T.Y. B.Com – V SEM

DIRECT TAX

OBJECTIVES

Multiple Choice Questions:-

1. Income-tax Act extends to
a) Whole of India b) Whole of India except Jammu & Kashmir
c) Whole of Maharashtra only d) None of these
2. Out of the following which is a revenue receipt?
a) Premium received on issue of new shares b) Annuity received from former employer
c) Interest from investments d) None of these
3. A.O.P should consist of:
a) Individual only b) Persons other than individual only
c) Both the above d) none of these
4. Body of individual should consist of:
a) Individual only b) Persons other than individual only
c) Both the above d) none of these
5. A new business was set up on 15-11-2020 and it commenced its business from 1-12-2020. The first previous year in this case shall be:
a) 15-11-2020 to 31-3-2021 b) 1-12-2020 to 31-3-2021
c) 2020-21 d) None of these
6. Shivaji University is assessable under the Income Tax Act as
a) An individual b) An artificial juridical person
c) A local authority d) None of these
7. In which year is the income tax liability computed?
a) Assessment year b) Previous Year
c) Financial Year d) Calendar Year
8. Income earned during what period is taxed?
a) Assessment Year b) Previous Year
c) Financial Year d) Calendar Year
9. Whose income is chargeable o income tax?
a) Income of only Indian Citizens b) Income of only residents
c) Income of all persons d) income of only assesses
10. One who is liable to pay the income tax in India –
a) India citizen b) Resident in India
c) Any person d) An assessee
11. Assessment year is the period of twelve months commencing on –
a) the first day of March every year b) The first day January every year
c) Financial year immediately preceding the previous year
d) the first day of April every year
12. Previous year means the
a) Financial year immediately after the assessment year
b) The period of twelve months commencing on the first day of April every year
c) Financial year immediately preceding the assessment year
d) Calendar year immediately preceding the assessment year
13. Mr. Joshi runs a chemist's shop, accounting year of which is the financial year. On November 9, 2018 he sets up a chemical factory. What is the previous year for the assessment year 2019-20 for the above two businesses.
a) 1-4-2018 to 31-3-2019 for both b) 9-11-2018 to 31-3-2019 for both
c) 1-1-2018 to 31-12-2019 for both
d) Shop: 1-4-2018 to 31-3-2019; and Factory: 9-11-2018 to 31-3-2019
14. A Company joining with two other Companies in a joint venture is treated under Income tax laws as
a) a company b) an association of persons
c) a body of individuals d) an artificial juridical person

15. A Charitable Trust is treated under Income tax laws as
a) a company
b) an association of persons
c) a body of individuals
d) an artificial juridical person

16. A Club is treated under Income tax laws as
a) a Company
b) An association of persons
c) A body of individuals
d) an artificial juridical person

17. A Co-operative Society is treated under Income tax laws as
a) a Company
b) An association of persons
c) A body of individuals
d) an artificial juridical person

18. Life Insurance Corporations is treated under Income tax laws as
a) a company
b) Local Authority
c) a body of individuals
d) an artificial juridical person

19. Mumbai University is treated under Income tax laws as
a) a company
b) an association of persons
c) a body of individuals
d) an artificial juridical person

20. Indicate which of the following persons will not be taxed as an individual:
a) X, a partner of a firm
b) Y, a managing director of A Ltd.
c) Z, a member of Z HUF
d) M, Municipal Commissioner of Mumbai in respect of the Income of the Municipal Corporation

21. Provision of a motor car to the wife of the managing director by the company
a) is exempt tax
b) Is treated as perquisite in the hands of the managing director
c) is treated as income of the company
d) is treated as income of the wife of the managing director

22. Recovery of bad debt is
a) Allowed as deduction from gross income
b) exempt from tax
c) Chargeable to tax as income from business
d) Chargeable to tax as capital gains

23. Gift from a patient to a doctor is
a) allowed as deduction from gross income of the patient
b) exempt from tax for the doctor
c) Chargeable to tax as income from business for the doctor
d) Chargeable to tax as income from other sources for the doctor

24. A capital receipt
a) is always exempt
b) is always taxable
c) is always taxable unless specifically exempted under the Income tax Act
d) is exempt unless specifically made taxable under the Income tax Act

25. A revenue receipt
a) is never exempt
b) is never taxable
c) is always taxable unless specifically exempted under the Income tax Act
d) is exempt unless specifically made taxable under the Income tax Act

26. When goods are transferred from Head Office to a branch at a price higher than cost
a) the profit is treated as taxable income of head office
b) The profit is treated as taxable income of branch office
c) The invoice price is treated as taxable income of head office
d) There is no taxable income

27. A person by whom any tax, interest, penalty etc. is due is known as –
a) a defaulter
b) a resident
c) a citizen
d) an assessee

28. The rates of income tax laid down by
a) the Income tax Act
b) the Income tax Rules
c) The Finance Act, 1994
d) The Finance Act passed by the parliament every year

29. The rates of income tax are laid down
a) for each calendar year
b) for each assessment year
c) for each previous year
d) for each head of income

30. Total income
a) of one calendar year is charged to tax in the succeeding year
b) of one financial year is charged to tax in the succeeding calendar year
c) of one financial year is charges to tax in the succeeding financial year
d) of one financial year is charged to tax in the preceding financial year

31) Residential status is to be determined for:

(a) Previous year
(b) Assessment year
(c) Accounting year
(d) None of these

32) Incomes which accrue or arise outside India but are received directly into India are taxable in case of
(a) Resident only
(b) Both ordinarily resident and NOR
(c) Non- resident
(d) All the assesses

33) Total income of a person is determined on the basis of his
(a) Residential status in India
(b) Citizenship in India
(c)None of these
(d) Both of the above

34) M, a foreign national visited India during previous year 2020-21 for 180 days. Earlier to this he never visited India. M in this case shall be:
(a) Resident in India
(b) Non- resident
(c) Not ordinarily resident in India
(d) none of these

35) M, a foreign national but a person of Indian origin visited India during previous year 2020-21 for 181 days. During 4 preceding previous years he was India for 366 days. M shall be
(a) Resident in India
(b) Non- resident
(c) Not ordinarily resident in India
(d) none of these

36) Income which accrues or arise outside India and also received outside India is taxable in case of:
(a) Resident in India
(b) Non- resident
(c) Both ordinarily resident & NOR
(d) none of these

37) Income which accrues outside India from a business controlled from India is taxable in case of:
(a) Resident only
(b) Not ordinarily resident only
(c) Both ordinarily resident and NOR
(d) Non- resident

38) Income deemed to accrue or arise in India is taxable is case of
(a) Resident only
(b) Both ordinarily resident and NOR
(c) Both ordinarily resident and NOR
(d) All the assesses

39) Income received in India
(a) Is taxable only for a resident
b) Is not taxable only for a non-resident
(c) Is taxable for a resident, a resident but not ordinarily resident and a non-resident
(d) Is exempt in all cases

40) Income which accrues in India from a business controlled from India
a) Is taxable only for a resident
b) Is not taxable only for a non-resident
c) Is taxable for a resident, a resident but not ordinarily resident and a non-resident
d) Is exempt in all cases

