

1. The Income Tax Act, 1961 came into force w. e. f. \_\_\_\_\_
  - a) 1<sup>st</sup> April, 1962
  - b) 31<sup>st</sup> March, 1961
  - c) 1st April, 1961
  - d) 31<sup>st</sup> March, 1962
2. Amongst the following \_\_\_\_\_ is empowered to levy tax on agricultural income-
  - a) Central Government
  - b) State Government
  - c) Commissioner
  - d) President
3. Circulars and Notifications are binding on the:
  - a) Central Board of Direct Taxes (CBDT)
  - b) Assessee
  - c) Income Tax Appellate Tribunal (ITAT)
  - d) Income Tax Authorities
4. SEBI was established in:
  - a) 1992
  - b) 1993
  - c) 1994
  - d) 1995
5. Finance Commission is constituted once in
  - a) Every month
  - b) A year
  - c) Three years
  - d) Five years
6. Wherever in the Act the phrase 'as prescribed' appears it means that -
  - a) Regulations are to be framed in this respect
  - b) Rules have been framed in this respect
  - c) Regulations were earlier framed in this respect
  - d) Regulations are framed in this respect
7. Who amongst the following confers on the power to issue circulars and clarifications?
  - a) ITAT
  - b) Central Government
  - c) CBDT
  - d) State Government
8. Amendments by the Finance Act are made applicable from:
  - a) First day of next financial year
  - b) First day of same financial year
  - c) Last day of same Accounting year
  - d) First day of same Accounting year.
9. Income Tax is charged in –
  - a) Financial Year
  - b) Assessment Year
  - c) Previous Year
  - d) Accounting Year
10. A person includes:
  - a) Only Individual
  - b) Only Individual and HUF
  - c) Individuals, HUF, Firm, Company only
  - d) Individuals, HUF, Company, Firm, AOP or BOI, Local Authority, Every Artificial Juridical Person

11. Every assessee is a person, and -
- Every person is also an assessee
  - Every person need not be an assessee
  - An individual is always an assessee
  - An HUF is always an assessee
12. Assessment year can be a period of:
- Only more than 12 months
  - 12 months or less than 12 months
  - Only 12 months
  - 12 months and more than 12 months
13. Describe the status of the following person (i.e. individual, HUF, Firm, Company etc.) X and Y are legal heirs of Z. Z died in 2018 and X and Y carry on his business without entering into a partnership.
- Firm
  - Limited Liability Partnership
  - Company
  - Body of Individual
14. Year in which income is taxable is known as \_\_\_\_\_ and year in which income is earned is known as \_\_\_\_\_.
- Previous year, Assessment year
  - Assessment year, Previous year
  - Assessment year, Assessment year
  - Previous year, Previous year
15. In order to be assessed as HUF there should be -
- Partnership
  - Co-partnership
  - Coparcenership
  - Co-ownership
16. Dr. Ashok commenced medical practice on 1st September, 2018. The previous year for the profession for the assessment year 2019-20 would be \_\_\_\_\_
- 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019
  - 1<sup>st</sup> September, 2018 to 31<sup>st</sup> March, 2019
  - 1<sup>st</sup> June, 2018 to 31<sup>st</sup> March, 2019
  - 1<sup>st</sup> September, 2018 to 31<sup>st</sup> January, 2019
17. The period of 12 months commencing on the 1<sup>st</sup> day of April every year is known as \_\_\_\_\_
- Financial Year
  - Assessment Year
  - Previous Year
  - Accounting Year
18. The term 'income' includes the following types of incomes -
- Legal
  - Illegal
  - Legal and illegal both
  - Either legal or illegal
19. In case of non-residents engaged in shipping business in India, income earned during the financial year is \_\_\_\_\_
- Taxable in India the same financial year

