

Direct Tax MCQs

INCOME UNDER THE HEAD SALARY

Q1. Mr. P is a CA is employee of PC Ltd. & is working as an internal auditor having contract of services with PC Ltd. Mr. P requests PC Ltd. to show his salary as Internal Audit fee. The amount shall be taxed u/h:

(a) Salaries (b) PGBP (c) IFOS (d) None

Q2. Income is taxable as Salary Income when there is employer & employee relationship. However in one exceptional case income is taxable as salary even in the absence of employer employee relationship which is ____.

(a) Members of Parliament (b) Professors of college
(c) Partner of a firm (d) Judges of HC & SC

Q3. Mr. P was employed on 1.4.2008 in the grade of Rs. 15,000 - Rs. 500 - Rs. 17,000 - Rs. 750 - Rs. 21,500 - Rs. 1,000 - Rs. 31,500. His gross salary for AY 2019-20 is ____.

(a) Rs. 2.7 lac (b) Rs. 2.58 lac (c) Rs. 2.16 lac (d) Rs. 1.8 lac

Q4. PC Ltd is a company paying salary of Rs. 4,50,000 to its employee Mr. P & in addition undertakes to pay the Income Tax amounting to Rs. 10,400 on his behalf during AY 2019-20. The gross Salary of Mr. P is:

(a) Rs. 4.3 lac (b) Rs. 4.5 lac (c) Rs. 4.604 lac (d) None

Q5. Read the following statements & state correct answer:

- (1) Contract b/w employer & employee is contract of service
- (2) Contract b/w employer & employee is contract for service
- (3) Contract b/w professional & client is contract for service
- (4) Contract b/w professional & client is Contract of Service

(a) 1 & 2 are correct (b) 2 & 3 are correct
(c) 3 & 4 are correct (d) 1 & 3 are correct

Q6. Salary is deemed to accrue at the place where _____.

(a) Payment for services is received
(b) Services are rendered
(c) Either (a) or (b) (d) None of the above

Q7. Mr. P is employed in AB Institute, Pune. He is eligible for Rs. 24,000 as dearness allowance to meet increased cost of living. The amount of DA taxable is ____.

(a) Rs. 10,000 (b) Nil (c) Rs. 24,000 (d) Rs. 9,000

***Q8.** Mr. P who is entitled to a Salary of Rs. 10,000 p.m. took advance of Rs. 20,000 against salary in the month of March 2019. Gross salary of Mr. P for AY 2019-20 shall be:

- (a) Rs. 1,00,000 (b) Rs. 1,20,000
(c) Rs. 1,40,000 (d) None of the above

Q9. Inclusive definition of salary is given u/s:

- (a) 17(3) (b) 17 (c) 17(1) (d) None

Q10. U/s 15 salary is taxable on ___ basis.

- (a) Receipt (b) Due (c) Earlier of (a) or (b) (d) None

***Q11.** Mr. P who is entitled to Salary of Rs. 10,000 p.m. took advance salary from his employer for April & May 2019 along with Salary of March 2019 on 31.3.2019. Gross salary for Mr. P for AY 2019-20 shall be:

- (a) Rs. 1,20,000 (b) Rs. 1,40,000
(c) Rs. 1,00,000 (d) None of the above

***Q12.** Salary of Mr. P is Rs. 10,000 p.m. Mr. P had taken Salary in advance for April to June 2018 in March 2018 itself. Gross salary of Mr. P for AY 2019-20 :

- (a) Rs. 1,20,000 (b) Rs. 70,000
(c) Rs. 1,00,000 (d) Rs. 90,000

Q13. Foregone salary is _____.

- (a) Exempt if surrendered to government
(b) Taxable in other cases
(c) Just an application of Income (d) All of the above

Q14. Pension/leave salary paid abroad for services rendered in India is deemed to accrue _____.

- (a) In India (b) Outside India

Q15. Which of the following allowance is fully Exempt?

- (a) Overtime allowance (b) Medical allowance
(c) Allowances paid by UNO (d) HRA

Q16. HRA is given u/s _____.

- (a) 10(13A) Rule 2A (b) 10(15B) Rule 3B
(c) 20(4) Rule 8B (d) 10(14A)

Q17. Salary paid by Government to Citizen of India (R.NR) for services rendered o/s India is deemed to accrue _____.

- (a) in India (b) O/s India
(c) Depends on the discretion of Assessee (d) None

Q18. Allowance or Perquisites paid o/s India by GOI to a citizen of India for rendering services o/s India will be _____.

