seeking educational institutions, financed by government, is exempt from Income tax if its annual receipts do not exceed.

- A. Rs. 50 lakhs .
- B. Rs. 1 crore.
- C. Rs. 5 crores.
- D. Rs. 50 crores.

ANSWER: B

88. When parents income is clubbed with minor childs income parent is eligible for exemption of the.

- A. Actual income of minor or Rs. 20,000 which ever is less
- B. Actual income of minor or Rs. 10,000 whichever is less.
- C. Actual income of minor or Rs. 5,000 which ever is less
- D. Actual income of minor or Rs. 1,500 whichever is less.

ANSWER: D

89. 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.

ANSWER: C

90. Tax incentives for 100% export oriented units are specially provided under I.T Act section.

- A. 20A.
- B. 40(Z).
- C. 1 CB.
- D. 80(S).

ANSWER: C

91. 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.

ANSWER: B

92. Casual income is.

A. Fully taxable.

B. Partly taxable.

C. Fully exempted.

D. None of these.

ANSWER: A

93. 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.

ANSWER: A

94. Which of the following is an exempted salary?

A. Payment by employer in kind.

B. Salary from former employer.

C. Salary received by UNO employees.

D. Leave salary.

ANSWER: C

95. Contributions into Public Provident Fund (PPF) are repayable after

A. 5 years

B. 10 years.

C. 20 years.

D. 15 years.

ANSWER: D

96. 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.

ANSWER: A

97. Dearness allowance is taxable in the hands of.

A. Govt employees

B. Non Govt employees

C. All employees.

D. None of these.

ANSWER: C

98. House rent allowance is.

A. Fully exempted.

B. Partly taxable.

C. Fully taxable.

D. Actual rent paid alone is taxable.

ANSWER: B

99. Exemption for house rent allowance is determined by.

- A. Rule 24C.
- B. Sec. 80C.
- C. Rule 2A.
- D. Sec. 91.

ANSWER: C

100. Exempted limit of HRA in metropolitan cities is.

- A. 50% of salary.
- B. 40% of salary.
- C. 15% of salary.
- D. none of these.

ANSWER: A

101. Exempted limit of HRA in non metropolitan cities is.

- A. 40% of salary.
- B. 50% of salary.
- C. 10% of salary.
- D. 7.5% of salary.

ANSWER: A

102. Education allowance is exempted upto a maximum of.

- A. One child.
- B. Two children.
- C. Three children.
- D. Four children.

ANSWER: B

103. Children education allowance is exempted upto.

- 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.

ANSWER: C

104. Hostel expenditure allowance is exempted upto.

- 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.

ANSWER: A

105. 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.

ANSWER: D

106. 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.

ANSWER: B

107. The value of Interest free concessional loans to employees is determined on the basis of lending rates for the same purpose

- A. S.B.I.
- B. R.B.I.
- C. Central govt.
- D. State govt.

ANSWER: A

108. Value of RFA of a house owned by employer in case of non Govt, employee's 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.

ANSWER: B

109. Reimbursement of medical bill for treatment from a Govt, hospital is exempted upto.

- A. Full amount.
- B. Rs. 15,000.
- C. One months salary of employee.
- D. None of these.

ANSWER: D

110. Interest on RPF balance is exempted upto.

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

ANSWER: B

111. Employers contribution to RPF is exempted upto.

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

ANSWER: C

112. Death cum Retirement Gratuity paid to a government employee

- A. Fully taxable.
- B. Partially taxable.
- C. Fully exempted.
- D. Government pays the tax.

ANSWER: A



113. 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.

ANSWER: C

114. Leave encashment received during service by a govt or non govt employee is.

- A. Fully exempted.
- B. Partially exempted.
- C. Fully taxable.
- D. employer has to pay tax on it.

ANSWER: C

115. 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.

ANSWER: A

116. Scope of income which can be taxed under the head profits and gains of business or profession is defined in I.T. Act 1961.

- A. Rs. 7,500.
- B. Rs. 5,000.
- C. 15% of employees salary.
- D. 25% of employees salary.

ANSWER: A

117. Statutory limit of exemption of leave encashment is.

- A. Rs. 3,50,000.
- B. Rs. 3,00,000.
- C. Rs. 5,00,000
- D. 2,50,000.

ANSWER: B

118. Profits earned from an illegal business are

- A. Taxable.
- B. Tax free.
- C. Ignored by Tax Authorities.
- D. treated as other income.

