Roll No. ……..... **Total Pages: 06**

Paper ID: IT001 **Course Code:** CCIT1

Examination (January- 2024)
Certificate Programme in Income Filing and Documentation

Basics of Income Tax Law

Time Allowed: 2 Hours **Max. Marks: 70**

Instructions for the Students

1. The question paper shall consist of 70 Multiple Choice questions.
2. All questions are compulsory. Each question carries 1 mark.
3. There will be no negative marking.

Q 1 Previous year relevant to Assessment year 2023-2024 is. a) 2022-2023 b) 2021-2022 c) 2020-2021 d) 2023-2024	Q 2 What is the maximum amount of standard deduction allowed for family pension received by an Individual? a) Rs 10000 b) Rs 50000 c) Rs 15000 d) Rs 20000
Q 3 Mr A is a salaried employee and has also income under head capital gain from the sale of plot. Which income tax return form is applicable to him? a) ITR 1 b) ITR2 c) ITR 4 d) ITR 6	Q 4 What will be the rate of depreciation on a new car purchased on 01/04/2022? a) 15% b) 7.5% c) 10% d) 40%
Q 5 What is the exemption limit on sale of shares held for more than one year? a) Rs 250000 b) Rs 150000 c) Rs 100000 d) Taxable @ 10%	Q 6 Highest Administrative Authority for Income Tax in India is. a) Finance Minister b) CBDT c) President of India d) Director of Income Tax
Q 7 Finance Bill becomes the Finance Act when it is passed by. a) Lok Sabha b) Both Lok Sabha & Rajya Sabha c) Both House of Parliament & signed by President. d) Both House of Parliament & signed by Prime Minister	Q 8 Income' includes the following types. a) Legal b) Illegal c) Both (a) and (b) d) None
Q 9 Residential status is always determined for ___ a) The previous year b) Assessment year c) Calendar year d) Not to be determined for computing the income	Q 10 What is the income exemption limit from tax of an individual of Super Senior Citizens years old? a) Rs 500000 b) Rs 300000 c) Rs 250000 d) Rs 450000

Q11 Which of the following income is not included in the term 'income'? a) Profit & gains b) Dividend c) Profit in lieu of salary d) Reimbursement of travelling expenses	Q 12 What is the rate of income tax on short term gain from the sale of share under section 111A? a) 7.5% b) 15% c) 10% d) 20%
Q 13 Which of the following components of salary is taxable? a) Bonus b) Overtime payments c) Commission d) All of the above	Q 14 Entertainment allowance to the government employees is exempted, which is least of 20% of basic salary or actual allowance, or a) 10000 b) 50000 c) 5000 d) 15000
Q 15 Salary paid by an employer out of capital will be a) Capital receipts in the hands of employee not taxable b) Revenue receipt in the hands of employee c) Casual receipts d) None of the above	Q 16 In case of Tax free Salary: a) Tax is paid by the employer b) No tax is payable on salary c) Tax is to be paid by Central Government d) Tax is to be paid by employee
Q 17 What is the amount of leave encashment exemption proposed by the finance Act 2023 for private sector employees? a) Rs 250000 b) Rs 300000 c) Rs 2500000 d) Rs 3000000	Q 18 Rent free accommodation is an example for. a) Allowance b) Profit in lieu of salary c) Perquisites d) Compensation
Q 19 In case of let out property municipal taxes are allowed as deduction only to the extent of a) Paid by the landlord during previous year b) Paid by the tenant during previous year c) Due during the year d) None of the above	Q 20 Under the head income from house property the basis of charge is a) Annual Value of the house property b) Rent Received from the house property c) Net profit from the house property d) None of the above
Q 21 Mr Aman an Individual has received his share of profit from the partnership firm in which he is a partner. The profit will be taxable under which head of income? a) Salary b) Business and Profession c) Income from other sources d) Exempted from the Tax	Q 22 Mr. X is required to get his account audited u/s 44AB of the Income Tax Act 1961. What is the last date to file the income tax return? a) 30th September b) 31st October c) 31st July d) 30th November
Q 23 Method of accounting is not relevant for which head of income? a) Salary b) Capital Gain c) Income from house property d) All of the above	Q 24 Depreciation is allowed in case of a) Tangible assets b) Tangible and intangible assets c) Intangible assets d) Deferred Revenue expenditure