(a) Taxable in India (b) Fully exempt u/s 10(7)

Q19. Government of India announced increase in DA on 15.3.2018 with retrospective effect from 1.5.2016 & the same were paid on 8.5.2018. Arrears of DA is taxable in -

(a) PY 2017-18 (b) PY 2018-19

(c) PYs to which these are related to (d) PY as per AO

Q20. Salary paid to Partner by the firm is ____.

(a) Taxable u/h Salaries (b) Taxable u/h PGBP

(c) Always exempt (d) Always taxable

Q21. Bonus is taxable as salary income on ____ basis.

(a) Due (b) Receipt (c) Earlier of (a) or (b)

(d) Anytime at the choice of employer

Q22. Mr. P is entitled to a watchman allowance of Rs. 600 p.m. for the security of his residence. He pays Rs. 500 p.m. to the watchman employed by him. Taxable allowance =

(a) 500 p.m (b) 100 p.m (c) 600 p.m (d) None

Q23. Medical expenditure reimbursed by the employer to the employee shall be exempt upto ____.

(a) Rs. 15,000 pm (b) Rs. 1,00,000 pa

(c) Fully Exempt (d) Fully taxable

Q24. Transport Allowance is ____.

(a) Always Taxable

(b) Exempt to handicapped Employees upto Rs. 3200 p.m

(c) Always Taxable except to Handicapped employees.

(d) Both (b) & (c)

1: a	2: d	3: c	4: c	5: a	6: b	7: c	8: b	9: c	10: c	11: b	12: d
13: d	14: a	15: c	16: a	17: a	18: b	19: b	20: b	21: b	22: c	23: d	24: d

. INCOME FROM HOUSE PROPERTY

Q1. Chargeability of House Property is given u/s

- (a) 15 (b) 22 (c) 20 (d) None of the above

Q2. The basis of chargeability of House Property is ____.

- (a) Annual Value (b) Municipal Value
(c) Standard Rent (d) Fair Rent

Q3. Under the head of house property, ____ is taxable.

- (a) Income from building (b) Income from land
(c) Income from building & land attached to building
(d) None of the above

Q4. House property means ____.

- (a) Residential Houses (b) Shops or godowns
(c) Cinema or hotel building (d) All of the above

Q5. Mr. PC is having a plot of land. He has let out this to earn some extra income.

Rent of such plot is taxable u/h

- (a) PGBP (b) Income from house property
(c) IFOS (d) Any head at the choice of Mr. PC.

Q6. Mr. PC has taken a house on rent & sublet it to Mr. A. Income of Mr. PC from such house property is taxed u/h ____.

- (a) Income from house property (b) IFOS
(c) Income from salary (d) Not taxed at all

Q7. For any income from house property to be assessed u/h “Income from house property”, Assessee must have the ownership of land on which such building stands.

- (a) True (b) False

Q8. For any income from house property to be assessed u/h “Income from house property”, Assessee must have the ownership of such house property in ____.

- (a) AY (b) PY (c) FY (d) None

Q9. In case of House Property with Disputed Title of Ownership, income arising from such disputed house property will be assessed in the hands of:

- (a) Person having the possession of house property
- (b) Person living close to the house property.
- (c) It will be the decision of Department as to who is the owner till the court gives its decision.
- (d) Depends on the discretion of AO.

Q10. For any income from house property to be assessed u/h “Income from house property”, Assessee must such house property for any purpose other than _____.

- (a) his business.profession (b) his personal use
- (c) Doing Illegal things (d) Gambling

Q11. Annual value of HP held as SIT is _____.

- (a) Taxed u/h “PGBP”
- (b) Taxed u/h “Income from House Property”
- (c) Nil for 1 year from the end of FY in which completion certificate of the property is obtained from competent authority, if such property is not LOP during such period.
- (d) Both (b) & (c)

***Q12.** PC Ltd. constructed staff quarters & let out the same during the AY 2019-20. Its rent received Rs. 7,50,000 by way of rent from employees during the year. The rental receipt is taxable as.

- (a) Income from house property
- (b) Income from business
- (c) Perquisite in the hands of employees
- (d) Income from other sources

Q13. Composite rent of let-out house property is taxable u/h

- (a) PGBP (b) IFOS (c) Income from HP

(d) (a) or (b) above depending upon certain conditions

Q14. Mr. PC is the owner of a house property covered under the Rent Control Act. Municipal value Rs. 30,000, actual rent Rs. 25,000; fair rent Rs. 36,000 & standard rent is Rs. 28,000. GAV will be.