41) Income which accrues outside India from a business not controlled from India
a) Is taxable only for a non-resident
b) Is not taxable only for a non-resident
c) Is taxable for a resident, a resident but not ordinarily resident
d) Is exempt in all cases

42) Income accruing in Japan and received there is taxable in India in the case of –
a) Resident and ordinarily resident only
b) Both resident and ordinarily resident and resident but not ordinarily resident
c) Both resident and non-resident
d) Non-resident

43) M, a person of Indian origin, visited India on 2-10-2018 and plans to stay here for 185 days. During 4 years prior to previous year 2018-19, he was in India for 750 days. Earlier to that he was never in India. For the assessment year 2019-20, he is
a) A resident and ordinarily resident
b) A resident but not ordinarily a resident
c) A non-resident

44) M, a citizen of India, left India for U.S. on 16-8-2018 for booking orders on behalf of an Indian company for exporting goods to U.S. He came back to India on 5-5-2019. He had been resident in India for the past 10 years. For the assessment year 2019-20, he is
A) resident of India

45) M, a foreign national, visited India during previous year 2018-19 for 180 days. Earlier to this he ever visited India. For the assessment year 2019-20, he is
a) A resident and ordinarily resident
b) A resident but not ordinarily a resident
c) A non-resident

46) M a foreign national but a person of Indian origin visited India during previous year 2020-21 for 181 days. During 4 preceding previous years he was in India for 400 days. For the assessment year 2021-22, he is
a) A resident and ordinarily resident
b) A resident but not ordinarily a resident

c) A non-resident

47) Mr. Sumit Vats a citizen of India has one business in India and he has left India for meeting a foreign supplier for the first time on 01.09.2020 and did not return till 31-3-2021. For the assessment year 2021-22, he is

a) A resident and ordinarily resident b) A resident but not ordinarily a resident
c) A non-resident

48) Mr. Manmohan Sharma goes out of India every year for 274 days. For the assessment year 2020-21, he is

a) A resident and ordinarily resident b) a resident but not ordinary resident
c) A non-resident

49) Mr.Rishab Patil, a citizen of Japan, has come to India for the first time on 03.10.2020 for 200 days. For the assessment year 2021-22, he is a non resident.

a) a resident and ordinarily resident b) a resident but not ordinarily a resident
c) a non-resident

50) Mr. Sameer Khanna, a German citizen, came to India on 23.05.2019 and left India on 30.05.2020. For the assessment year 2021-22, he is

a) A resident and ordinarily resident b) a resident but not ordinarily a resident
c) A non-resident

51) M, a chartered accountant is employed with M Ltd., as an internal auditor and requests the employer to call the remuneration as internal audit fee. M shall be chargeable to tax for such fee under the head

(a) Income from salaries (b) Profit and gains from Business and Profession
(c) Income from other sources (d) None of above

52) M, who is entitled to a salary of Rs. 20,000 p.m. took an advance of Rs. 50,000 against he salary in the month of March 2021. The gross salary of M for assessment year 2021-22 shall be:

(a) 2,90,000 (b) 2,40,000 (c) 50,000 (d) None of these

53) M, who is entitled to salary of Rs. 12,000 p.m. took advance salary from his employer for the months of April and May 2021, along with salary of March, 2021 on 31-3-2021. The gross salary of M for the assessment year 2021-22 shall be:-

(a) Rs. 1,44,000 (b) Rs. 1,68,000 (c) Rs. 24,000 (d) None of the above

54) Salary of M becomes due on 1st of next month and it is paid on 7th of that month. For the assessment year 2021-22 the salary of M shall be taken from

(a) April 2020 to March 2021 (b) March 2020 to February 2021
(c) April 2021 to March 2022 (d) None of above

55) M. Ltd. announced increase in D. A. on 21-3-2018 with retrospective effect from 21-3-2013 and the same were paid on 6-04-2018. The arrears of D. A. shall be taxable in the previous year

(a) 2017-18 (b) 2018-19
(c) In respective previous years to which these relate (d) None of above

56) Un-commuted pension received by a Government employee is

(a) Exempt (b) Taxable (c) 1/3 is exempt (d) None of above

57) M claimed the exemption of gratuity in the past to the extent of Rs. 2,50,000. He was entitled to the gratuity from the present employer amounting to Rs. 2,00,000 in the previous year 2018-19. M can claim exemption to the maximum extent of

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

58) Employee M is neither a government employee nor covered under Payment of Gratuity Act, 1972. He has completed 16 years and 8 months of service. The number of completed years considered for gratuity exemption shall be

(a) 17 years (b) 16 years (c) 16 years and 8 month (d) None of above

59) Compensation received on voluntary retirement is exempt under sec. 10 (10C) to themaximum extent of

(a) Rs. 2,40,000 (b) Rs. 3,00,000 (c) Rs. 5,00,000 (d) None of above

60) M is entitled to children education allowance @ Rs. 80 p.m. per child for 3 children amounting Rs. 240 p.m. It will be exempt to the extent of:

(a) Rs. 200 p.m. (b) Rs. 160 p.m. (c) Rs. 240 p.m. (d) None of above

61) Entertainment allowance in case of government employee is:-

(a) Fully exempt (b) Fully taxable
(c) Exempt upto certain limits mentioned in sec. 16(ii)

(d) First included in full in gross salary and thereafter deduction allowed from gross salary under section 16(ii)

62) Pension received by an employee of the Central or State Government who has been awarded. "Param Vir Chakra"

a) is taxable as income from salary b) Is exempt from tax
c) Is taxed after deducting Rs. 15,000 or 1/3 whichever is lower.
d) Is taxable as income from other sources

63) Children education allowance is

a) exempt upto lower of the amount actually spent or the prescribed limits.
b) Exempt fully to the extent actually spent
c) exempt to the extent of lower of allowance received or the limp-sum amount prescribed, irrespective of actual expenditure. d) Fully taxable

64) Leave travel concession is

a) exempt upto lower of the amount actually spent or the prescribed limits.
b) exempt fully to the extent actually spent
c) exempt to the extent of lower of allowance received or the limp-sum amount prescribed, irrespective of actual expenditure.
d) Fully taxable

65) Allowances for expenses on Travelling on tour or transfer are

a) exempt upto lower of the amount actually spent or the prescribed limits.
b) exempt fully to the extent actually spent
c) exempt to the extent of lower of allowance received or the lump-sum amount prescribed irrespective of actual expenditure.
d) Fully taxable

66) Lumpsum payment from Unrecognized Provident Fund to an employee, on his retirement, over and above his own contributions

a) Is not taxable
b) Is taxable as income from other sources
c) Is taxable in case of only 'specified' employees
d) Is taxable as 'profit in lieu of salary'

67) Compensation for termination of employment

a) is not taxable
b) Is taxable as capital gains
c) Is taxable in case of only 'specified' employees
d) Is taxable as 'profit in lieu of salary'