Q 25 Rate of depreciation on furniture is a) 10% b) 15% c) 5% d) 7.5%	Q 26 Which of the following items are not allowed as deduction for computing business income? a) Anticipated Future losses b) Loss caused by insects c) Loss caused by fire d) Loss due tom theft
Q 27 Which of the following items is an inadmissible expense? a) Excise duty b) GST c) Income tax d) Sales tax	Q 28 What is the due date to conduct Audit under section 44AB in case of individual. a) 31st October b) 30th September c) 31st July d) 30th November
Q 29 What is the due date to verify the audit report by way of digital signature, uploaded by the taxpayer's Chartered Accountant under section 44AB in case of individual? a) 31st October b) 30th September c) 31st July d) 30th November	Q 30 Mr X is an individual having turnover of Rs 90 lakhs. He wants to opt section 44AD to declare his income. What would be the income chargeable to income tax if his net profit is 1250000? a) Rs 720000 b) Rs 540000 c) Rs 1000000 d) Rs 1250000
Q 31 What is the mode of payment allowed under section 40 A(3) for the expenses incurred? a) Account payee cheque or draft b) Crossed cheque and draft c) Debit and credit card d) All of the above	Q 32 While calculating indexed cost of improvements, it shall be divided by a) CII of the year in which asset is purchased b) CII of the year in which asset is transferred c) CII of the year in which improvement is done d) CII of the year being 01/04/2001
Q 33 Which of the following is not regarded as transfer while computing capital gains? a) Sale or exchange of an asset b) Conversion of assets in stock in trade c) Transfer of capital asset under gift or will d) None of the above	Q 34 What is the holding period of shares for long term capital gain? a) Less than 12 months b) More than 12 months c) More than 6 months d) None of the above
Q 35 Cost of the intangible assets which has been self-generated is. a) Cost to the previous owner b) Fair market value c) NIL d) None of the above	Q 36 Exemptions under section 54 and 54B is available to under mentioned assesse. a) Individual b) HUF c) Both (a) and (b) d) Not available to any one
Q 37 What is the tax rate for income earned from other sources? a) Flat rate of 20% b) Flat rate of 10% c) As per the applicable slab rate d) No tax is levied on such income	Q 38 Uncommuted pension is taxable in the case of under mentioned employees a) Central Government employees b) State Government employees c) Private Sector employees d) All of the above

Q 39 Loss arising under the head capital gain cannot be set-off against a) Income under the head salaries. b) Income under the head "Profits and gains of business or profession". c) Income under the head house property. d) All of the above	Q 40 What is the maximum amount of gift exempted from tax in case of other than relative? a) Rs 150000 b) Rs 250000 c) Rs 50000 d) Rs 75000
Q 41 MR. A is in receipt of family pension of Rs. 20,000 p.m. for AY 2023-2024 i.e. PY 2022-2023. Income chargeable to tax for MR. V is: a) Rs. 240,000 b) Rs 1,50,000 c) Rs. 225,000 d) Nil	Q 42 What is the amount of deduction allowed for preventive health check-up u/s 80D? a) Rs 25000 b) Rs 15000 c) Rs 50000 d) Rs 5000
Q 43 Mr Grace has incurred business losses of Rs 500000 and has filed his income tax return on 31st August 2023. What would be the amount of loss that can be carried forward for setoff in future assessment years? a) Rs 250000 b) Rs 500000 c) Rs 300000 d) Nil	Q 44 Mr Y has taken education loan for his son's higher studies. He has paid Rs 250000 as principal amount. What is the deduction available u/s 80E of the Income Tax Act? a) Rs 250000 b) Rs 150000 c) Rs 50000 d) Nil
Q 45 Which income will be included while giving deduction under chapter VIA? a) Long Term capital gains b) STCG Under section 111A c) Income from house property d) Income from lotteries	Q 46 Mr B is having agriculture income of Rs 500000 apart from other income. Which income tax return form will be applicable to him for filing his return? a) ITR1 b) ITR2 c) ITR4 d) None of the above
Q 47 What is the maximum taxable income for filing return in ITR 4? a) Rs 2500000 b) Rs 5000000 c) Rs 4000000 d) No limit	Q 48 Compute the tax liability of Mr Z on total income of Rs 1200000 under new regime of the Income Tax Act. a) Rs 115000 b) Rs 110000 c) Rs 119600 d) Rs 152500
Q 49 What would be tax liability under new tax regime, If Y taxable income is Rs 4000000? a) Rs 975000 b) Rs 937500 c) Rs 950000 d) Rs 965625	Q 50 What is the maximum amount of rebate under section 87A of the Income Tax Act 1961 in new regime for AY 2023-24? a) Rs 12500 b) Rs 7500 c) Rs 5000 d) Nil
Q 51 What would be tax liability under old tax regime, If D's taxable income is Rs 5200000? a) Rs 1372500 b) Rs 1570140 c) Rs 1427400 d) Rs 1509750	Q 52 Deduction under section 80C is allowed to. a) All assesse b) Individual c) HUF d) Both (b) and (c)

