

CA INTERMEDIATE
PAPER-3A
INCOME-TAX LAWS - MCQS

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CHAPTER-1
BASIC CONCEPTS IN INCOME TAX LAW

1. Income-Tax Act extends to -
 - (a) whole of India
 - (b) whole of India except Jammu & Kashmir
 - (c) whole of India except Sikkim
 - (d) option(a)except Jammu & Kashmir and Sikkim
2. Finance Bill becomes Finance Act when it is passed by -
 - (a) the Lok Sabha
 - (b) both Lok Sabha and Rajya Sabha
 - (c) both Houses of Parliament and given the assent of the President
 - (d) Rajya Sabha
3. Assessee is always a person but a person may or may not be an assessee.
 - (a) True
 - (b) False
4. Person u/s 2(31) does not include
 - (a) Minor
 - (b) Local Authority
 - (c) Unsound Person
 - (d) None of the above
5. In some cases Assessment Year and Previous Year can be the same financial year.
 - (a) True
 - (b) False
6. The Circulars issued by CBDT are binding on -
 - (a) Assessee
 - (b) Income-Tax Authorities
 - (c) Both the above
 - (d) Assessee and Court
7. Surcharge on Income Tax is payable by -
 - (a) Foreign Company
 - (b) Individual and HUF
 - (c) A Domestic Company
 - (d) All of the above
8. The maximum amount on which Income-Tax is not chargeable in case of Firm is -
 - (a) ₹ 2,50,000
 - (b) ₹ 5,00,000
 - (c) ₹ 90,000
 - (d) Nil
9. In case of an Individual and HUF, Health and Education Cess is leviable only when the Total Income of such assessee -
 - (a) Exceeds ₹ 5,00,000
 - (b) Exceeds ₹ 2,50,000
 - (c) Exceeds ₹ 10,00,000
 - (d) No income limit
10. The Total Income of the assessee has been computed as ₹ 2,53,494.90. For rounding off, the Total Income will be taken as -
 - (a) ₹ 2,53,500
 - (b) ₹ 2,53,490
 - (c) ₹ 2,53,495
 - (d) ₹ 2,53,400

ANSWERS

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
(a)	(c)	(a)	(d)	(a)	(c)	(d)	(d)	(d)	(a)



CHAPTER-2
RESIDENTIAL STATUS & TAX-ABILITY IN INDIA

1. The onus of responsibility to prove the residential status of a person lies with

(a) Assessee	(c) Income tax Department
(b) Government	(d) Court
2. Residential Status is to be determined for -

(a) Previous Year	(c) Financial Year
(b) Assessment Year	(d) Accounting Year
3. Income deemed to accrue or arise in India is taxable in case of -

(a) Resident only	(c) Non-Resident
(b) Both Ordinarily Resident and NOR	(d) All the Assesseees
4. Income which accrue or arise outside India and also received outside India is taxable in case of -

(a) Resident only	(c) Both Ordinarily Resident and NOR
(b) Not Ordinarily Resident	(d) None of the above
5. RA was born on 5th April, 1997 in India & he later on took the citizenship of U.S.A. Neither his parents nor his grand parents were born in divided/undivided India. RA in this case shall be a -

(a) Citizen of India	(c) Person of Indian Origin
(b) Artificial Person	(d) Foreign National
6. RD was born in India in 1997. His parents were born in India in 1952. His grandfather was born in Lahore in 1937 but his grandmother was born in England in 1941. RD will be a -

(a) Citizen of India	(c) Foreign National
(b) Person of Indian Origin	(d) Artificial Person
7. An Indian Company is always resident in India.

(a) True	(b) False
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8. An Individual is said to be a Resident and Ordinarily Resident if

(a) He is a Resident in any 2 out of the last 10 years preceding the relevant previous year	(d) Either (a) or (b)
(b) His total stay in India in the last 7 years preceding the relevant previous year is 730 days or more	
(c) Both (a) and (b)	
9. How is Residential Status of a HUF determined?

