

PGDTL
SAMPLE QUESTION BANK
INCOME TAX 1

1. Income tax is a
 - A. Indirect tax
 - B. Direct tax
 - C. Profession tax
 - D. None of the above
2. Salary is deemed to accrue at the place where _____.
 - A. Payment for services is received
 - B. Services are rendered
 - C. Either (a) or (b)
 - D. None of the above
3. Tea & Snacks are provided by PC Ltd. to employees in the office during office hours. Decide the taxability of Perquisite.
 - A. Fully taxable
 - B. Fully Exempt
 - C. Exempt upto Rs. 50 pm
 - D. Exempt upto Rs. 50 per round of tea & snacks
4. Deduction for entertainment allowance u/s 16(ii) is allowed to
 - A. Every kind of employee
 - B. Every non-government employee
 - C. Every government employee
 - D. Every retired employee
5. Calculate the Tax payable for AY 2019-20 considering the following-

Salary Income - Rs. 3,50,000
House Property Income - Rs. 2,00,000
LIC Paid - Rs. 50,000

 - A. RS 7500
 - B. RS 7800
 - C. RS 10000
 - D. RS 7200

6. What is the maximum limit of deduction under section 80C for AY 2019-20
- A. Rs 100000/-
 - B. Rs 150000/-
 - C. Rs 120000/-
 - D. Rs 180000/-
7. What is maximum rate of interest that can be paid to Partners of Partnership Firm.?
- A. 6%
 - B. 9.5%
 - C. 12%
 - D. 10%
8. In case of default in TDS for deduction or payment after deduction, how much amount is disallowed u/s 40 (a) (ia)
- A. 10 % of sum payable on which default is committed
 - B. Rs. 30,000
 - C. 20 % of sum payable on which default is committed
 - D. 30 % of sum payable on which default is committed
9. Individual stays in India during previous year for the period of 186 days is
- A. Non- resident
 - B. Resident but not ordinarily resident
 - C. Resident and Ordinarily Resident
 - D. Resident
10. Annual Value of One Self-occupied property is
- A. Taxable
 - B. Partially Taxable
 - C. Exempt
 - D. Taxable @ 10%
11. Uncommuted Pension is
- A. Taxable

- B. Partially Taxable
 - C. Exempt
 - D. Not taxable
12. Children education allowance is exempt
- A. Rs.100 per month per child
 - B. Rs.300 per month per child
 - C. Rs. 300 per month per child up to maximum of two children
 - D. Rs. 100 per month per child up to maximum of two children
13. Indian Company is
- A. Resident in India
 - B. Non-resident in India
 - C. Resident but not ordinarily resident
 - D. Indian Company
14. The agricultural income includes _____.
- A. Income from sale of crop
 - B. Income from preparation of crop
 - C. Income from nursery
 - D. All of the above
15. The definition of the person includes _____.
- A. An individual
 - B. A company
 - C. A Hindu undivided family
 - D. All of the above
16. The entertainment allowance is applicable to _____.
- A. Private sector employees
 - B. Public sector employees
 - C. Government employees
 - D. All of the above
17. As per sec 80 TTA of Income Tax Act, How much is the maximum amount of deduction available on Interest on Deposits in saving account ?
- A. Rs 20000/-

- B. Rs 10000/-
 C. Rs 5000/-
 D. Rs 15000/-
18. Payment of LIC premium can be claimed as deduction u/s _____.
 A. 80C
 B. 80CC
 C. 80D
 D. 80CCD
19. Mr. Ajay has received Rs.65000 in cash from a friend. Decide the taxability.
 A. Fully Exempt
 B. Fully Taxable
 C. Rs.15000 will be taxable
 D. Rs. 5000 will be taxable
20. Who is Super Senior Citizen as per Income Tax Act?
 A. Individual having age more than 60 years.
 B. Individual having age more than 80 years.
 C. Individual having age less than 60 years.
 D. None of the above
21. Income from vacant plot is taxable under the head
 A. Income from House Property
 B. Income from Other Source
 C. Profits & Gains of Business or Profession
 D. Capital Gain
22. What is amount of Standard Deduction under head Salary?
 A. Rs.40000/-
 B. Rs.50000/-
 C. Rs. 45000/-
 D. Rs. 30000/-
23. Under the Head Income from House Property, the basis of charge is the _____ of property.
 A. Annual value
 B. Quarterly value
 C. Half-quarterly value
 D. None of the above
24. If an asset is put to use for less than 180 days in the previous year, the

- depreciation is charged at _____ rate.
- A. 30%
 - B. 50%
 - C. 10%
 - D. 100%
25. Minors income is clubbed to _____ .
- A. Father's income
 - B. Mother's income
 - C. Father's income or mother's income whichever is greater
 - D. Both mother's and father's income
26. As per Income Tax Act what is rate of Depreciation on machinery?
- A. 15%
 - B. 10%
 - C. 20%
 - D. 5%
27. What is the Rate of Health and education cess for AY 2019-20?
- A. 5%
 - B. 2%
 - C. 1%
 - D. 3%
28. Mr. A is having business income of Rs.6 Lacs. Calculate the Income Tax Liability for AY 2019-20
- A. Rs. 33500/-
 - B. Rs. 32500/-
 - C. Rs. 33800/-
 - D. Rs. 31500/-
29. In which year The Income Tax Act was came into force
- A. 1961
 - B. 1962
 - C. 1951
 - D. 1963
30. Mr. Rohit has incurred an expenditure of municipal tax of Rs. 60,000 relating to office building for the previous year 2018-19 but did not paid same till 30-09-2019 .Such sum was paid on 14th Feb, 2020. In which assessment year deduction shall be allowed?
- A. AY 2019-20

- B. AY 2018-19
C. AY 2020-21
D. None of the above
31. Encashment of leave salary at the period of service is fully taxable in the case of ____.
- A. CG employee
B. SG employee
C. Both CG & SG employees
D. Government employee & Non-Government employee
32. Salary paid to Partner by the firm is ____.
- A. Taxable as Salaries
B. Taxable as PGBP
C. Always exempt
D. Always taxable
33. Which of the following is not the condition for claiming exemption for HRA?
- A. Employee is in receipt of HRA.
B. Location of the employer.
C. Rent paid by employee > 10% of salary.
D. Location of the accommodation of employees
34. PAN stands for
- A. Permanent Account Number
B. Personal Account Number
C. Private Account Number
D. Person Account Number
35. In order to be assessed as HUF there should be -
- A. Partnership
B. Co-Partnership
C. Co -Partnership
D. Co-Ownership
36. Dr. Ashok commenced medical practice on 1st September, 2018. The previous year for the profession for the assessment year 2019-20 would be _
- A. 1st April, 2018 to 31st March, 2019
B. 1st September, 2018 to 31st March, 2019
C. 1st June, 2018 to 31st March, 2019

- D. 1st September, 2018 to 31st January, 2019
37. How many no. of digits are there in a PAN?
- A. 10
 - B. 11
 - C. 8
 - D. 9
38. Income is divided in _____ heads of Income.
- A. 4
 - B. 5
 - C. 6
 - D. 3
39. Which amongst the following is not a head of Income?
- A. Salaries
 - B. Income from house property
 - C. Capital gain
 - D. Income from export
40. A.O.P should consist of:
- A. Individual only
 - B. Persons other than individual
 - C. Both individual and non-individual person
 - D. None of the above