(a) Rs. 30,000 (b) Rs. 36,000

(c) Rs. 25,000 (d) Rs. 28,000

Q15. Where SR is not applicable, GAV shall be higher of:

(a) FR & MV (b) MV & AR

(c) FR & MV & AR (d) none of the above

Q16. Mr. PC is owner of the flat which has municipal value Rs. 45,000; fair rent Rs. 50,000; standard rent Rs. 48,000 & actual rent is Rs. 44,000 for 11 Months. There is a vacancy of 1 month. Calculate GAV.

(a) Rs. 50,000 (b) Rs. 40,000

(c) Rs. 44,000 (d) Rs. 48,000

Q17. If $ARR < ER$ due to vacancy, then $GAV = \underline{\hspace{2cm}}$.

(a) ARR (b) ER (c) Higher of (a) or (b)

Q18. In case of SOP, deduction of municipal taxes is ____

(a) available if paid by the owner

(b) not available if paid by the tenant

(c) available if tax is deducted at source

(d) No deduction of Municipal taxes paid.

Q19. Treatment of unrealized rent for determining income from house property

(a) To be deducted from expected rent

(b) To be deducted from actual rent

(c) To be deducted u/s 24 from annual value

(d) To be deducted from both expected rent & actual rent

Q20. Unrealized rent is allowed as a deduction from ____.

(a) GAV (b) NAV (c) Income from HP (d) Actual rent

Q21. Municipal Taxes are deducted from ____.

(a) NAV on payment basis (b) GAV on accrual basis

(c) GAV on payment basis (d) not deductible

Q22. Municipal taxes to be deducted from GAV should be

(a) Paid by tenant during PY (b) Paid by owner during PY

(c) Accrued during PY (d) None of the above

1: b	2: a	3: c	4: d	5: c	6: b	7: b	8: b	9: c	10: a	11: d
12: b	13: d	14: d	15: c	16: c	17: a	18: d	19: b	20: d	21: c	22: b

CAPITAL GAINS

Q1. Which of the following is not a required for charging income tax on capital gains?

- (a) There must be a gain arising on transfer of capital asset.
- (b) Capital gains should not be exempt u/s 54
- (c) Transfer must be of a capital asset.
- (d) The transfer must have been effected in relevant AY

Q2. As per general rule, capital gain from transfer of capital asset is taxable in which year

- (a) PY in which transfer took place
- (b) Assessment year
- (c) PY next to year of transfer
- (d) None of the above

Q3. Capital gains is calculated when_.

- (a) Any asset is transferred
- (b) any capital asset is transferred
- (c) any asset is transferred or not transferred
- (d) any capital asset is transferred or not transferred

Q4. Capital gain arises on_.

- (a) All type of asset
- (b) All type of capital asset
- (c) Land, Building & Shares only
- (d) All of the above

Q5. Capital Asset is defined u/s:

- (a) 2(13)
- (b) 2(36)
- (c) 2(14)
- (d) 2(47)

Q6. Capital Asset means:

- (a) Any Property (Movable.immovable), connected with assessee's business,profession or not.
- (b) Any Securities held by FIIs (invested as per SEBI regulations).
- (c) Any Rights in Indian Company including Right of Management or control.
- (d) All of the above.

Q7. Capital Asset excludes:

- (a) SIT/RM.Consumables stores
- (b) Movable Personal effects
- (c) Rural Agricultural Land in India
- (d) All of the above

Q8. Mr. P purchased a car for his personal use for Rs. 5,00,000 in April, 2018 &

sold the same for Rs. 5,50,000 in July, 2018. The taxable capital gains would be.

- (a) Nil
- (b) Rs. 5,50,000
- (c) Rs. 50,000
- (d) Rs. 4,00,000

Q9. Capital asset excludes all assets except_.

- (a) Stock in trade
- (b) Gold deposit bonds
- (c) Jewellery
- (d) Rural agricultural land

Q10. Which of the following is not a capital asset for Mr. P who is employed in a public sector bank?

- (a) Urban land
- (b) Plot of land
- (c) Gold Jewellery
- (d) Car

Q11. Which of the following is capital asset ?

- (a) A maruti dealer holding cars for sale
- (b) A maruti dealer has honda city car for his personal use.
- (c) Jewellery held by a jeweller which has been held as SIT.
- (d) Jewellery held by a jeweller for his personal use.

Q12. Which of the following is not a capital asset?