(a) No. of days of stay of the Karta	(d) HUF can only be Resident
(b) Control and Management of the affairs of the HUF	
(c) Both (a) and (b)	

ANSWERS

1.	2.	3.	4.	5.	6.	7.	8.	9.
(c)	(a)	(d)	(a)	(d)	(a)	(a)	(c)	(c)



CHAPTER-3
EXEMPTIONS UNDER INCOME TAX ACT

1. Casual Income received by the Assessee is -
(a) Fully Exempt (b) Exempt upto ₹ 5,000 (c) Fully Taxable
2. S traced a missing person and was awarded a sum of ₹ 1,00,000 although there was no stipulation to that effect. Such receipt shall be
(a) Casual Income and fully taxable
(b) Casual Income and exempt upto ₹ 5,000 (c) Fully Exempt
3. An Author was awarded by CBDT a sum of ₹ 50,000 for writing a book in Hindi as first prize. Such award is fully exempt-
(a) True (b) False
4. Any pension received by an Individual or family pension received by any member of his family where such individual is in the service of Central or State Govt and was awarded Paramvir Chakra, Mahavir Chakra or Vir Chakra or any other notified gallantry award shall be -
(a) Exempt (b) Taxable
5. Where the income of an individual includes the income of minor children, such income shall be exempt up to -
(a) ₹ 1,500 (b) ₹ 1,500 per minor child
(c) ₹ 1,500 per minor child or to extent of income of the minor child included in the Total Income of the assessee whichever is less.
6. In respect of voluntary contributions in excess of ₹ 20,000 received by a Political Party, exemption u/s 13A is available where proper details about the donations are maintained, there is no need to maintain books of account.
(a) True (b) False
7. Which of the following exemption is available for a Foreign Citizen u/s 10(6)?
(a) Remuneration of Foreign Diplomats
(b) Remuneration of employee of a Foreign enterprise
(c) Salary of a crew member of a foreign ship
(d) All of the above
8. Compensation received on account of disaster is exempt u/s 10(10BC) if it is received from
(a) Central Government (c) Local Authority
(b) State Government (d) All of the above
9. Which of the following income is not exempt under Section 10?
(a) Share in total income of firm (b) Bonus on life insurance
(c) Income from agriculture in Lahore (d) Income from mutual funds.

ANSWERS

1.	2.	3.	4.	5.	6.	7.	8.	9.
(c)	(a)	(b)	(a)	(c)	(b)	(d)	(d)	(c)



CHAPTER-4
INCOME FORM SALARIES

1. RS, a Chartered Accountant is employed with GK Ltd, as an Internal Auditor and requests the Employer to call the remuneration as Internal Audit Fee. RS 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
2. KS, who is entitled to a Salary of ₹ 20,000 p.m. took an advance of ₹ 50,000 against the salary in the month of March 2023. The Gross Salary of KS for A.Y. 2023-2024 shall be -
 - (a) ₹ 2,90,000
 - (b) ₹ 2,40,000
 - (c) None
3. Which of the following is not true about charging Income under the head Salaries?
 - (a) Salary comprises only of monetary benefits
 - (b) There should be Employer and Employee Relationship.
 - (c) Employment should be full time.
 - (d) Both (a) and (c)
4. Commission received by a Director of the Company is charged under the head
 - (a) Salaries
 - (b) Business Income
 - (c) Other Sources
 - (d) Its exempt from tax
5. Raju is working for a Private Firm. He borrowed a loan of ₹ 3 Lakhs for his sister's wedding as an advance against salary. This amount will be taxed under the head
 - (a) Salaries
 - (b) Business Income
 - (c) Other Sources
 - (d) not taxable
6. An Employee is covered under Payment of Gratuity Act, 1972. Salary for the purpose of calculating 15 days salary for each completed year of service shall be -
 - (a) Last drawn Salary
 - (b) Average Salary of last 10 months
 - (c) Average Salary of last 3 Completed years.
7. An Employee is covered under Payment of Gratuity Act, 1972. If the Employee has completed service of 16 years 6 months and 5 days, the number of completed year shall be taken as -
 - (a) 16 years
 - (b) 17 years
 - (c) 16 years 6 months and 5 days
8. Uncommuted Pension received by a Government Employee is -
 - (a) Exempt
 - (b) Taxable
 - (c) Partially Taxable
9. The maximum exemption in case of Leave Encashment shall be -
 - (a) ₹ 2,40,000
 - (b) ₹ 3,50,000
 - (c) ₹ 3,00,000