- b) Taxable in India the relevant assessment year
  - c) Not taxable in India in the same financial year
  - d) Not taxable in India
20. Income Tax is levied on the \_\_\_\_\_ of a person
- a) Total income
  - b) Total income-Debt
  - c) Gross Total Income
  - d) Net Income-Debt Pre-requisites
21. MVAT stands for –
- a) Maha Value Added Tax
  - b) Main Value Added Tax
  - c) Modern Value Added Tax
  - d) Maharashtra Value Added Tax
22. Income tax in India is charged at the rate(s) prescribed by –
- a) The Finance Act
  - b) The Income Tax Act
  - c) The Central Board of Direct Taxes
  - d) The Ministry of Finance
23. Which of the following is **not** included in taxable income?
- a) Reimbursement of expenses
  - b) Cash gifts received from non-relatives
  - c) Income from illegal activity
  - d) Profit on sale of equity shares of unlisted Company
24. Compensation on account of loss of profits is –
- a) Revenue receipt
  - b) Capital receipt
  - c) Revenue expenditure
  - d) Capital expenditure
25. Subsidy if given as assistance to carry on business already commenced is a \_\_\_\_\_
- a) Revenue receipt
  - b) Capital receipt
  - c) It is not a receipt
  - d) An unauthorised receipt
26. Wealth Tax Act, \_\_\_\_\_
- a) 1954
  - b) 1995
  - c) 1956
  - d) 1957
27. The following shall not be regarded as capital asset:
- a) Urban land
  - b) Securities held by a Foreign Institutional Investor as per SEBI Act, 1992
  - c) Archaeological Collections
  - d) Motor Car
28. Capital asset excludes all except:
- a) Stock-in-trade
  - b) Personal effects
  - c) Jewellery
  - d) Agricultural land in India
29. VAT activates from which option?
- a) Company creation
  - b) Configuration

- c) Display
  - d) House-keeping
30. Input VAT is related to:
- a) On sale
  - b) On purchase
  - c) On lending
  - d) On exchanging
31. VAT adjustment can be done by-
- a) VAT Computation
  - b) VAT Journal
  - c) Statutory payments
  - d) Journal
32. Central Sales Tax is levied by-
- a) State Government
  - b) Central Government
  - c) Finance Commission
  - d) Planning Commission
33. Transfer of which of the following will not be considered as capital gain –
- a) Jewellery
  - b) Gold deposit bonds
  - c) Paintings
  - d) Sculpture
34. As per the new tax regime, 12% tax levied on which item had led to widespread protests?
- a) Ornaments
  - b) Milk
  - c) Sugar
  - d) Sanitary napkins
35. A short term capital asset means a capital asset held by the assessee for not more than:
- a) 12 months immediately preceding the month of its transfer
  - b) 24 months immediately preceding the date of transfer
  - c) 36 months immediately preceding the date of its transfer
  - d) 48 months immediately preceding the date of its transfer
36. MVAT Act, \_\_\_\_\_
- a) 2000
  - b) 2020
  - c) 2017
  - d) 2002
37. Cost of acquisition of a capital asset, being a unit of a business trust, allotted pursuant to transfer of share or shares as referred to in Sec 47(xvii) shall be:
- a) Nil
  - b) Cost of acquisition to him of the share
  - c) Cost to previous owner
  - d) Cost to buyer
38. In order to enjoy exemption u/s. 54EC, the resultant long-term capital gains should be invested in specified bonds within a period of \_\_\_\_\_ from the date of transfer. 91
- a) 36 months
  - b) 4 months
  - c) 6 months
  - d) 12 months
39. The Central Sales Tax Act, \_\_\_\_\_
- a) 1955