- (a) Personal House
- (b) Personal Jewellery
- (c) Factory Building
- (d) Personal Car

Q13. Gold utensils are _____ & silver utensils are _____.

- (a) Capital asset, capital asset
- (b) Not capital asset, capital asset
- (c) Capital asset, not capital asset
- (d) Not capital asset, not capital asset

Q14. Which of the following assets is long term capital assets ?

- (a) Car used for 5 years for personal purposes before the date of sale.
- (b) Jewellery held for 10 years for personal use before its date of sale.
- (c) House property held by a property dealer for sale for 4 years before sale.
- (d) Shares held by Mr. P as investment & sold 11 months after date of purchase.

Q15. As per the contention of Assessing Officer gold bars, sovereigns etc. used for Puja are capital asset & hence, attracts capital gains. Is the contention of Assessing Officer valid?

- (a) Valid
- (b) Invalid
- (c) Partially invalid
- (d) None

Q16. Capital Gain on Transfer of Urban Agricultural Land is Agricultural Income & thus it is_.

- (a) treated as ; exempt u/s 10.
- (b) treated as ; taxable u/h capital gains.

- (c) not treated as ; exempt u/s 10
(d) not treated as ; taxable u/h capital gains.

Q17. STCG is a gain arising from the transfer of a land & building which is held by the assessee for not more than _____ months from the date of its acquisition.
(a) 36 (b) 12 (c) 24 (d) 48

Q18. Agricultural Land must be used for agricultural purposes for _____ prior to transfer
(a) 5 yrs (b) 3 yrs (c) 2 yrs (d) 10 yrs

Q19. Listed securities (except bonds & units) are treated as LTCA, if they are held for more than _____ months .
(a) 12 (b) 6 (c) 24 (d) 48

Q20. If unlisted debentures are sold after 12 months but before 36 months, the capital gain arising from such sale is
(a) STCG (b) LTCG

Q21. Unlisted equity shares are treated as LTCA, if they are held for more than _____ months.
(a) 12 (b) 6 (c) 24 (d) 48

Q22. Units of debt-oriented Mutual funds are treated as LTCA, if they are held for more than _____ months .
(a) 12 (b) 36 (c) 24 (d) 48

1: d	2: a	3: b	4: b	5: c	6: d	7: d	8: a	9: c	10: d	11: d
12: d	13: a	14: b	15: a	16: d	17: c	18: c	19: a	20: a	21: c	22: b

INCOME FROM OTHER SOURCES

Q1. Income from other sources is also known as _____ head of income

- (a) Residuary head
- (b) Useless head
- (c) Complementary head
- (d) None of the these

Q2. IFOS is chargeable to tax u/s -

- (a) 15
- (b) 56
- (c) 22
- (d) 28

Q3. Income u/h IFOS is taxable on -

- (a) Due basis
- (b) Receipt basis
- (c) On the basis of method of accounting regularly employed by the assesses
- (d) None of the above

Q4. Deemed Dividend u/s 2(22)(e) is taxable on -

- (a) Due basis
- (b) Receipt basis
- (c) On the basis of method of accounting regularly employed by the assesses
- (d) None of the above

Q5. Guest Lecturer's remuneration is taxable under which head of income?

- (a) Other sources
- (b) Salary
- (c) House property
- (d) Not taxable at all

Q6. Rent received by original tenant from subtenant is taxable u/ _____?

- (a) IFOS
- (b) Income from HP
- (c) Income from salary
- (d) None of the above

Q7. Mr. A has taken a house on rent & sublets the same to Mr. B. Income from such house property is taxable u/h.

- (a) Income from house property
- (b) IFOS
- (c) Income from H.P or IFOS as decided by Mr. A.
- (d) None of the above

***Q8.** Which of the following incomes are taxable u/h IFOS?

- (a) Interest on Income Tax Refunds
- (b) Income from Undisclosed Sources
- (c) Rent from vacant piece of Land (Ground Rent)
- (d) All of the above

***Q9.** Which of the following incomes are not taxable u/h IFOS?

- (a) Income from Agricultural Land outside India
- (b) Remuneration received by MPs.MLAs
- (c) Director's Sitting Fee
- (d) Remuneration received by government employees

Q10. Employee's Contribution to PF.SAF etc. received by Employer is taxable in the hands of employer

- (a) u/h Salary if remitted by the employer before due date
- (b) u/h IFOS if remitted by the employer before due date
- (c) u/h Salary if not remitted by employer before due date
- (d) u/h IFOS if not remitted by employer before due date

Q11. Sum received under Keyman Insurance policy is taxable –

- (a) U/h Salary if received by employee
- (b) U/h PGBP if received by employer
- (c) U/h IFOS if received by any person other than employer & employee (d)

All of the above

Q12. Income from letting of machinery, plant furniture is -

- (a) always chargeable to tax u/h "PGBP"
- (b) always chargeable to tax u/h "IFOS"
- (c) chargeable u/h "IFOS" only if not chargeable u/h "PGBP"
- (d) chargeable to tax u/h "Income from house property"

Q13. Amount paid on account of any current repairs to the machinery, plant or furniture given on rent, as deduction u/h IFOS.