10. Leave Travel Concession is a tax free perquisite for-

- (a) once in a block of 4 Previous years
- (b) Twice in a block of 4 Calendar years
- (c) Once in a block of 4 Calendar Year
- (d) None of the above

ANSWERS

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
(a)	(b)	(d)	(a)	(d)	(a)	(b)	(b)	(c)	(b)





CHAPTER-5
INCOME FORM HOUSE PROPERTY

1. If the property constitutes Stock-in-Trade of a business or the business of the Assessee is to let-out house properties, the Income is to be charged only under the head -
 - (a) Income from House Property
 - (b) Income from Other Sources
 - (c) Profits and Gains of Business or Profession
 - (d) Capital Gains
2. The value that the Municipal Authorities deem as the value of the property for the purpose of assessment of Property Taxes.
 - (a) Municipal Value
 - (b) Fair Market Value
 - (c) Fair Rent
 - (d) Standard Rent
3. Advance Municipal Tax paid -
 - (a) shall be allowed as deduction in the year of payment
 - (b) can be claimed in the year in which it falls due
 - (c) cannot be claimed
4. X transferred his house property to his wife under an agreement to live apart. Income from such House Property shall be taxable in the hands of-
 - (a) X as Deemed Owner
 - (b) X, However, it will be first computed as Mrs. X income & thereafter clubbed in the hands of X
 - (c) Mrs.X
 - (d) None of these
5. U is a member of a House Building Co-operative Society who is the owner of flats constructed by it. One of the flats is allotted to U. The Income from such House Property shall be taxable in the hands of -
 - (a) Co-Operative Society
 - (b) U as Deemed Owner
6. Municipal Tax is a deduction from -
 - (a) Gross Annual Value
 - (b) Net Annual Value
7. If the property is owned by Co-Owners & it is Self Occupied by all Co-Owners, the annual value of -
 - (a) Such House Property shall be Nil
 - (b) For each Co-Owner shall be Nil
8. An Assessee was allowed deduction of Unrealized Rent to the extent of ₹ 40,000 in the past although the total Unrealized Rent was ₹ 60,000. He is able to recover from the tenant ₹ 45,000 during the previous year on account of such Unrealized Rent. He shall be liable to tax to the extent of-
 - (a) ₹ 45,000
 - (b) Nil
 - (c) ₹ 25,000
 - (d) ₹ 40,000



9. An assessee borrowed money for purchase of a house & interest is payable outside India. Such interest shall -
- (a) be allowed as deduction
 - (b) not be allowed as deduction
 - (c) be allowed as deduction only if the tax is deducted at source.
10. Income from property owned by the Partnership Firm is assessed in the hands of -
- (a) Partnership Firm
 - (b) Partners

ANSWERS

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
(a)	(a)	(b)	(c)	(b)	(a)	(b)	(d)	(c)	(a)