- b) 1956
  - c) 1996
  - d) 1986
40. Art 280 of the Constitution of India provides for formation of:
- a) Supreme Court of India
  - b) High Courts
  - c) Planning Commission
  - d) Finance Commission
41. Which of the following is imposed only by State Government?
- a) Toll Tax
  - b) Education Tax
  - c) Income Tax
  - d) Service Tax
42. Which of the following tax regime was very recently introduced in India?
- a) VAT
  - b) Excise
  - c) GST
  - d) Education Tax
43. The latest tax regime referred to in Q42 was introduced in the year-
- a) 2014
  - b) 2017
  - c) 2019
  - d) 2018
44. LBT stands for:
- a) Lower Bond Tax
  - b) Load Body Tax
  - c) Local Bond Tax
  - d) Local Body Tax
45. Taxes are imposed by the Government for:
- a) Development and welfare projects
  - b) Looting citizens
  - c) Benefitting industrialists
  - d) Discouraging investment
46. Compliance with tax laws could be encouraged by:
- a) Imprisoning tax evaders
  - b) Heavily penalising tax-evaders
  - c) Keeping rules clear and as simple as possible
  - d) Disallowing people from earning
47. Progressive tax is such a tax in which the rate of tax \_\_\_\_\_ with the \_\_\_\_\_ in income.
- a) Increase, decrease
  - b) Increase, increase
  - c) Decrease, increase
  - d) Decrease, decrease
48. Fiscal policy is declared by-
- a) State Government
  - b) Finance Commission
  - c) Planning Commission
  - d) Government of India
49. Gender budgeting is:
- a) To allocate a certain amount for children's welfare in the budget
  - b) To allocate a certain amount for women's welfare in the budget

- c) To allocate a certain amount for men's welfare in the budget  
d) To allocate a certain amount for animals' welfare in the budget
50. SEBI stands for:  
a) Security External Board of India  
b) Security External Brand of India  
c) Securities Exchange Board of India  
d) Securities External Brand of India
51. Income received in India whether occurred in India or outside India, the tax incidence in case of non-resident is \_\_\_\_\_.  
a) Taxable as per slabs  
b) Exempted from slab  
c) Partly exempted  
d) Partly Taxable as per slabs
52. The way of tax liability by taking full advantage provided by the Act is \_\_\_\_\_.  
a) Tax management  
b) Tax avoidance  
c) Tax planning  
d) Tax evasion
53. \_\_\_\_\_ is the casual income.  
a) Interest received  
b) Dividend income  
c) Pension received  
d) Winning from lotteries
54. The Resident HUF is ordinarily resident in India, if \_\_\_\_\_.  
a) He has been resident in India at least 2 years out of 10 previous years immediately  
b) He has been resident in India at least 3 years out of 10 previous years immediately  
c) He has been resident in India at least 2 years out of 5 previous years immediately  
d) He has been resident in India at least 3 years out of 5 previous years immediately
55. Basic condition will be for a person who leaves India for employment \_\_\_\_\_.  
a) At least 182 days in India  
b) At least 60 days in previous year and 365 days in preceding 4 years  
c) At least 730 days in preceding 7 years  
d) At least 180 days in India
56. Which of the following is not included in the term Income under the Income Tax Act, 1961?  
a) Reimbursement of travelling expenses  
b) Profits and gains of business or profession  
c) Dividend  
d) Profit in lieu of salary
57. The term income includes the following types of incomes.  
a) Illegal  
b) Legal income from India only  
c) Legal  
d) Legal and illegal both
58. Which of the following is not taxable under the head Salary?  
a) Remuneration paid to the lecturer of a college for setting a question paper  
b) Salary received by a non member of parliament  
c) Commission received by an employee director of a company  
d) Commission received by an Ex-employee director of a company

