



Dr.G.R.Damodaran College of Science

(Autonomous, affiliated to the Bharathiar University, recognized by the UGC) Re-
accredited at the 'A' Grade Level by the NAAC and ISO 9001:2008 Certified
CRISL rated 'A' (TN) for MBA and MIB Programmes

III B.COM(IB)

(2015-2018)

V SEMESTER

ELECTIVE 1:DIRECT TAX-517U1

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. CBDT is control by

- A. central Government
- B. State Government
- C. both (A) and (B)
- D. none of this above

ANSWER: A

5. Assessment year is called

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

ANSWER: A

6. previous year started from

- A. April
- B. march
- C. januarry
- D. september

ANSWER: A

7. Who is Tax payer?

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

ANSWER: A

8. 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

9. one of the basic conditions under residential Status _____days

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

ANSWER: B

10. Who is an ordinarily Resident?

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

ANSWER: A

11. Who is non resident?

- A. not followed by any one of the basic conditions
- B. only basic
- C. only additional and basic
- D. none of this above

ANSWER: A

12. 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

13. Right to enforce partition of H.U.F is available to.

- A. Only male members.
- B. Only female members.
- C. Both male as well as female.
- D. None of these members.

ANSWER: B

14. Rent paid to a partner by a PFAF is.

- A. Allowable expense.
- B. None business expenditure.
- C. Rebate to firm.
- D. None of these.

ANSWER: A

15. 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

16. The year in which the income is earned is called_____

- A. Previous year
- B. current year
- C. Assessment year
- D. None

ANSWER: A

17. 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

18. Interest paid by AOP to members is.

- A. Allowable business expenses of AOP.
- B. Allowable business expenses of hUF
- C. Expense for members.
- D. None of these

ANSWER: B

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

- A. 10%
- B. Nil.

C. Average rate.

D. 20%.

ANSWER: C

20. 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

21. Agriculture Income is _____

A. Taxable

B. not taxable

C. partly taxable

D. none of this above

ANSWER: B

22. House rent allowances is _____

A. Fully taxable

B. partly taxable

C. fully exempted

D. none of this above

ANSWER: B

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

A. Judicial.

B. Managerial.

C. Executives.

D. Clerical.

ANSWER: A

24. 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

25. What are the exemption limit in CEA

A. Rs.100 pm

B. Rs.200pm

C. Rs.300pm

D. Rs.250pm

ANSWER: A

26. What are the exemption limit in HEA?

A. Rs.200pm

- B. Rs.300pm
 - C. Rs.400pm
 - D. Rs.500pm
- ANSWER: B

27. Determining the tax liability is called.

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

ANSWER: A

28. 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

29. Deduction of tax at source made for incomes which can be calculated in advance is called.

- A. T.D.S.
- B. PAS.
- C. FAS.
- D. MAS.

ANSWER: A

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

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

ANSWER: C

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

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

ANSWER: C

32. Advance tax should be paid during a financial year if such advance tax payable by the assessee exceeds.

- A. . Rs.50,000.
- B. Rs. 1,000.
- C. Rs.20,000.
- D. Rs. 1,00,000.

ANSWER: B

33. Due date of filing of return by a non business assessee is.

- A. .30th June.
- B. 31st August.
- C. 31st July.
- D. 30th November.

ANSWER: C

34. 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

35. 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: C

36. 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

37. 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

38. 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

39. Deduction in respect of expenditure on advertisements through articles intended for presentation will be allowed on the value of each article up to a limit of.

- A. fully allowed.
- B. Rs. 1,000 per item.
- C. Rs. 800 per item.
- D. . Rs. 1,800 per item.

ANSWER: A

40. Capital expenditure on scientific research which cannot be absorbed on account of insufficiency of profit in any accounting year can be carried forward for.

- A. 16 years.
- B. 8 succeeding previous years.
- C. . Indefinite period.
- D. 12 years.

ANSWER: C

41. 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

42. 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

43. 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

44. 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

45. 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

46. Which of the following is NPT a revenue receipt?

- A. Insurance received for loss of stock.
- B. Compensation for surrender of future profits.

- C. Profit on sale of technical know.
- D. Subsidy from Govt, in the normal how course of business

ANSWER: B

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

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

ANSWER: A

48. 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

49. 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

50. Loss due to fire of hired machinery is.

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

ANSWER: A

51. 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

52. 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

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

- A. 10%

- B. nil
 - C. Average
 - D. 20%
- ANSWER: C

54. 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

55. 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

56. Mr. Shanker and Mrs. Shanker are qualified Chartered Accountants and are carrying on profession as partners in the same professional firm.

- A. the share of income of both partners will be clubbed under the provisions of Section 64.
- B. the clubbing provisions of section 64 will not apply to them.
- C. the share income from the firm will be exempt form tax.
- D. the clubbing provisions of section 46 will not apply to them.

ANSWER: C

57. 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

58. 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

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

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

ANSWER: B

60. 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

61. 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

62. Deduction in respect of expenditure on advertisements through articles intended for presentation will be allowed on the value of each article up to a limit of.

- A. fully allowed.
- B. Rs. 1,000 per item.
- C. Rs. 1,000 per item..
- D. Rs.800 per item

ANSWER: A

63. A senior citizen female assessee can claim deduction u/s 80u upto.

- A. Rs. 50,000.
- B. Rs. 60,000.
- C. Rs. 75,000.
- D. Rs. 85,000.