68) Cost of medical treatment, in a hospital maintained by the employer, provided to an employee

a) is not taxable
b) Is a perquisite taxable in case of all employees
c) is a perquisite taxable in case of only 'specified' employees
d) is taxable as 'profit in lieu of salary'

69) Gas, electricity or water supply provided free of cost

a) Is exempt from tax
b) Is a perquisite taxable in case of all employees
c) Is a perquisite taxable in case of only 'specified' employees
d) is a perquisite taxable in case of only non-government employee

70) Sum paid as employer's contribution to a recognized provident fund within the allowed limits

a) is not taxable
b) is a perquisite taxable in case of all employees
c) is a perquisite taxable in case of only 'specified employees
d) is taxable as 'profit in lieu of salary'

71) Value of rent-free accommodation provided by the employer

a) is exempt from tax
b) is a perquisite taxable in case of all employees
c) is a perquisite taxable in case of only 'specified' employees
d) Is a perquisite taxable in case of only government employees

72) Salary received by partner from firm

a) Salary b) Income from other sources
c) Income from business d) exempt income

73) Salary received by a Member of Parliament

(a) Salary (b) Income from other sources

c) Income from business   d) exempt income

74) Payment received by a 0College lecturer from University for setting question papers

a) Salary   b) income from other sources

c) Income from business   d) exempt income

75) M has taken a house on rent and sublets the same to A. Income from such house property shall be taxable under the head

(a) Income from house property   (b) Income from other sources

(c) Business income   (d) None of the above

76) Municipal valuation of the house is Rs. 1,00,000 fair rent Rs. 1,20,000, standard rent Rs. 1,10,000 and actual rent received or receivable is Rs. 1,40,000. The Gross Annual Value in this case shall be

(a) Rs. 1,10,000   (b) Rs. 1,20,000

(c) Rs. 1,40,000   (d) None of above

77) Municipal valuation of the house is Rs. 1,20,000, fair rent 1,40,000, standard rent Rs. 1,30,000 and actual rent received or receivable is Rs. 1,25,000. The gross annual value in this case shall be:-

(a) 1,30,000   (b) 1,25,000

(c) 1,40,000   (d) None of the above

78) A has two house properties. Both are self-occupied. The annual value of

(a) Both house shall be nil   (b) One house shall be nil

(c) No house shall be nil   (d) None of the above

79) An assessee has borrowed money for purchase of a house & Interest is payable outside India. Such interest shall:

(a) Be allowed as deduction   (b) Not to be allowed as deduction

(c) Be allowed as deduction if the tax is deducted at source   (d) None of above

80) Municipal tax is deducted from

(a) Net Annual Value   (b) Gross Annual value

(c) Municipal Valuation   (d) None of the above

81) In case the property is owned by co-owners an it is self occupied by all co-owners. The annual value of

(a) Such house property be nil   (b) For each co-owner shall be nil

(c) Only for co-one owner will be nil   (d) None of the above

82) A house property with fair rent Rs. 1,20,000 is neither let out nor self occupied through out the previous year. Its annual value shall be

(a) Rs. 1,20,000   (b) Rs. Nil   (c) Rs. 60,000   (d) None of the above

83) Unrealized rent is a deduction from

(a) Gross annual value   (b) Net annual value

(c) Municipal value   (d) None of the above

84) A property is owned by co-owners and it is self occupied by all co-owners. In this case interest on money borrowed after 1–4–2010 for acquiring the house shall be allowed

(a) To the extent of Rs. 1,50,000 as the case may be for total property income

(b) To each co-owners, to the extent of Rs. 2,00,000 as the case may be

(c) No deduction of interest shall be allowed

(d) None of the above

85) Dhanesh is a member of a house building co-operative society. The society is the owner of the flast constructed by it. One of the flats is allotted to Dhanesh. The income from that flat will be assessed in the hands of

(a) Co-operative Society   (b) Dhanesh

(c) Neither of the above   (d) Society and Dhanesh equally

86) Following will be taxable as Income from house property

(a) sub-letting of a house   (b) letting of an office building

(c) sale of house at profit   (d) rent from open land used for wedding functions

87) Municipal taxes to be deducted from GAV should be

a) Paid by the tenant during the previous year

b) Paid by the owner during the previous year

c) Accrued during the precious year

d) Accrued or paid owner whichever is lower

88) Standard Deduction under section 24(a) from Income from House Property is

a) 1/3 rd of NAV b) Repairs actually incurred by the owner
c) 30% of NAV d) Rs. 30,000

89) Interest on borrowed capital accrued up to the end of the previous year prior to the year of completion of construction is allowed

a) as a deduction in the year of completion of construction
b) In 5 equal annual installments from the year of completion of construction
c) in the respective year in which the interest accrues
d) uptoRs. 30,000 or Rs. 1,50,000.

90) The maximum limit of deduction under section 24(b) in respect of interest on loan taken on 1.4.2019 for repairs of a self-occupied house is

a) Rs. 30,000 p.a. b) Rs. 1,50,000 p.a.
c) No limit d) Nil

91) Where an assessee has two house properties for self-occupation, the benefit of nil annual value will be available in respect of –

a) Both the properties
b) The property which has been acquired/constructed first
c) Any one of the properties, at the option of the assessee
d) None of the properties

92) Municipal valuation of the house is Rs. 1,00,000 whereas the rent of house property Rs. 1,15,000 and standard rent is Rs. 1,20,000; actual rent receivable is Rs. 1,40,000; municipal taxes paid 10%. Net Annual Value is

a) Rs. 90,000 b) Rs. 1,05,000
b) Rs. 1,40,000 d) Rs. 1,30,000

93) Municipal valuation of the house is Rs. 1,30,000, fair rent is Rs. 1,50,000 standard rent is Rs. 1,40,000 wherease actual rent receivable is Rs. 1,35,000; municipal taxes paid are Rs. 40,000. Net Annual Value is

a) Rs. 1,10,000 b) Rs. 90,000
c) Rs. 95,000 d) Rs. 1,00,000

94) Fair rental value of a houses is Rs. 2,50,000, standard rent Rs. 2,20,000, actual rent Rs. 2,30,000. Municipal taxes paid for 7 years in advance Rs. 2,80,000. Net Annual value is

a) Rs. 10,000 b) Loss Rs. 50,000
c) Rs. 2,50,000 d) Rs. 2,10,000

95) Municipal value of a house is Rs. 9,000, Fair rent Rs. 14,000, Standard rent Rs. 14,000, Standard rent Rs. 12,000. The house property has been let for Rs. 1,200 p.m. and was vacant for one month during the previous year. Municipal taxes paid during the year were Rs. 4,000. Net Annual Value is

a) Rs. 5,000 b) Rs. 10,000
c) Rs. 9,200 d) Rs. 8,000

96) Municipal value of a house is Rs. 9,000, Fair rent Rs. 14,000, Standard rent Rs. 12,000. The house property has been let for Rs. 1,200 p.m. and was vacant for three months during the previous year. Municipal taxes paid during the year were Rs. 4,000. Net Annual Value is