59. Total income is to be rounded off to nearest multiple of \_\_\_\_\_ and tax is to be rounded off to nearest multiple of \_\_\_\_\_.
- Ten rupee
  - Hundred, ten
  - Ten, ten**
  - Rupee, rupee
61. Income accrued outside India and received outside India is taxable in case of \_\_\_\_\_.
- Resident and ordinary resident (ROR) only**
  - Resident but not ordinary resident (RNOR) only
  - Non-resident only
  - ROR, RNOR and Non-resident
61. Gross Total Income is arrived after \_\_\_\_\_.
- only adding Income under five heads of Income;
  - adding Income under five heads of Income excluding losses
  - adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses
  - adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses and after allowing deduction under section 80C to 80U**
62. Salary of S (₹ 40,000 per month) becomes due on the last day of the month but is paid on 7th of next month. Also, salary of April, 2017 and May, 2017 is received in advance in March, 2017. What will be his gross income for Assessment Year 2017-18?
- Rs 5,60,000**
  - Rs 4,80,000
  - Rs 4,40,000
  - Rs 5,20,000
63. Calculate the exempt HRA from the following details:  
A is entitled to basic salary of ₹ 50,000 p.m. and dearness allowance of ₹ 10,000 p.m., 40% of which forms part of retirement benefits. He is also entitled to HRA of ₹ 20,000 p.m. He actually lives with his parents in Mumbai and does not pay any rent. Market rent of that house is ₹ 20,000 p.m. in Mumbai.
- Rs 00,000**
  - Rs 1,75,200
  - Rs 64,800
  - Rs 2,40,000
64. Deduction under section 80C to 80U cannot exceed \_\_\_\_\_.
- Gross Total Income**
  - Total Income
  - Income from Business or Profession
  - Income from House Property
65. Any commission due or received by a partner of a firm from the firm shall not be regarded as salary income under \_\_\_\_\_.
- Section 15**
  - Section 20
  - Section 17
  - Section 19

66. Gift to employee up to \_\_\_\_\_ p.a. will not be treated as perquisite taxable in the hands of employee.
- a) Rs 4,000
  - b) Rs 5,000**
  - c) Rs 10,000
  - d) Rs 2,500
67. Expenditure on free meals to employee in excess of \_\_\_\_\_ per meal will be treated as perquisite of employee.
- a) Rs 25
  - b) Rs 50**
  - c) Rs 100
  - d) Rs 55
68. Advance salary is taxable and advance against salary is \_\_\_\_\_.
- a) Fully taxable
  - b) Partially taxable
  - c) Not taxable**
  - d) Exempted
69. If loan granted by employer to employee does not exceed \_\_\_\_\_, it is not treated as perquisite to employee for purpose of income tax.
- a) Rs 20,000
  - b) Rs 40,000**
  - c) Rs 30,000
  - d) Rs25,000
70. Death-cum-retirement gratuity received by exempt up to \_\_\_\_\_.
- a) Rs 2.5 lakh
  - b) Rs 4.5 lakhs
  - c) Rs 3.5 lakh**
  - d) Rs zero
71. Mr. R owns a house. The Municipal value of the house is ` 50,000. He paid ` 8,000 as local taxes during the year. He uses this house for his residential purposes but lets out half of the house @ ` 3,000 p.m. The annual value of the house is \_\_\_\_\_.
- a) Rs 15,000
  - b) Rs 16,000**
  - c) Rs 17,000
  - d) Rs 18,000
72. If fair rent is not gives, then assume \_\_\_\_\_ as fair rent.
- a) Actual rent**
  - b) Standard rent



- c) Average rent
- d) None of the above

73. Rent received by original tenant from sub-tenant is taxable under the head \_\_\_\_\_.

- a) Income from House Property
- b) Income from Other Sources
- c) Income from Capital Gain
- d) Income from Agriculture Property

74. Under the Income Tax Act, 1961, depreciation on machinery is charged on \_\_\_\_\_.

- a) Purchase price of the machinery
- b) Written down value of the machinery
- c) Market price of the machinery
- d) Sale price of the machinery

75. Income from sale of rural agricultural land is \_\_\_\_\_.

- a) Taxable capital gain
- b) Taxable income
- c) Exempted capital gain
- d) Non Taxable

76. If the agricultural land is used for tea plantation, then the tax liability is \_\_\_\_\_.

- a) 65% agricultural and 35% non-agricultural
- b) 50% agricultural and 50% non-agricultural
- c) 70% agricultural and 30% non-agricultural
- d) 60% agricultural and 40% non-agricultural