CHAPTER-6
PROFITS AND GAINS OF BUSINESS OR PROFESSION

1. Perquisite received by the assessee during the course of carrying on his business or profession is taxable under the head -
 - (a) Salaries
 - (b) Income from Other Sources
 - (c) Profits and Gains of Business or Profession
2. For computation of Business Income, the assessee has to follow -
 - (a) Accounting Standards prescribed by I.C.A.I.
 - (b) Standards notified by the Central Government under the Income Tax Act
 - (c) No Accounting Standards
3. Depreciation is allowed in case of -
 - (a) Tangible Assets only
 - (b) Intangible Assets only
 - (c) Tangible and Intangible Assets
4. Depreciation is allowed to -
 - (a) the Owner of Asset
 - (b) Owner including fractional owner of the asset
 - (c) Lessee
5. Where the Electricity Company charging depreciation on straight line method on each asset separately, sells any asset for a price less than the opening W.D.V., the balance amount shall be treated as -
 - (a) Short-Term Capital Loss
 - (b) Terminal Depreciation
 - (c) Written Down Value
6. If the Income of a business before claiming Revenue Expenditure on Scientific Research is ₹ 50,000 and the Revenue Expenditure incurred on Scientific Research related to the business of the Assessee is ₹ 80,000, then ₹ 30,000 shall be -
 - (a) Business Loss
 - (b) Unabsorbed Revenue Expenditure on Scientific Research
 - (c) None of the above
7. If any amount is donated for research, such research should be in nature of -
 - (a) Scientific Research only
 - (b) Social or Statistical Research only
 - (c) Scientific or Social or Statistical Research
8. Deductions under Section 37(1) shall be given for expenditure of -
 - (a) Revenue Nature



- (b) Capital Nature
 - (c) Both Revenue and Capital Nature
9. A Firm's business income is nil/negative. It shall still be allowed a deduction on account of remuneration to working partner to the maximum extent of-
- (a) Actual Remuneration paid as per Partnership Deed
 - (b) ₹ 1,50,000
 - (c) Nil
10. A person, who has been carrying on business, is required to maintain books of account of the current previous year if -
- (a) his total income of any of 3 preceding previous years exceeded ₹ 1,20,000
 - (b) his Gross Turnover or Sales of any of 3 preceding previous year exceeded ₹ 10 Lakhs
 - (c) condition mentioned either in (a) or (b) is satisfied.
11. A person, who sets up a non-specified profession or commences a business, during the current previous year is required to maintain books of account if his -
- (a) Total Income of the current year exceeds or is likely to exceed ₹ 1,20,000
 - (b) Gross Receipts / Turnover of the current year exceeds or likely to exceed ₹ 10,00,000
 - (c) condition mentioned in either (a) or (b) is satisfied
12. For person carrying on profession, tax audit is compulsory, if the gross receipts of the previous year exceeds -
- (a) ₹ 50 Lakhs
 - (b) ₹ 40 Lakhs
 - (c) ₹ 15 Lakhs
13. Motor car is the only Asset in a block. Cost ₹ 2,00,000. Depreciation rate is 15%. 20% is disallowed for estimated personal use. WDV of block is -
- (a) ₹ 1,70,000
 - (b) ₹ 1,76,000
 - (c) ₹ 2,00,000
 - (d) NIL
14. Where an Employer has incurred a Capital Expenditure of ₹ 1,00,000 towards promoting Family Planning amongst Employees,.....will be allowed as deduction in the current year & balance in four succeeding years.
- (a) ₹ 20,000
 - (b) ₹ 1,00,000
 - (c) ₹ 10,000

ANSWERS

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
(c)	(b)	(c)	(b)	(b)	(a)	(c)	(a)	(b)	(c)	(c)	(a)	(b)	(a)



CHAPTER-7
CAPITAL GAINS

1. Capital Gain arises from the transfer of -
 - (a) any Asset
 - (b) any Capital Asset
 - (c) Land and Buildings and Shares only
2. Period of holding of Bonus Shares or any other financial asset allotted without any payment shall be reckoned from -
 - (a) the date of holding of the original Shares / Financial Asset
 - (b) the date of offer of bonus shares/financial asset
 - (c) the date of allotment of such Bonus Shares / Financial Asset
3. Transfer of Capital Asset under a gift or will or under an irrevocable trust shall -
 - (a) be regarded as transfer in the hands of Donor
 - (b) not be regarded as transfer in the hands of Donor
 - (c) none of the above
4. The assessee is allowed to opt for Market Value as on 1-4-2001 in case of -
 - (a) all Capital Assets
 - (b) all Capital Assets other than Depreciable Asset
 - (c) all Capital Assets other than Depreciable Assets, Goodwill of a business, Right to manufacture, Tenancy Rights, Loom Hours and Route Permits.
5. 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) any of the above
 - (d) none of the above
6. 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
7. In case of compulsory acquisition, if enhanced compensation is received, then, for the purpose of computation of Capital Gain, the cost of acquisition and cost of improvement 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