a) Rs. 5,000 b) Rs. 10,000
c) Rs. 6,800 d) Rs. 8,000

97) M has a house property in Mumbai whose Municipal Value is Rs. 10,000 and the Fair Rental Value is Rs. 12,000. It was self-occupied by M from 1-4-2020 to 31-7-2020. W.e.f. 1-8-2020 it was let out at Rs. 900 p.m. The municipal taxes paid during the year were Rs. 2,000. Net Annual Value is

a) Rs. 12,000 b) Rs. 10,000
c) Rs. 10,800 d) Nil

98) M furnishes the following particulars in respect of a house property owned by him in Mumbai.
Municipal Value Rs. 20,000
Fair Rent Rs. 24,000
Actual Rent (per month) Rs. 2,100
Municipal tax paid during the year 2,000
M could realize the rent for the months of September and October, 2020. The tenant vacated the property on 31-10-2020 and thereafter the property was let out for Rs. 2,500 p.m. Net Annual Value is

a) Rs. 18,000 b) Rs. 22,000
c) Rs. 28,000 d) Rs. 21,000

99) Municipal value Rs 90000, Fair rental value Rs 1,40,000, Municipal taxes Rs 40,000. The entire house is self occupied throughout the previous year. Net Value is

a) Rs 90,000 b)Rs 1,40,000
c) Rs 1,00,000 d) Nil.

100) Municipal value Rs.80,000 fair rental value 1,40,000 municipal taxes 40,000. The entire house was let out throughout the year @ Rs.12,000 p.m. Net annual value is

a) 50,000 b) 1,04,000
c) 1,00,000 d) 1,40,000

101) Municipal value 90,000 fair rental value 1,40,000 municipal taxes 40,000. The house was let out for five months from the beginning of the year @ 10,000 p.m. and was self-occupied for the remaining months. Net annual value is

a) 50,000 b) 1,04,000 c) 1,00,000 d) 92,000

102) Municipal value 90,000 fair rental value 1,40,000 municipal taxes 40,000. The house was let out for five months from the beginning of the previous year @ 10,000 p.m. and was self occupied for the beginning months. Net annual value is

a) 1,20,000 b) 80,000 c) 1,00,000 d) 10,000

103) M has a house divided into two identical units. Unit 1 is self-occupied throughout the year. Unit 2 is let out throughout the year on a rent of Rs.50,000 p.m. Municipal taxes paid amounted to Rs.60,000. Total net annual value is

a) nil b) 5,70,000 c) 1,00,000 d) 10,000

104) M has a house divided into two identical units. Unit 1 is self-occupied for 9 months and let out for 3 months @ Rs.50,000 p.m. which is the fair rent in the area. Unit 2 is let out throughout the year on a rent of Rs.50,000 p.m. Municipal taxes paid amounted to Rs.60,000. Total net annual value is

a) 5,70,000 b) 12,00,000 c) 6,90,000 d) 11,40,000

105) The assessee took a loan of Rs.6,00,000 on 1.4.2015 from a bank for construction of a house on a piece of land he owns in pune. The loan carries an interest @ 12% per annum. The construction is completed on 15.6.2019. The entire loan is outstanding. Interest allowable for current assessment year 2021-22 is

a) 72,000 b) 28,800 c) 1,00,800 d) nil

106) X takes a loan of Rs.3,60,000 at 12.5 % p.a. for construction a house on June 10, 2017. Construction of the house is completed on January 20, 2020. Loan was repaid on 31.10.2020. Interest allowable for current assessment year 2021-22 is

a) Nil b) 45,000 c) 9,000 d)30,526

107) Net annual value of one house is Rs.3,00,000 and actual expenditure incurred on repairs is Rs.75,000. Income from house property is

a) 3,00,000 b) 2,10,000 c) 2,25,000 d) none of the above

108) if a house has been constructed on 01.07.2018 by taking a loan on 01.11.2014, pre-construction period for allowing interest in ass. year 2019-20 shall be

a) from 1.7.2014 to 31.3.2018 b) from 1.7.2014 to 1.11.2018
c) from 1.11.2014 to 31.3.2018 d) from 1.11.2014 to 31.3.2019

109) L received Rs.30,000 as arrears of rent during the P.Y. 2020-21. The amount taxable under section 25B would be

a) 30,000 b) 21,000 c) 20,000 d) nil

110) V received Rs.90,000 in may 2020 towards recovery of unrealized rent, which was deducted from actual rent during the P.Y. 2020-21 for determining annual value. The amount taxable under section 25AA for A.Y. 2021-22 would be

a) 90,000 b) 63,000 c) 60,000 d) 30,000

111) G and R are co-owners of a self-occupied property. They own 50% share each. The interest paid by each co-owner during the previous year on loan (taken for acquisition of property during the year 2008) is Rs.1,62,000. The amount of allowable deduction in respect of each co-owner is

a) 1,62,000 b) 2,00,000 c) 1,00,000 d) 81,000

112) Salary, bonus, commission or remuneration due to or received by a working partner from the firm is taxable under the head.

(a) Income from salaries (b) Other sources
(c) Business Income (d) None of the above

113) Perquisite received by the assessee during the course of carrying on his business or profession is taxable under the head

(a) Salary (b) Other sources
(c) Business/ Professional income (d) None of the above

114) Interest on capital or loan received by a partner from a firm is:
(a) Exempt u/s 10 (2A) (b) Taxable as business and profession income
(c) Taxable as income from other sources (d) None of the above

115) Under the head Business or Profession, the method of accounting which an assessee can follow shall be
(a) Mercantile system only (b) Cash system only
(c) Mercantile or cash system (d) Hybrid system

116) Export incentives received by an assessee are:-
(a) Exempt (b) Taxable as business income
(c) Exempt upto certain limits (d) None of the above

117) M, who was carrying on agency business, received a sum of Rs. 5,00,000 from his principal for termination of agency. Compensation so received shall be
(a) Exempt as it is capital receipt (b) Fully taxable as business income
(c) Taxable as income from other sources (d) none of the above

118) Depreciation is allowed in case of
(a) Tangible fixed assets only (b) Intangible assets only
(c) Tangible and intangible assets (d) Wasting assets only

119) If the asset of a particular block is acquired and put to use during the previous year for less than 180 days, the assessee shall be entitled to depreciation
(a) At normal rate (b) At 50% of normal rate
(c) No depreciation is allowed (d) None of the above

120) Which of the following tax is allowed as a deduction while computing the business income?
(a) Wealth tax (b) Income tax (c) Sales tax (d) None of above

121) Where the amount of an expenditure claimed as deduction exceeds Rs. 10,000, it should be paid by
(a) Crossed cheque (b) Account payee cheque/ draft
(c) Cash (d) None of above

122) Where the amount of an expenditure claimed as deduction exceeds Rs. 10,000 and it is not made by account payee cheque/ draft
(a) 20% of such payment shall be disallowed
(b) 100% of such payment shall be disallowed
(c) 20% of the excess over Rs. 10,000 of such payments shall be disallowed
(d) None of above

123) Expenditure incurred on family planning amongst the employees is allowed to
(a) Any assessee (b) A company assessee
(c) An assessee which is a company or cooperative society (d) None of above