- (a) Shall not be (b) Is not allowed
- (c) Is allowed (d) None of the above

***Q14.** When Mr. P retired from GGC Ltd. on 1.1.2019, he was paid Rs. 5,00,000 for not doing a competing business for the next 5 years. The amount so received by Mr. P is taxable as.

- (a) Income from business & profession
- (b) IFOS (c) Income from salary
- (d) Not taxable as it is a capital receipt

Q15. When Mr. P retired from GGC Ltd. on 1.1.2019, he was paid Rs. 5,00,000 for not doing a competing business for the next 5 years. The amount so received chargeable to tax in the hands of Mr. P is.

- (a) Nil (b) Rs. 5,00,000
- (c) Rs. 1,00,000 (d) Rs. 2,50,000

Q16. Dividend from Domestic Company shall be exempt in the hands of shareholder u/s

- (a) 10(32) (b) 10(34) (c) 10(33) (d) None

Q17. Dividend received on shares is taxable u/h IFOS if –
 (a) Shares are held as Investment
 (b) Shares are held as Stock-in-trade
 (c) Always irrespective of whether shares are held as Investment or SIT.
 (d) None of the above.

Q18. Normal Dividend is taxable in the PY of
 (a) Declaration (b) Distribution/Payment
 (c) Accrual
 (d) Year in which dividend is unconditionally made available to shareholders

Q19. Deemed Dividend is taxable in the PY of
 (a) Declaration (b) Distribution/Payment
 (c) Accrual
 (d) Year in which dividend is unconditionally made available to shareholders

Q20. Interim Dividend is taxable in the PY of
 (a) Declaration (b) Distribution/Payment
 (c) Accrual
 (d) Year in which dividend is unconditionally made available to shareholders

Q21. Dividend declared by Indian company o/s India is
 (a) Not Deemed to accrue.arise in India.
 (b) Deemed to accrue.arise in India.
 (c) Exempt u/s 10(34) (d) Both (b) & (c)

1: a	2: b	3: c	4: b	5: a	6: a	7: b	8: d	9: d	10: d	11: d
12: c	13: c	14: b	15: b	16: b	17: c	18: a	19: b	20: d	21: d	

. SET OFF & CARRY FORWARD OF LOSSES

Q1. Intra head set off is done u/s.

- (a) Sec 70 (b) Sec 71 (c) Sec 72 (d) Sec 73

Q2. Section 70 enables set off of losses under one source of income against income from any other source under the same head. The exceptions to this section are-

(a) Loss under head Capital gains, loss from speculative business & loss from activity of owning & maintaining race horses

(b) Loss under head Capital gains, loss from speculative business, loss from business specified u/s 35AD & loss from the activity of owning & maintaining race horses

(c) Short-term capital loss, loss from business specified u/s 35AD & loss from speculative business.

(d) None of the above

Q3. Loss from a speculation business can be set off from.

(a) Any head of income.

(b) Profits & gains from any business.

(c) Profits & gains from any business other than speculation business.

(d) Income of speculation business.

Q4. Loss on account of owing & maintaining the race horses can be set off from.

(a) Any business income

(b) Any income under the head other sources

(c) Income from horse races

(d) Income of owing & maintaining of race horses

Q5. Short-term capital loss can be set off from.

(a) STCG

(b) LTCG

(c) STCG or LTCG

(d) IFOS

Q6. Mr. P incurred long-term capital loss from sale of listed shares in recognized stock exchange & STT is paid at the time of acquisition & sale of such shares. Such loss can be set-off against:

(a) LTCG

(b) Both STCG & LTCG

(c) any head of income

(d) is not allowed to be set-off

Q7. Choose the most appropriate answer from the given options. Short-term capital loss can be set-off from

- (a) STCG (b) LTCG
(c) STCG or LTCG (d) IFOS

Q8. Which of the following is correct?