8. For claiming exemption u/s 54, the assessee should construct the Residential Property within
- (a) 1 year before or 2 years after the date of transfer
 - (b) 1 year before or 3 years after the date of transfer
 - (c) within 3 years after the date of transfer
9. If the new agricultural land purchased (for which exemption was claimed u/s 54B) is transferred, then -
- (a) CG exempt u/s 54B earlier shall be taxable
 - (b) Entire CG on new transfer shall be taxable
 - (c) for the purpose of computation of Capital Gain, the cost of acquisition shall be reduced by the amount of Capital Gain exempt u/s 54B earlier
10. Exemption under Section 54F shall not be allowed if the assessee, on the date of transfer, owns -
- (a) any Residential House
 - (b) a Residential House which is let out
 - (c) a House which is self occupied
 - (d) more than one Residential House.

ANSWERS

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
(b)	(c)	(b)	(c)	(a)	(c)	(a)	(c)	(c)	(d)



CHAPTER-8
INCOME FORM OTHER SOURCES

- 1, Where a closely held Company gives an loan/advance to a shareholder who has 10% voting power in the Company or to concern in which such shareholder has 20% share of profits, in case such concern is a non Company assessee or has substantial interest (20% voting power) in case it is a Company then loan/advance so paid shall be deemed divided to the extent of -
- (a) Accumulated Profits whether capitalized or not
 - (b) Accumulated Profits excluding capitalized profits
 - (c) Loan or Advance so paid
 - (d) None of the above
- 2, Income from Lottery, Crossword Puzzle, Races, Card Games etc are taxable at:
- (a) Normal Slab Rate of Income Tax like any other income
 - (b) Flat Rate of 20%
 - (c) Flat Rate of 30% plus Surcharge, if applicable,
 - (d) Flat Rate of 30% plus Surcharge of 10%
3. Rakesh received ₹ 70,000 from his friend on the occasion of his birthday.
- (a) Entire amount of ₹ 70,000 is taxable
 - (b) ₹ 25,000 is taxable
 - (c) The entire amount is exempt
 - (d) None of the above
4. Pension received by recipient of Gallantry Awards are exempt from Income Tax.
- (a) True
 - (b) False

ANSWERS

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



CHAPTER-9

INCOME OF OTHER PERSONS INCLUDED IN ASSESSE'S TOTAL IN COME

1. As per Sec. 64(i)(iv), there shall be included in the income of an individual, any income arising from the gift to the spouse of-
 - (a) any Capital Asset
 - (b) any Asset
 - (c) any Asset other than House Property
2. A has sold 2000 14% Debentures of ₹ 100 each to his wife for ₹ 90,000. The Market Value of debentures on the date of transfer was ₹ 1,80,000. In this case, Interest Income to be included in the Total Income of A shall be -
 - (a) ₹ 28,000
 - (b) ₹ 14,000
 - (c) ₹ 25,200
3. Clubbing provisions under Sec. 64(1) (vi) are applicable where the asset is transferred by an individual for inadequate consideration to -
 - (a) Daughter's Husband
 - (b) Son's Wife
 - (c) Major Son
 - (d) Major Daughter
4. When income of minor child is clubbed in the income of the parent concerned, such parent will be allowed exemption of -
 - (a) ₹ 1,500
 - (b) ₹ 1,500 per minor child
 - (c) To the extent of actual income clubbed or ₹ 1,500 per minor child whichever is less
5. Mr. A gifts cash ₹ 1,00,000 to his brother's wife Mrs. B, Mr. B gifts cash of ₹ 1,00,000 to Mrs. A. From cash gifted to her, Mrs. A invests in a fixed deposit, income there from is ₹ 10,000. Aforesaid ₹ 10,000 will be included in the total income of -
 - (a) Mr. A
 - (b) Mr. B
 - (c) Mrs. A
 - (d) Mrs. B

ANSWERS

1.	2.	3.	4.	5.
(c)	(a)	(b)	(c)	(a)