124) Profit on sale of Import Licence is
a) Exempt from tax b) Taxed as profit and gains of business
c) Taxed as income from other sources d) Taxed as capital gains

125) Export cash assistance earned by any person from Government is
a) Exempt from Tax b) taxed as capital gains
c) Taxed as income from other sources d) taxed as profit and gains of business

126) Profit on transfer of Duty Entitlement Pass Book is
a) Exempt from tax b) Taxed as income from other sources
c) taxed as profits and gains of business d) Taxes as capital gains

127) Value of any perquisite arising from business is
a) exempt from tax b) taxes as profits and gains of business
c) Taxed as income from other sources d) Taxed as salary

128) Salary received by a partner from, allowed to be deducted from the firm's income under section 40(b) is
a) Taxed as profits and gains of business in the hands of the partner
b) Exempt from tax in the hands of the partner
c) Taxed as income from other sources in the hands of the partner
d) Taxed as salary in the hands of the partner

129) Receipt by a retiring partner from firm for agreeing not to carry on a similar business after retirement is
a) Exempt from tax in the hands of the partner
b) taxed as profits and gains of business in the hands of the partner
c) Taxed as income from other sources in the hands of the partner

d) Taxed as capital gains in the hands of the partner

130) Any sum received under a Keyman Insurance Policy including bonus is

a) Wholly exempt from tax b) Exempt from tax to the extent of the bonus
c) taxes as income from tax d) taxed as profits and gains of business

131) Income from illegal business e.g. smuggling is

a) wholly exempt from tax b) taxed as income from other sources
c) taxed as profits and gains of business d) taxable only in case of non-residents

132) What is charged to tax under 'profits and gains from business' is

a) gross profits b) gross turnover
c) gross receipts d) net profits

133) The following business loss is deductible from profits of business

a) Theft of cash b) loss of machinery in fire
c) Estimated bad debts likely to arise in next year
d) expenditure on new business not ultimately set up

134) The share of a partner in the income of a firm which is separately assessed as a firm is

a) Exempt from tax to the extent of his share in taxable income
b) Exempt from tax to the extent of his share in net profit as per profit and loss account
c) Is taxed as profits from business d) Is taxed as income from other sources

135) An assessee uses plant and machinery for the purpose of carrying on his business. Under section 31, he shall be eligible for deduction on account of –

a) Both capital and revenue expenditure on repairs
b) Current
c) Current repairs plus 1/5th of capital expenditure on repairs
d) Only capital expenditure on renovation etc.

136) XYZ Ltd. incurred capital expenditure of Rs. 1,50,000 on 1.4.2017 for acquisition of patents and copyrights. Such expenditure is –

a) Eligible for deduction in 14 years fron A.Y. 2019-20
b) Eligible for deduction in 5 years from A.Y. 2019-20
c) Subject to depreciation under section 32
d) Eligible for 100% deduction in year of acquisition

137) Any expenditure incurred on scientific research related to the assessee's business.

a) Is allowed to be deducted @ 100% b) is allowed to be deducted @ 125%
c) is allowed to be deducted @ 175% d) Is allowed to be deducted @ 200%

138) Any capital expenditure on scientific research related to the assessee's business,

a) Is allowed to be deducted @ 100% b) is allowed to be deducted @ 125%
c) is allowed to be deducted @ 175% d) Cannot be deducted from profits of business

139) Any sum paid to an approved university to be used for scientific research

a) Is allowed to be deducted @ 100% b) is allowed to be deducted @ 125%
c) is allowed to be deducted @ 175% d) Is allowed to be deducted @ 200%

140) Any sum paid to an approved company to be used by such company for scientic research

a) Is allowed to be deducted @ 100% b) is allowed to be deducted @ 125%
c) is allowed to be deducted @ 175% d) Is allowed to be deducted @ 200%

141) Any sum paid to an approved National Laboratory for an approved research programme

a) Is allowed to be deducted @ 100% b) is allowed to be deducted @ 125%
c) is allowed to be deducted @ 175% d) Is allowed to be deducted @ 200%

142) Any sum paid to an approved an Indian Institute of Technology for an approved research programme

a) Is allowed to be deducted @ 100% b) is allowed to be deducted @ 125%
c) is allowed to be deducted @ 175% d) Is allowed to be deducted @ 200%

143) Section 35D provides for the amortization of preliminary expenses incurred by

a) Indian companies b) Any taxpayers
c) Indian companies and other resident non-corporate taxpayers d) Companies

144) Section 35D provides for the amortization of preliminary expenses

a) In the year such expenses are incurred b) In the year such expenses are paid
c) over a period of 5 years d) over a period of 10 years

145) Section 35D allows amortization of preliminary expenses in case of an Indian Company

a) At 5% of the cost of the project
b) At 5% of the capital employed in the business of the company
c) At 5% of the cost of the project or 5% of the capital employed in the business of the company, whichever is higher

d) At 5% of the cost of the project or 5% of the capital employed in the business of the company, whichever is lower

146) Section 35D gives an option to an Indian Company to claim 5% of the capital employed in the business of the company for amortsation as preliminary expenses. 'Capital employed in the business of the company' means

a) Aggregate issued share capital
b) Aggregate of the issued share capital and debentures
c) Aggregate of the paid-up share capital debentures and long-term borrowings
d) Aggregate of the issued share capital, debentures and long-term borrowings

147) Which of the following is true –

a) Expenses for promoting family planning among employees can be claimed by any assessee
b) Capital expenditure for promoting family planning among employees cannot be claimed by any assessee
c) Expenses for promoting family planning among employees can be claimed by a company
d) Capital expenditure for promoting family planning among employees can be claimed by a company in the year in which it is incurred

148) Royalty of Rs. 15,00,000 has been paid to a Non-Resident for the previous year 2018-19. Tax to be deducted is Rs. 3,50,000 and due date for payment is 30-06-2018. The assessee has not deducted tax at source at all.

a) Royalty will be disallowed as a deduction in assessment year 2019-20
b) Royalty will be allowed as a deduction in assessment year 2018-20
c) Royalty will be disallowed as a deduction in assessment year 2018-19
d) Royalty will be disallowed as a deduction in assessment year 2020-21

149) Royalty of Rs. 15,00,000 has been paid to a Non-Resident for the previous year 2018-19. Tax to be deducted is Rs. 3,50,000 and due date for payment is 30-06-2018. The assessee has duly deducted tax at source but not paid the same to the Government in time.

a) Royalty will be disallowed as a deduction in assessment year 2019-20
b) Royalty will be allowed as a deduction in assessment year 2019-20
c) Royalty will be disallowed as a deduction in assessment year 2018-19
d) Royalty will be disallowed as a deduction in assessment year 2020-21

150) Royalty of Rs. 15,00,000 has been paid to a Non-Resident for the previous year 2018-19. Tax to be deducted is Rs. 3,50,000 and due date for payment is 30-06-2018. The assessee has duly deducted tax at source and paid the same to the Government.