- (a) LTCG can be set off from LTCG only.
(b) LTCG can be set off from STCG only.
(c) Loss of business can be set off from salary income
(d) Loss of speculation business can be set off from income from normal business

Q9. Loss under the head capital gains can.

- (a) be set off from any other head of income in same year
(b) be carried forward only
(c) neither be set off nor carried forward

Q10. During the AY 2019-20, Mr. P has following incomes & brought forward losses.

Short term capital gains on sale of shares (STT not paid) Rs. 1,50,000, Long term capital loss of AY 2017-2018 (Rs. 96,000), Short term capital loss of AY 2017-2018 (Rs. 37,000). What is the capital gain taxable in the hands of Mr. P & how much loss can be carried forward to AY 2020-21? (a) Rs. 1,13,000, Nil (b) Rs. 17,000, Nil
(c) Rs. 1,13,000, Rs. 96,000 (d) Rs. 54,000, Rs. 37,000

Q11. During the AY 2019-20, Mr. P has following income & brought forward losses.

Long term capital gain Rs. 1,75,000, Long term capital loss of AY 2017-2018 (Rs. 96,000), Short term capital loss of AY 2017-18 (Rs. 37,000). What is the capital gain taxable in the hands of Mr. P & how much loss can be carried forward to the AY 2020-2021? (a) Rs. 79,000, Nil (b) Rs. 1,38,000, Rs. 96,000
(c) Nil, Nil (d) Rs. 42,000, Nil

Q12. Calculate capital gains income.

LTCG - (Rs. 1,00,000); STCG - Rs. 2,00,000

- (a) (Rs. 1,00,000) (b) Rs. 2,00,000
(c) Rs. 1,00,000 (d) None of the above

Q13. Calculate capital gains income.

LTCG - (Rs. 1,00,000); LTCG - Rs. 2,00,000

- (a) (Rs. 1,00,000) (b) Rs. 2,00,000

(c) Rs. 1,00,000 (d) None of the above

Q14. Calculate capital gain. LTCG on Sale of House Rs. 2.00. 000; LTCG on Sale of Gold (Rs. 1,00,000)

(a) Rs. 3,00,000 (b) Rs. 2,00,000
(c) Rs. 1,00,000 (d) None of the above

Q15. Calculate total income. CG (Rs. 2,00,000); Speculation business Rs. 3,00,000

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

Q16. Calculate total income. CG Rs. 3,00,000; Speculation business (Rs. 2,00,000)

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

Q17. Inter head set off can be availed u/s 71 before availing the intra head set off u/s 70.

(a) True (b) False

Q18. Business loss of the current year cannot be set off against

(a) Any income other than business income
(b) LTCG (c) Either LTCG/STCG (d) Salary income

Q19. Loss under the head business & profession can be set off from income under

(a) any other head (b) income from lottery
(c) any other head except salary & lottery income
(d) any other head except H/P

1: a	2: b	3: d	4: d	5: c	6: a	7: c	8: a	9: b	10: c
11: d	12: b	13: c	14: c	15: d	16: a	17: b	18: d	19: c	

DEDUCTIONS FROM GROSS TOTAL INCOME

Q1. Deductions u/s 80C to 80U are not allowed from

- (a) LTCG taxable u/s 112/u/s 112A
- (b) Casual Incomes
- (c) STCG taxable u/s 111A
- (d) All of the above

Q2. As per section 80A aggregate of all deductions from section 80C to section 80U cannot exceed amount of

- (a) GTI
- (b) special incomes in GTI
- (c) casual incomes in GTI
- (d) capital gains in GTI

Q3. Mr. P omitted to claim deduction u/s 80D from GTI while submitting his ITR on 31/7/2019 which was due date for AY 2019-20. Later AO has started his assessment & now Mr. P wants to claim deduction of sec 80D.

- (a) He will not be allowed deduction u/s 80D
- (b) He will be allowed deduction u/s 80D

Q4. Mr. P is author of books, omitted to claim deductions u/s 80D & Section 80QQB from GTI while submitting his ITR on 31/7/2019 which was the due date for AY 2019- 2020. Later on Mr. P submitted revised ITR on & claimed deduction of section 80D & section 80QQB.

- (a) He will not be allowed deduction u/s 80D & u/s 80QQB
- (b) He will be allowed deduction u/s 80D but not u/s 80QQB
- (c) He will be allowed deduction u/s 80QQB but not u/s 80D
- (d) He will be allowed deduction u/s 80D & u/s 80QQB

Q5. Deduction u/s. 80C in respect of Life Insurance Policy, Contribution of employee to Provident Fund, etc. is allowed to.