Q 53 Deduction under 80C for tuition fees is allowed for_____Children. a) One b) Two c) Three d) Four	Q 54 Medical insurance under section 80D is allowed in case of senior citizen up to Rs _____. a) Rs 50000 b) Rs 25000 c) Rs 40000 d) Rs 55000
Q 55 What is the amount of deduction U/s 80DD for disability up to 40%? a) Rs 125000 b) Rs 50000 c) Rs 75000 d) Rs 80000	Q 56 Deduction u/s 80E is allowed for under mentioned payment. a) Tuition fees of school b) Interest on higher education loan c) Profits earned from export d) Deduction for royalty income
Q 57 What is the amount of deduction allowed u/s 80EE? a) Rs 10000 b) Rs 200000 c) Rs 50000 d) Rs 75000	Q 58 Transfer of income without transfer of asset would be taxable in the hands of: a) Transferor only b) Transferee only c) Either transferor or transferee d) Both transferor and transferee
Q 59 Mr. A, a fashion designer having flourishing business, pays salary to his wife, who is a model. Remuneration received by Mrs. A shall be included in the total income of : a) Mrs. A b) Mr. A c) Mrs. A or Mr. A (whose total income is higher before this clubbing) d) Mr A and Mrs. A proportionately.	Q 60 Income from assets transferred to son's wife for inadequate consideration, shall be included in the total income of- a) Transferor b) Son's wife c) Both (a) and (b) d) Individual whose total income (before this clubbing) is higher
Q 61 Income of a minor child shall be included in the income of – a) That parent whose total income (before this clubbing) is greater. b) Minor child c) That parent whose total income (before this clubbing) is lower. d) That parent whose total income (after this clubbing) is greater	Q 62 Speculation loss can be carried forward for the maximum of: a) 8 assessment years b) 4 assessment years c) 10 assessment years d) unlimited number of years
Q 63 Loss from house property can be carried forward and set off in the subsequent 8 Assessment years: a) Only if return of loss is filed within due date b) Even if return of loss is filed after due date c) It does not matter whether or not return is filed d) Carry forward of loss from house property is not allowed at all	Q 64 Which of the following is correct? a) LTCL can be set off from LTCG only. b) LTCL can be set off from STCG only. c) Loss of business can be set off from salary income d) Loss of speculation business can be set off from income from normal business
Q 65 The basic exemption limit for a resident senior citizen above the age of 60 is a) Rs. 2,00,000 b) Rs. 2,50,000 c) Rs. 5,00,000	Q 66 When the gross receipts from profession exceed Rs._____lakhs, it is liable for audit under section 44AB and the provisions of section 44ADA will not apply. a) 50

d) Rs 300000	b) 25 c) 100 d) 20
Q 67 The lock-in-period for capital gain bonds issued by National Highway Authority of India for the purpose of deduction under section 54EC is _____ a) 5 years b) 3 years c) 7 years d) 1 year	Q 68 Rebate u/s 87A can be claimed by a) Any resident b) Resident Individual c) Any person d) Any person other than non-resident
Q 69 Which income tax return will be applicable for presumptive taxation. a) ITR 1 b) ITR 2 c) ITR 4 d) None of the above	Q 70 Unabsorbed depreciation can be carried forward for a) Any number of years b) 8 years c) 4 years d) 7 years