a) Royalty will be disallowed as a deduction in assessment year 2019-20
b) Royalty will be allowed as a deduction in assessment year 2019-20
c) Royalty will be disallowed as a deduction in assessment year 2018-19
d) Royalty will be disallowed as a deduction in assessment year 2020-21

151) Royalty of Rs. 15,00,000 has been paid to a Non-Resident for the previous year 2018-19. Tax to be deducted is Rs. 3,50,000 and due date for payment is 30-06-2018. The assessee has duly deducted tax at source and paid the same to the Government in December, 2017.

a) Royalty will be disallowed as a deduction in assessment year 2019-20
b) royaltywill be allowed as a deduction in assessment year 2019-20
c) Royalty will be disallowed as a deduction in assessment year 2018-19
d) Royalty will be disallowed as a deduction in assessment year 2020-21

152) ABC Limited pays Sales Tax for the financial year 2018-19 before 30/09/2019.

a) Sales Tax will be disallowed as a deduction in assessment year 2019-20
b) Sales Tax will be allowed as a deduction in assessment year 2018-19
c) Sales Tax will be allowed as a deduction in assessment year 2018-19
d) Sales Tax will be allowed as deduction in assessment year 2020-21

153) ABC Ltd pays the Excise Duty for the previous year 2017-19 on 01/10/2019.

a) Excise Duty will never be allowed as a deduction.
b) Excise Duty will be allowed as a deduction in assessment year 2019-20
c) Excise Duty will be allowed as a deduction in assessment year 2018-19
d) Excise Duty will be allowed as a deduction in assessment year 2020-21

154) Capital gain arises from the transfer of

(a) Any assets (b) Any fixed assets
(c) Any capital assets (d) land and building only

155) Which asset is not treated as capital asset for capital gain purposes

(a) Motor car for business use (b) Jewellery
(c) Tenancy rights (d) Plant and Machinery held as stock in trade

156) Short- tem capita gain arise on transfer of shares and units held by the assessee for not more than
(a) 36 months from the date of acquisition
(b) 12 months from the date of acquisition (c) 54 months from the date of acquisition (d) none of the above

157) Tick from the following, the capital assets, where there will be long-term capital gain, if such asset is transferred after it is held for 14 months
(a) Plant and Machinery (b) Jewellery
(c) Units of UTI (d) None of the above

158) Distribution of assets at the time of partial or complete partition of HUF shall
(a) Be regarded as a transfer in the hands of HUG for capital gain purposes
(b) Be regarded as a transfer in the hands of coparceners (members of HUF)
(c) Neither be regarded as transfer in the hands of HUF nor in the hands of coparceners (d) None of the above

159) The assessee is allowed to opt for market values as on 1-4-2001 in case of
(a) All capital assets (b) All capital assets other than depreciable assets
(c) Only house properties (d) None of the above

160) Cost of improvement of goodwill of a business shall be:-
(a) Nil (b) The capital expenditure incurred
(c) Capital expenditure incurred on or after 1-4-2001 (d) None of the above

161) In case of long term capital gain, the amount to the deducted from sale consideration shall be
(a) Cost of acquisition (b) Indexed cost of acquisition
(c) Market value on 1-4-2001 (d) None of the above

162) Conversion of capital asset into stock in trade will result into capital gain of the previous year: -
(a) In which such conversion took place
(b) In which such converted asset is sold or other wise transferred
(c) In which such converted asset was purchased (d) None of the above

163) Where capital asset is converted into stock in trade then for the purpose of computation of capital gain, the full value of consideration shall be
(a) The market value of the asset on the date of sale of such asset
(b) The market value of the asset on the date of conversion of such asset
(c) The sale consideration (d) None of the above

164) In case of compulsory acquisition, the indexation of cost of acquisition or improvement shall be done till the
(a) Previous year of compulsory acquisition
(b) Year in which full compensation is received
(c) Year in which part or full compensation is received (d) None of the above

165) Income from sale f household furniture is
a) taxable capital gain b) nontaxable as capital gain
c) short term capital gain d) long term capital gain

166) Income from sale of rural agricultural land is
a) taxable capital gain b) nontaxable as capital gain
c) taxable income d) none of the above

167) Which of the following is a capital asset for the purpose of capital gains tax?
a) assets held for personal use b) shares of domestic companies
c) gold deposit bonds 1999 d) special bearer bonds 1991

168) To be long term capital asset, a residential house property should be held for more than
a) 12 months b) 24 months c) 36 months d) 60 months

169) Shares held for less than 12 months are
a) short term capital gain b) long term capital gain
c) exempted capital asset d) excluded from definition of capital asset

170) House property held for less than 36 months are
a) long term capital asset b) short term capital gain
c) exempted capital asset d) excluded from definition of capital asset

171) Shares held for 15 months are
a) long term capital asset b) short term capital gain
c) exempted capital asset d) excluded from definition of capital asset

172) Indexation is applicable to
a) sale of short term capital assets b) sale of long term debentures
c) sale of depreciable capital assets

d) sale of long term capital assets which are not depreciable assets

173) Cost of long term debentures is

a) eligible for indexing b) not eligible for indexing
c) none of these d) all the above

174) What is the date on which Fair Market Value of capital assets acquired is determined?

a) 1.4.2001 b)1.4.1971 c) 1.4.1981 d) 1.4.1961

175) FMV on 1.4.81 is applicable to assets

a) acquired prior to 1.4.2001 b) transferred prior to 1.4.2001
c) acquired prior to 1.4.2001 d) none of these

176) Short term capital gain on sale of unlisted shares are

a) taxable b) exempted c) partially exempted d) partially taxable

177) Long term capital gain on sale of listed shares are

a) exempted b) taxable c) partially exempted d) partially taxable

178) Long term capital gain on sale of unlisted shares are

a) exempted b) taxable c) partially exempted d) partially taxable

179) Capital gain on compulsory acquisition of urban agricultural land is

a) exempted capital gain b) taxable capital gain
c) partially exempted d) partially taxable

180) Where the capital asset became the property of the assessee in any mode given under section 49(1), the cost of acquisition of such assets shall be

a) the market value of the asset as on the date of acquisition by the assessee
b) cost for which the previous owner of the property acquired it c) nil

181) The cost inflation index number of the previous year 2020-21 is

a)280 b)200 c) 100 d) 301

182) Conversion of capital asset into stock in trade will result into capital gain of the previous year

a) in which such conversion took place
b) in which such converted asset is sold or otherwise transferred c) none of these two

183) Conversion of personal effect into stock in trade shall

a) be subjected to capital gain b) not be subject to capital gain
c) shall be subject to tax under business head

184) Where capital asset is converted into stock in trade then for purpose of computation of capital gain, the full value of consideration shall be

a) the market value of the asset on the date of sale of such asset
b) the market value of the asset on the date of conversion of such asset
c) the price for which it is sold

185) Where the capital asset is converted into stock in trade, the indexation of cost of acquisition and cost of improvement shall be done

a) till the previous year of conversion of such capital asset
b) till the previous year in which such asset is sold
c) none of these

186) Where a partner transfers any capital asset into the business of firm, the sale consideration of such asset to the partner shall be

a) market value of such asset on the date of such transfer
b) price at which it was recorded in the books of the firm
c) cost of such asset to the partner.