ANSWER: A

119. Contribution made to an approved research association is eligible for deduction upto.

- A. 50%.
- B. 80%.
- C. 100%.
- D. 125%.

ANSWER: D

120. Pre commencement period expenses upto 3 years spent for research are

- A. Ignored.
- B. Allowed as expenses in the year of commencement of business.
- C. Treated as capital expenses.
- D. None of these.

ANSWER: A

121. 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.

ANSWER: C

122. Specific disallowances while computing profits and gains of business or profession are included in the I.T. Act 1961.

- A. Sec.20.
- B. Sec.40.
- C. Sec.60.
- D. Sec.80.

ANSWER: B

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

- A. Business income.
- B. Non business income.
- C. Exempted income.
- D. Income from other sources.

ANSWER: A

124. Over valuation of closing stock is.

- A. deducted from net profit.
- B. added to net profit.
- C. adjusted in P&L A/c.
- D. none of these.

ANSWER: A

125. Persons in specified professions have to maintain prescribed books of account if their professional income exceeds.

- A. Rs. 1,50,000.
- B. Rs.3,00,000.
- C. Rs.5,00,000.
- D. Rs. 10,00,000.

ANSWER: A

126. Professional expenses are allowed on.

- A. accrual basis.
- B. payment basis.
- C. accrual or payment basis
- D. none of the above.

ANSWER: D

127. Gifts from clients are.
- A. Professional income.
  - B. Income from other sources.
  - C. Non taxable item.
  - D. None of these.

ANSWER: A

128. Interest on loan borrowed for acquisition of an asset till the date of installation is.
- A. Revenue expenditure.
  - B. Capital expenditure.
  - C. Non business expenditure.
  - D. None of these.

ANSWER: B

129. Repairs incurred before installation of an assets is.
- A. Capital expenditure.
  - B. Revenue expenditure.
  - C. Non business expenditure.
  - D. None of these.

ANSWER: A

130. Method of depreciation allowed is.
- A. WDV method.
  - B. SLM method.
  - C. Replacement method.
  - D. Market value method.

ANSWER: A

131. Rate of depreciation on residential building is.
- A. 5%.
  - B. 10%
  - C. 15%
  - D. 20%.

ANSWER: A

132. Rate of depreciation on non residential building is.
- A. 10%.
  - B. 15%.
  - C. 20%.
  - D. 25%

ANSWER: A

133. Rate of depreciation on furniture is.
- A. 5%.
  - B. 15%.
  - C. 10%.
  - D. 20%.

ANSWER: C

134. Apart from normal depreciation, additional depreciation is permitted for certain assets at the rate of.
- A. 10%

- B. 20%
- C. 40
- D. 50

ANSWER: B

135. Rate of depreciation on furniture is.

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

ANSWER: C

136. Net annual value is calculated from in GAV at

- A. 23%
- B. 24%
- C. 22%
- D. 30%

ANSWER: D

137. Income from sale of house hold furniture is.

- A. Taxable capital gain.
- B. Exempted capital gain.
- C. Short term capital gain.
- D. Long term capital gain.

ANSWER: B

138. Income from sale of rural Agricultural land is.

- A. Taxable capital gain.
- B. Exempted capital gain.
- C. Taxable income.
- D. None of these.

ANSWER: B

139. 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.

ANSWER: A

140. 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.

ANSWER: B

141. Shares held for 15 months are.

- A. Long term capital asset.
- B. Short term capital asset.
- C. Exempted capital asset.

D. projected capital asset.

ANSWER: A

142. Land held for 56 months is.

- A. Short term capital asset.
- B. Long term capital asset.
- C. Exempted capital asset.
- D. projected capital asset.

ANSWER: B

143. 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.

ANSWER: A

144. 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.

ANSWER: C

145. Short term capital gain on sale of listed shares are.

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

ANSWER: B

146. Long term capital gain on sale of listed shares are.

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

ANSWER: A

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

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

ANSWER: D

148. Which of the following gifts is taxable?

- A. Gift in kind from relatives.
- B. Gift from wife.
- C. Gift from son.
- D. Gift from office college.

ANSWER: D

149. Rate of T.D.S. for Listed Securities including cesses is.

- A. 10%.
- B. 15.3%.
- C. 20.3%.
- D. 30.3%.

ANSWER: C

150. Speculation Loss can be carried forward for

- A. 8 years
- B. 10years
- C. 5years
- D. 4years

ANSWER: D

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