- (a) Any Assesse
- (b) Individual assessee only
- (c) Individual or HUF who may be resident or non-resident
- (d) Individual or HUF who is resident in India

Q6. Deduction u/s 80C is allowed to the maximum of. (a) Rs. 2,00,000

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

Q7. For claiming deduction u/s 80C in respect of life insurance premium, premium can be paid by assessee for -

- (a) Himself & the spouse

- (b) Himself, spouse & minor children
- (c) Himself, spouse & dependent children
- (d) Himself, spouse & any child

Q8. In case of HUF, deduction u/s 80C in respect of life insurance premium shall be allowed for.

- (a) Any coparcener of the HUF
- (b) Karta of HUF
- (c) Any member of the HUF
- (d) None of the above

Q9. An assessee has paid life insurance premium of Rs. 45,000 during the previous year for a policy of Rs. 2,00,000 taken on 1/4/2000. He shall.

- (a) Not be allowed any deduction u/s 80C
- (b) Be allowed deduction u/s 80C to the extent of 10% of the capital sum assured
- (c) Be allowed deduction for the entire premium
- (d) Be allowed deduction u/s 80C to the extent of 20% of the capital sum assured

Q10. An assessee has paid life insurance premium of Rs. 45,000 during the previous year for a policy of Rs. 2,00,000 taken on 1/4/2010. He shall.

- (a) Not be allowed any deduction u/s 80C
- (b) Be allowed deduction u/s 80C to the extent of 10% of the capital sum assured
- (c) Be allowed deduction for the entire premium
- (d) Be allowed deduction u/s 80C to the extent of 20% of the capital sum assured

***Q11.** An assessee suffering with disability specified u/s 80U has paid life insurance premium of Rs. 45,000 during the previous year for a policy of Rs. 2,00,000 taken on 1/6/2012. He shall.

- (a) Not be allowed any deduction u/s 80C
- (b) Be allowed deduction u/s 80C to the extent of 10% of the capital sum assured
- (c) Be allowed deduction u/s 80C to the extent of 15% of the capital sum assured
- (d) Be allowed deduction u/s 80C to the extent of 20% of the capital sum assured

Q12. An assessee suffering with disability specified u/s 80U has paid life insurance premium of Rs. 45,000 during the previous year for a policy of Rs. 2,00,000 taken on 1/6/2013. He shall _____.

- (a) Not be allowed any deduction u/s 80C
- (b) Be allowed deduction u/s 80C to the extent of 10% of the capital sum assured
- (c) Be allowed deduction u/s 80C to the extent of 15% of the capital sum assured
- (d) Be allowed deduction u/s 80C to the extent of 20% of the capital sum assured

Q13. An assessee has paid life insurance premium of Rs. 45,000 during the previous year for a policy of Rs. 2,00,000 taken on 1/4/2015. He shall _____.

- (a) Not be allowed any deduction u/s 80C
- (b) Be allowed deduction u/s 80C to the extent of 10% of the capital sum assured
- (c) Be allowed deduction for the entire premium
- (d) Be allowed deduction u/s 80C to the extent of 20% of the capital sum assured

Q14. For claiming deduction u/s 80C in respect of PPF, contribution must be paid by the individual in the PPF account of.

- (a) Himself only
- (b) Himself & Spouse
- (c) Himself, spouse or any child
- (d) Himself, spouse or any dependent child

Q15. For claiming deduction u/s 80C in respect of Sukanya Samridhi scheme, contribution must be paid by the individual in the name of

- (a) Himself only
- (b) Wife & Mother
- (c) Any child of such Individual
- (d) Girl child of such Individual

1: d	2: a	3: a	4: c	5: c	6: c	7: d	8: c
9: d	10: d	11: b	12: c	13: b	14: c	15: d	

RETURN OF INCOME

Q1. As per section 139(1), filing of returns is compulsory (must) irrespective of whether profit is earned or loss is incurred, in case of -

- (a) companies only
- (b) firms only
- (c) both companies & firms
- (d) All Assessees

Q2. As per section 139(1), an individual shall file income tax return if -

- (a) his total income exceeds Rs. 2,50,000
- (b) his total income exceeds Rs. 3,00,000
- (c) his total income exceeds Rs. 5,00,000
- (d) his total income before allowing deduction u/s 80C to 80U exceeds BEL (Rs. 2,50,000).