187) Where any capital asset is transferred by a firm to its partner by way of distribution on the dissolution of firm, the full value of consideration shall be

a) The price at which such asset was given to partners
b) cost of WDV of such asset on the date of distribution
c) fair market value of the asset on the date of distribution

188) Where the entire block of the depreciable asset is transferred after 36 months, there will be

a) short term capital gain b) long term capital gain
c) short term capital gain or loss d) long term capital gain or loss

189) Where a capital asset, other than certain urban agricultural land, is compulsory acquired, then the capital gain shall arise in the previous year.

a) of compulsory acquisition b) in which full consideration received
c) in which part or full consideration is received

190) In the case of compulsory acquisition, the indexation of cost of acquisition or improvement shall be done till the

a) previous year of compulsory acquisition
b) in which the full compensation is received
c) in which part or full compensation is received

191) In case of compulsory acquisition if enhanced compensation is received then for purpose of computation of capital gain the cost of acquisition and cost of improvement in that case shall be taken as

a) nil

b) cost of acquisition or cost of improvement which was in excess of initial compensation earlier received c) none of these

192) Conversion of debentures into shares shall

a) be regarded as transfer for capital gain purpose

b) not be regarded as transfer for capital gain purpose c) none of these

193) If self guaranteed goodwill of a profession is transferred, there will

a) be capital gain b) not be any capital gain c) be a short term capital gain

194) Where a company purchases its own shares there will be capital gain to the

a) a company b) shareholder c) neither to the company nor to the shareholder

d) both to the company and the shareholder

195) For claiming exemption under section 54 the assessee should transfer

a) any house property b) a residential house property c) a residential house property the income of which is taxable under the head of income from house property.

196) Exemption under section 54 is available to

a) all assessees b) individuals only c) individuals and HUF d) HUF only

197) For claiming exemption under section 54, the assessee should purchase residential property

a) 2 years after the date of transfer b) 3 years from the date of transfer

c) 1 year before and two years after the date of transfer

d) 1 year before and 3 years after the date of transfer

198) For claiming exemption under section 54 the asessee should construct the residential property

a) 1 year before and two years after the date of transfer

b) 1 year before and 3 years after the date of transfer

c) within 3 years after the date of transfer d) within 2 years after the date of transfer

199) The exemption under section 54 shall be available

a) to the extent of capital gain invested in the house property

b) proportionate to the net consideration price invested

c) to the extent of amount actually invested.

200) If the assessee wishes to deposit money under capital gain structure for claiming exemption under section 54 it should be deposited within

a) 6 months from the date of transfer

b) within 6 months from the end of the relevant previous year

c) due date of furnishing the return of income u/s 139(1)

201) Exemption under section 54EC shall be available to

a) any assessee b) individuals only c) individual or HUF d) company assessee only

202) Exemption under section 54EC shall be available for the transfer of

a) any long term capital asset b) residential house property

c) any long term capital asset other than residential house property.

203) Under section 564EC the assessee shall be allowed exemption

a) to the extent of capital gain invested subject to maximum of 50 lakh per financial year.

b) proportionate to the net consideration price so invested.

c) to the extent of the capital gain invested.

204) For claiming exemption under section 54EC amount to the extent of the capital gain subject to maximum of Rs.50 lakhs should be invested.

a) within 2 years from the date of transfer b) within 3 years from the date of transfer

c) within 6 months from the date of transfer d) within 6 months of transfer or before the due date of furnishing the return of income , whichever is earlier

205) For claiming exemption under section 54EC the amount to the extent of capital gain subject to maximum 50 lakh should be invested within 6 months from the date of transfer.

a) state bank of India b) notified securities c) state bank of India or notified securities

d) bonds of the NHAI or RECL

206) For claiming exemption under section 54EC the amount shall be invested in notified securities for

a) a period of 3 years from the date of transfer

b) a period of 3 years from the date of acquisition of such securities

c) a period of 7 years from the date of transfer

d) a period of 7 years from the date of its acquisition.

207) If notified securities for which exemption has been claimed u/s 54EC are transferred or converted into money or any loan is taken against the same within 3 years then the

a) exemption allowed under section 54EC shall be withdrawn by opening the old assessement

b) amount exempt under section 54EC earlier shall be long term capital gain of the previous year in which such transaction takes place.

c) the cost of acquisition of such securities shall be reduced by the amount of capital gain exempt u/s 54EC earlier.

208) Income under the head income from other sources is taxable on

(a) Due basis (b) Receipt basis

(c) On the basis of method of accounting regularly employed by the assessee

(d) None of the above

209) Dividends declared by Units Trust of India is

(a) Fully exempt in the hands of unit holders

(b) Fully taxable in the hands of unit holders

(c) Taxable but deduction is allowed under sec. 80

(d) None of the above

210) If no system of accounting is followed, interest on securities is taxable on

(a) Due basis (b) Receipt basis

(c) Hyrbid basis (d) None of the above

211) For computing lottery income, the assessee shall

(a) Be entitled to any deduction for purchase of lottery tickets

(b) Not entitled to any deduction for purchase of lottery tickets

(c) Be entitled to deduction upto 10% of total purchase of tickets

(d) None of the above

212) The legal heir of the deceased who receives family pension is allowed a standard deduction from such pension to the extent of

(a) of such pension, subject to maximum of Rs. 25,000

(b) of such pension or Rs. 15,000 whichever is less

(c) of such pension or Rs. 15,000 whichever is more

(d) None of the above

213) Gift received by an individual Rs. 70,000 from his relative M shall be

(a) Fully exempt (b) Fully taxable

(c) Exempt uptoRs. 50,000 (d) None of the above

214) Rakesh received Rs. 70,000 from his friend on the occasion of his birthday.

a) The entire amount of Rs. 70,000 is taxable b) Rs. 20,000 is taxable

c) The entire amount is exempt d) None of the above

215) Family pension received by a widow of a member of the armed forces is, subject to conditions,

a) Exempt upto Rs. 3,00,000 b) Exempt upto Rs. 3,50,000

c) Totally exempt under section 10(19) d) Totally chargeable to tax

216) Gift of Rs. 5,00,000 received on 10th July, 2016 through account payee cheque from a non-relative regularly assessed to income-tax, is

a) A capital receipt not chargeable to tax

b) Chargeable to tax as income from other sources

c) Chargeable to tax as business income

d) Exempt uptoRs. 50,000 and balance chargeable to tax income from other sources

217) Income from letting of machinery, plant and furniture is –

a) Always chargeable to tax under the head "Profits and gains of business and profession"

b) Always chargeable to tax under the head "Income from other sources"

c) Chargeable under the head "Income from other sources" only if not chargeable under the head "Profits and gains of business and profession"

d) Exempt from tax

218) The deduction allowable in respect of family pension taxable under "Income from other sources" is

a) 33-1/3% of the pension b) 30% of the pension or Rs. 15,000, whichever is less

c) 33-1/3% of the pension or Rs. 15,000, whichever is less

d) Nil

219) Any sum received under a "Keyman Insurance Policy" including any bonus on such Policy, is taxable as income from other sources

a) In all cases b) Only if not charged as "Income from Salaries"
c) Only if not charged as "Income from Business"
d) Only if not charged as "Income from Salaries" or "Income from Business".