ANSWER: A

64. 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

65. 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

66. receipt is determined as Capital Receipt or Revenue receipt.

- A. At the time it is received

- B. While preparing final accounts.
- C. When the received amount is used.
- D. None of the above.

ANSWER: A

67. Which of the following is a capital receipt?

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

ANSWER: C

68. 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

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

- A. Salam 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

70. Which of the following is NPT a revenue receipt?

- A. Insurance received for loss of stock.
- B. Compensation for surrender of future profits.
- C. Profit on sale of technical know.
- D. Subsidy from Govt, in the normal how course of business.

ANSWER: C

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

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

ANSWER: B

72. 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

73. 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

74. Which of the following is not a capital expense?
- A. Installation expenditure of plant of a company.
 - B. Legal expenses for reduction of capital.
 - C. Commission to employees to achieve sales Targets.
 - D. Expenses of promoting a company.

ANSWER: C

75. Amount paid as secret commission to employees of buyer of assessee's goods is a.
- A. Revenue expenditure.
 - B. Capital expenditure.
 - C. Illegal expenditure.
 - D. Personal expenditure.

ANSWER: A

76. 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

77. Loss due to fire of hired machinery is.
- A. Capital loss.
 - B. Revenue loss.
 - C. Capital expenditure.
 - D. None of the above.

ANSWER: B

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

ANSWER: A

79. 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

80. 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

81. 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

82. 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

83. 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

84. An individual who wants to be resident of India u/s 6a. a. must stay in India for at least.

- A. 730 days in 10 previous years.
- B. 182 days in the previous year.
- C. 365 days in the previous year.
- D. 150 days in the previous year.

ANSWER: B

85. 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

86. 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

87. 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

88. 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

89. 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

90. An Indian companys residential status is that it is always.

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

ANSWER: A

91. 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

92. 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

93. 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

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

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

ANSWER: C

95. 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

96. 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

97. 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

98. 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

99. 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

100. 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

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

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

ANSWER: D

102. 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

103. 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

104. Incomes absolutely exempt from Tax are listed under

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

ANSWER: B

105. 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

106. Scholarship granted is.

- A. Fully exempted.
- B. Fully taxable.
- C. Partly exempted.

D. None of these.

ANSWER: A

107. 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

108. 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

109. 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

110. 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

111. 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

112. Sum received by a co-parcener from Hindu undivided family is.

- A. Exempted in the hands of co-parcener
- B. Exempted in the hands of HUF.
- C. Taxable in the hands of co-parcener
- D. None of these.

ANSWER: A

113. 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

114. 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

115. Salary received by a member of parliament is.

- A. Taxable as salary income
- B. Exempt from tax sources.
- C. Taxable as income from other.
- D. None of these.

ANSWER: C

116. 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

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

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

ANSWER: D

118. 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

119. Dearness allowance is taxable in the hands of.

- A. Govt employees
- B. Non Govt employees
- C. All employees.
- D. None of these.

ANSWER: C

120. House rent allowance is.

- A. Fully exempted.
- B. Partly taxable.
- C. Fully taxable.
- D. Actual rent paid alone is taxable.

ANSWER: B

121. Exemption for house rent allowance is determined by.

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

ANSWER: C

122. 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

123. Education allowance is exempted upto a maximum of.

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

ANSWER: B

124. 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

125. 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

126. 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

127. 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

128. Perquisites to employees are covered in the I.T. Act 1961 under.

- A. Sec 2a.
- B. Sec. 17b.
- C. Sec 28a.
- D. Sec. 36 c.

ANSWER: B

129. 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

130. An employee is deemed as specified employee if he is a director in the company or has substantial in the company or his chargeable salary per annum exceeds.

- A. Rs. 5,00,000.
- B. Rs. 2,00,000.
- C. Rs. 1,00,000.
- D. Rs. 50,000.

ANSWER: D

131. Interest on RPF balance is exempted upto.

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

ANSWER: B

132. 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

133. 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

134. Statutory limit for exemption of gratuity received by non-Govt. employees

- A. Rs. 3,00,000.
- B. Rs. 5,00,000
- C. Rs. 3,50,000
- D. Rs. 4,00,000.

ANSWER: C

135. 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

136. 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

137. 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

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

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

ANSWER: D

139. Contribution to RPF paid by cheque shall be encashed

- A. Within 15 days from due date
- B. Within 6 months from due date.
- C. Within 3 months from due date
- D. Within 12 months from due date.

ANSWER: A

140. Professional expenses are allowed on.

- A. accrual basis.

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

ANSWER: D

141. Rate of depreciation on furniture is.

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

ANSWER: C

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

- A. 195 days.
- B. 199 days.
- C. 360 days.
- D. less than 180 days.

ANSWER: D

143. Rate of depreciation on furniture is.

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

ANSWER: C

144. Net annual value is calculated from in GAV at

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

ANSWER: D

145. Exempted Capital gains, the fourth among the five major heads of Income, is assessable to tax under.

- A. Section 5.
- B. section 25
- C. section 54
- D. Section 65.

ANSWER: B

146. 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

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

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

ANSWER: A

148. Dividends from co-operative society are.

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

ANSWER: B

149. Tax is reduced from casual incomes at.

- A. 10% + surcharge and cesses.
- B. 20% + surcharge and cesses.
- C. 30%.
- D. none of these.

ANSWER: C

150. 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

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