***Q3.** Akash, who is 32 years old, has long-term capital gains on transfer of equity shares of Rs. 25,000 which is exempt u/s 112A & deduction of Rs. 80,000 u/s 80C.

He has to file a ROI for AY 2019-20, only if his TI exceeds:

- (a) Rs. 1,70,000
- (b) Rs. 1,45,000
- (c) Rs. 1,50,000
- (d) Rs. 2,50,000

Q4. Mr. P is a resident of India. During AY 2019-20, interest of Rs. 2,88,000 was credited to his Non-Resident external account with SBI. Rs. 30,000 being interest on FD with SBI was credited to his savings account & he also earned interest of Rs. 3,000 on his savings bank account. Is Mr. P required to file his ITR?

- (a) No
- (b) Yes

***Q5.** Mr. P dies on 15.11.2018 & his total income till this date was Rs. 2,55,000. Thereafter the business of Mr. P was inherited by his son Mr. P & his total income from such business was Rs. 2,88,000. The son does not have any other income. In this case the son -

- (a) has to file a consolidated income tax return for the amount of Rs. 5,43,000.
- (b) has to file separate income tax returns, one on behalf of his father for Rs. 2,55,000 & other in his own capacity for Rs. 2,88,000.
- (c) has to file only one income tax return on behalf of his father for Rs. 2,55,000.
- (d) has to file only one income tax return on behalf of his father for Rs. 5,43,000.

***Q6.** ROI is required to be filed by every resident & ordinarily resident if

- (a) He has signing authority in any account located outside India or holds asset

outside India

(b) He is a beneficiary of any asset located outside India.

(c) Both (a) & (b)

(d) None of (a) & (b) since no asset is located in India.

***Q7.** ROI is required to be filed by every RNOR if

(a) He has signing authority in any account located outside India or holds asset outside India

(b) He is a beneficiary of any asset located outside India.

(c) Both (a) & (b)

(d) This proviso is not applicable to resident but not ordinarily resident.

***Q8.** An Individual who is a beneficiary of any asset located outside India is if such income is includible in the Income of the Beneficial owner.

(a) required to file ROI under 4th proviso to section 139(1)

(b) Not required to file ROI under 4th proviso to sec 139(1)

(c) Required to deduct TDS under 4th proviso to sec 139(1) (d)Not Required to deduct TDS under 4th proviso to sec 139(1)

***Q9.** Assessee having total income lower than Basic Exemption Limit is

(a) Required to File ROI. (b)Not required to File ROI

(c) May file ROI if he so desires. (d) Both (b) & (c).

Q10. For filing returns of income in respect of various entities, Income-tax Act, 1961 has prescribed

(a) Two due dates (b) Three due dates

(c) Four due dates (d) Only one due date

Q11. In case of every assessee, the ROI shall be filed:

(a) On or before due date given u/s 139(1)

(b) Before due date given u/s 139(1)

(c) On due date given u/s 139(1)

(d) After due date given u/s 139(1)

Q12. The last date of filing ROI u/s 139(1) for AY 2019-20 in case of non-corporate assesses who does not have any income of PGBP is:

(a) 30th September of PY (b) 30th September of AY

(c) 31st July of AY (d) 31st July of the PY

Q13. Last date of filing ROI u/s 139(1) for AY 2019-20 in case of a Company assesses is:

- (a) 30th September of PY (b) 30th September of AY
 (c) 31st July of AY (d) 31st July of the PY

Q14. The last date of filing ROI u/s 139(1) for AY 2019-20 in case of non-corporate assesses whose accounts are not liable to be audited is:

- (a) 30th September of PY (b) 30th September of AY
 (c) 31st July of AY (d) 31st July of the PY

Q15. Due date of furnishing return of income for a working partner of a firm whose accounts are required to be audited is:

- (a) 31st July of AY (b) 30th September of AY
 (c) 30th November of AY (d) 31st March of AY

***Q16.** The last date of filing ROI u/s 139(1) for AY 2019- 20 in case of assessee who is required to furnish Transfer Pricing Report u/s 92E relating to International transaction/Specified Domestic transaction is:

- (a) 30th November of PY (b) 30th November of AY
 (c) 31st September of AY (d) 31st September of PY

Q17. Due date of furnishing ROI for a non-working partner of a firm whose accounts are required to be audited is:

- (a) 31st July of AY (b) 30th September of AY
 (c) 30th November of AY (d) 31st March of AY

1: c	2: d	3: d	4: a	5: b	6: c	7: d	8: b	9: c
10: b	11: a	12: c	13: a	14: c	15: b	16: b	17: a	