220) Agricultural income from a place outside India is

a) Exempt from tax b) taxable only in case of a non-resident
c) Taxable as income from business d) Taxable as income from other sources

221) Ganesh received Rs.60,000 from his friend on the occasion of his birthday.

a) The entire amount of Rs.60,000 is taxable b) Rs.50,000 is taxable
c) The entire amount is exempt d) Rs.10,000 is taxable

222) Mr. Y has received a sum of Rs.51,000 on 24-10-2018 from relatives on the occasion of his marriage.

a) Entire Rs.51,000 is chargeable to tax b) Only Rs.1,000 is chargeable to tax
c) Entire Rs.51,000 is exempt from tax d) Only 50% i.e. Rs.25,500 is chargeable to tax

223) Mr. Mayank has received a sum of Rs.75,000 on 24-10-2020 from his friend on the occasion of his marriage anniversary.

a) Entire Rs.75,000 is chargeable to tax b) Entire Rs.75,000 is exempt from tax
c) Only Rs.25,000 is chargeable to tax d) Only 50% i.e. Rs.37,500 is chargeable to tax

224) The deduction in respect of interest on enhanced compensation of Rs.1,50,000 received during the previous year 2020-21, would be

a) Rs.1,50,000 being 100% of Rs.1,50,000 b) Rs.75,000 being 50% of Rs.1,50,000
c) Rs.45,000 being 30% of Rs.1,50,000 d) Nil

225) Deduction u/s 80 C in respect of LIP, contribution to provident fund, etc. is allowed to:-

(a) Any assessee (b) An individual
(c) An individual or HUF (d) An individual or HUF who is resident in India

226) Deduction u/s 80 C is allowed to the maximum of

(a) Rs. 50,000 (b) Rs. 1,50,000
(c) Rs. 1,00,000 (d) None of the above

227) For claiming deduction u/s 80C in respect of life insurance premium, it can be paid by assessee for

(a) Himself only (b) Himself or spouse
(c) Himself, spouse and any child (d) none of the above

228) In the case of HUF, deduction u/s 80C in respect of life insurance premium shall be allowed for:

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

229) An assessee has paid life insurance premium of Rs. 25,000 during the previous year for a policy of Rs. 1,00,000 taken on 1-4-2004. He shall:

(a) Not be allowed deduction u/s 80 C
(b) Be allowed deduction u/s 80 C to the extent of 20% of the capital sum assured i.e. Rs. 20,000
(c) Be allowed deduction for the entire premium as per the provisions of section 80 C
(d) None of the above

230) For claiming Deduction u/s 80 C, the payment or deposit should be made:-

(a) Out of any income
(b) out of any income chargeable to income tax
(c) During the current year out of any source
(d) None of the above

231) Annual interest accrued on NSCs VIII issue shall be

(a) Exempt (b) Taxable only in VIth year
(c) Taxable on the basis of annual accrual (d) None of the above

232) Deduction u/s 80 C in respect of tuition fee is allowed to

(a) An individual only (b) Individual or HUF
(c) Any assessee (d) None of the above

233) Deduction u/s 80- C for tuition fee shall be allowed for the purposes of:-

(a) Any full time education in a school or college
(b) Any full or part time education
c) Any part time education in a college abroad (d) None of the above

234) Deduction u/s 80 C in respect of tuition fee is allowed to an individual for:-

(a) Any of his children (b) Any of his minor children
(c) Any two children of such individual (d) None of the above

235) Deduction u/s 80 C in respect of term deposit with a scheduled bank is allowed if the term deposit is for a period
(a) No less than 3 years (b) Not less than 5 years
(c) Not less than 2 years (d) None of the above

236) Deduction under section 80 CCC is allowed to the extent of
(a) Rs. 2,00,000 (b) Rs. 1,50,000
(c) Rs. 4,00,000 (d) Rs. 1,00,000

237) Deduction in respect of contribution for annuity plan to certain pension fund under 80 CCC is allowed to
(a) Any assessee (b) Individual only
(c) Individual or HUF (d) None of the above

238) Deduction u/s 80 D in respect of medical insurance premium is allowed to
(a) Any assessee (b) An individual or HUF
(c) Individual only (d) None of the above

239) Deduction u/s 80 D is allowed to an individual for premium paid to insure the health of
(a) individual himself (b) Individual and his family
(c) Individual, his spouse, dependent parents and dependent children
(d) None of above

240) The payment for Insurance premium under section 80 D should be:
(a) In cash (b) By any mode other than cash
(c) Cash / by cheque (d) None of above

241) The quantum of deduction allowed under section 80 D shall be limited to:-
(a) Rs. 25,000 (b) Rs. 10,000
(c) Rs. 15,000 (d) None of above

242) Deduction u/s 80 DD in case of dependent with serve disability shall be allowed
(a) To the extent of actual expenditure (b) Rs. 75,000
(c) Rs. 1,25,000 irrespective of actual expenditure (d) None of above

243) Deduction under section 80 DD shall be allowed:-
(a) To the extent of actual expenditure / deposit or Rs. 50,000 whichever is less
(b) For a sum of Rs. 75,000 irrespective of actual expenditure or deposit
(c) For a sum of Rs. 50,000 irrespective of any expenditure incurred or actual deposited
(d) None of the above

244) Deduction u/s 80 E is allowed in respect of amount paid by way of interest on loan taken from
(a) Any person (b) Any relative
(c) Financial institution or approved charitable institution (d) none of above

245) The deduction u/s 80 E is allowed for repayment of interest to the extent of:
(a)Rs. 25,000 (b) Rs. 40,000
(c) Any amount (d) None of the above

246) Deduction u/s 80 E shall be allowed for the higher education of
(a) Assessee himself (b) Assessee, spouse and children
(c) Assessee and dependent children (d) None of the above

247) Deduction u/s 80 U in case of person with disability is allowed to
(a) An individual who is citizen of India
(b) An individual who is resident of India
(c) Any individual assessee
(d) None of the above

248) The quantum of deduction allowed u/s 80 U is
(a) Rs. 40,000 (b) Rs. 75,000
(c) Rs. 60,000 (d) Rs. 70,000

249) Mr. Mohit kapoor has income under the head salay Rs.75,000 income from long trem capital gains Rs. 2,10,000 and lottery prize Rs 35,000. Maximum amount of deduction under CH. VIA shall be
A)2,85,000 B) 3,20,000 C) 75,000 D) nil

250) Mr. A aged about 61 years, has earned a lottery income of Rs. 120000(gross) during the P.Y 2020-21. He also has a business income of Rs. 30000 he invested an amount of Rs.10,000 in PPF account, Rs.24000 in national saving certificate. Total taxable income of Mr. A of the A.Y 2021-22
A) 1,50,000 B) 1,60,000 C) 1,20,000 D) nil

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