CHAPTER-10

SET - OFF & CARRY FORWARD OF LOSSES

1. Loss from a speculation business of a particular A.Y. can be set-off in the same A.Y. from -
 - (a) profits and gains from any business
 - (b) profits and gains from any business other than speculation business
 - (c) income of speculation business
2. Mr. B incurred Short Term Capital Loss of ₹ 10,000 on Sale of Shares through the National Stock Exchange. Such Loss can be set-off -
 - (a) Only against Short Term Capital Gains
 - (b) Against both STCG and LTCG
 - (c) Against any head of Income
 - (d) None of the above.
3. Loss under the head Capital Gain in a particular asst year can -
 - (a) be set-off from other head of income in the same assessment year.
 - (b) be carried forward
 - (c) neither be set-off nor carried forward
4. During the previous year an Assessee has incurred loss from his business amounting to ₹ 1,10,000 whereas his Income from House Property is ₹ 1,00,000. Which of the following is correct?
 - (a) Business Loss of X 10,000 only
 - (b) Business Loss of ₹ 1,10,000 and claim full exemption of other income in the current P.Yr.
 - (c) At his option do any of these
5. Loss under the head Income from House Property can be carried forward -
 - (a) only if the return is furnished before the due date mentioned u/s 139(1)
 - (b) even if the return is not furnished
 - (c) even if the return is furnished after the due date
6. Loss on account of owning & maintaining the race horses can be carried forward -
 - (a) for 8 years
 - (b) for 4 years
 - (c) indefinitely

ANSWERS

1.	2.	3.	4.	5.	6.
(c)	(b)	(b)	(a)	(c)	(b)



CHAPTER-11
DEDUCTIONS UNDER CHAPTER - VI - A

1. An assessee has paid Life Insurance Premium of ₹ 25,000 during the previous year for a policy of ₹ 1,00,000. He shall –
 - (a) not be allowed Deduction u/s 80C
 - (b) be allowed Deduction u/s 80C to the extent of 10% of the capital sum assured i.e. ₹ 10,000
 - (c) be allowed Deduction for the entire premium as per the provisions of Section 80C
2. For claiming Deduction u/s 80C in respect of PPF, the contribution must be paid by the individual in the PPF account of –
 - (a) himself only
 - (b) himself and spouse
 - (c) himself, spouse or children
3. If a member, participating in the ULIP Plan, terminates or ceases to participate by reason of non payment of his contribution, before making deduction for 5 years, then:
 - (a) no Deduction shall be allowed in respect of the amount paid in the previous year of termination
 - (b) besides what is mentioned in (a), the aggregate tax deduction allowed in the past years shall be the tax payable in the previous year in which membership terminated
 - (c) besides what is mentioned in (a), the cases of the past years in which Deduction was allowed shall be reopened and tax shall be recomputed and the balance tax payable shall be so payable for these relevant years
4. Deduction under Section 80C for tuition fee shall be allowed if such fee is paid to:
 - (a) any university, college, School or other educational institution situated within India or outside
 - (b) any university, college, School or other educational institution situated within India
5. The payment for insurance premium under Section 80D should be paid –
 - (a) in cash
 - (b) by cheque
 - (c) in any modes other than cash
6. Maximum deduction u/s 80GG shall be limited to –
 - (a) ₹ 1,000 p.m.
 - (b) ₹ 5,000 p.m.
 - (c) ₹ 3,000 p.m.
7. Deduction u/s 80DD shall be allowed –
 - (a) to the extent of actual expenditure/deposit or ₹ 75,000 whichever is less
 - (b) for a sum of ₹ 75,000 irrespective of actual expenditure or deposit
 - (c) for a sum of ₹ 50,000 irrespective of any expenditure incurred or amount deposited



8. Deduction u/s 80E in respect of repayment of loan taken for higher education shall be allowed to -
(a) an individual assessee only
(b) an individual who is resident in India
(c) an individual or HUF
(d) an individual or HUF who is resident in India
9. Deduction under Section 80JJAA shall be allowed to the extent of.....% of additional employee cost
(a) 100% (b) 50% (c) 30%
10. The quantum of deduction allowed u/s 80U is -
(a) ₹ 40,000 (b) ₹ 50,000 or ₹ 1,00,000 (c) ₹ 75,000
11. Subscription to Notified Bonds of NABARD would qualify for deduction u/s 80C.
(a) True (b) False

ANSWERS

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
(b)	(c)	(b)	(b)	(c)	(b)	(b)	(a)	(c)	(c)	(a)



**CHAPTER-12A
REBATE & RELIEF**

1. Rebate in Tax u/s 87A, is applicable to

- (a) Companies
- (b) Individuals
- (c) HUF
- (d) Resident Individual

2. Relief u/s 89 can be claimed for

- (a) Arrears of Salary
- (b) Advance Salary
- (c) Arrears of Family Pension
- (d) All of the above

ANSWERS

1.	2.
(d)	(d)

**CHAPTER-12B
ADVANCE TAX & INTEREST**

1. Advance Tax shall be payable by any person in respect of current income is

- (a) ₹ 50,000 or more
- (b) ₹ 10,000 or more
- (c) ₹ 1,00,000 or more
- (d) None of the above

2. Advance Tax is not applicable for specified Senior Citizen. The given statement is

- (a) True
- (b) False

3. When the Assessee does not pay any instalment of Advance Tax by the due date he shall be

- (a) Deemed to be an Assessee in the default
- (b) Not considered as Assessee default
- (c) Punishable with imprisonment
- (d) None of the above

ANSWERS

1.	2.	3.
(b)	(a)	(a)



CHAPTER-13
AGRICULTURAL IN COME

1. Agricultural Income is exempt provided the -
 - (a) Land is situated in India
 - (b) Land is situated in any rural area in India
 - (c) Land is situated whether in India or outside India.
2. An Assessee is engaged in the business of growing and manufacturing of rubber, the agricultural income in that case shall be -
 - (a) 40% of the income from such business
 - (b) 60% of the income from such business
 - (c) 65% of the income from such business
3. If an Assessee uses the agricultural produce grown by him for his own consumption then -
 - (a) Market Value of such agricultural produce shall be treated as his Agricultural Income (AI)
 - (b) Market Value of such agricultural produce minus the cost of cultivation shall be treated as his AI
 - (c) Nothing shall be treated as his AI.
4. Income derived from rubber plantation in Singapore but received in India shall be treated as
 - (a) Agricultural Income and hence exempt
 - (b) Not an Agricultural Income and taxable under the head "Income from Other Sources".
 - (c) Exempt as earned outside India.

ANSWERS

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



CHAPTER-14
TAX DEDUCTED AT SOURCE

1. The deduction of tax at source from the salary shall be made at the time of -
 - (a) Accrual of salary
 - (b) Payment of salary
 - (c) Credit or payment of Salary, whichever is earlier.
2. Liability to deduct tax at source in case on income from interest on securities arises at the time of -
 - (a) Payment of interest
 - (b) Accrual of interest
 - (c) Credit of interest to the account of the payee / interest payable account or payment thereof whichever is earlier
3. Vinoth deposited a sum of ₹ 1,00,00,000 with a scheduled bank for a year at the interest rate of 6% p.a. Bank should make TDS amounting to -
 - (a) ₹ 61,800
 - (b) ₹ 60,000
 - (c) ₹ 1,32,000
 - (d) ₹ 67,320
4. Venkat has won a horse race on 11-10-2023 and is entitled to a prize of ₹ 2,00,000. The race club should deduct the TDS amounting to -
 - (a) ₹ 66,000
 - (b) ₹ 61,800
 - (c) ₹ 60,435
 - (d) ₹ 60,000
5. Madhu has won the horse race and is entitled to a prize of ₹ 10,00,000. The race club should deduct TDS amounting to -
 - (a) ₹ 3,09,000
 - (b) ₹ 3,30,000
 - (c) ₹ 3,36,000
 - (d) ₹ 3,00,000

ANSWERS

1.	2.	3.	4.	5.
(b)	(c)	(b)	(d)	(d)