



**BRAINWARE UNIVERSITY**

**Term End Examination 2021 - 22**  
**Programme – Master of Business Administration**  
**Course Name – Taxation**  
**Course Code - FM404**  
**( Semester IV )**

**Time allotted : 1 Hrs.15 Min.**

**Full Marks : 60**

[The figure in the margin indicates full marks.]

**Group-A**

(Multiple Choice Type Question)

1 x 60=60

*Choose the correct alternative from the following :*

- (1) Income Tax Act was passed in the year.....
 

a) 1934	b) 1956
c) 1961	d) 1972
- (2) Income tax is a.....
 

a) Professional tax	b) Direct tax
c) Indirect tax	d) Service tax
- (3) There are ..... heads of income
 

a) 3	b) 4
c) 5	d) 2
- (4) The minimum exceptional limit of income is.....
 

a) 250000	b) 200000
c) 300000	d) 500000
- (5) Section 2(9) of Income tax deals with.....
 

a) Person	b) Assessee
c) Previous Year	d) Assessment Year
- (6) When the income earned in an year is taxed in the same year, it is called
 

a) Advanced Assessment	b) Super Assessment
c) Accelerated Assessment	d) None of the above
- (7) Educational cess is charges at the rate of .....
 

a) 2	b) 1
c) 3	d) 5
- (8) CBDT stands for .....

- a) Central Bureau of Direct Taxes  
 c) Citizen's Board of Direct Taxes
- b) Central Board of Direct Taxes  
 d) Citizen's Bureau of Direct Taxes
- (9) To be an Ordinarily resident in India, an individual must satisfy .....
- a) Both Basic Conditions and One Additional Condition  
 c) One Basic Condition and One Additional Condition
- b) One Basic Condition and Both Additional Conditions  
 d) Both Basic Conditions and Both Additional Conditions
- (10) A citizen of India who goes abroad for the purpose of employment, he must stay in India in the previous year for at least ..... days to become a resident
- a) 90  
 c) 180
- b) 162  
 d) 182
- (11) Dividend from an Indian Company is .....
- a) Fully Taxable  
 c) Fully Exempted
- b) Partly Taxable  
 d) None of these
- (12) Income exempted from tax are stated in the section..... Of Income Tax Act
- a) 5  
 c) 12
- b) 10  
 d) 8
- (13) Salary is defined as per section .....
- a) 15(2)  
 c) 17(2)
- b) 16(1)  
 d) 17(1)
- (14) Bonus paid by the employer to the employee is .....
- a) Fully Taxable  
 c) Fully Exempted
- b) Partly Taxable  
 d) None of these
- (15) The highest Administrative Authority for Income Tax in India is.....
- a) Finance Minister.  
 c) President of India
- b) CBDT  
 d) Director of Income Tax
- (16) HRA is .....
- a) Fully Taxable  
 c) Fully Exempted
- b) Partly Taxable  
 d) None of these
- (17) Agricultural income in Pakistan is assessable for.....
- a) Resident  
 c) Non-resident
- b) Not Ordinarily Resident  
 d) Not taxable
- (18) Entertainment allowance is allowed as a deduction as per section .....
- a) 16  
 c) 16(ii)
- b) 16(i)  
 d) 16(iii)
- (19) Children education allowance is exempt up to per month per child for two children
- a) Rs.100  
 c) Rs.200
- b) Rs.150  
 d) Rs.250
- (20) Transport allowance given by the employer to the employee is exempt up to
- a) Rs.1000p.m  
 c) Rs.1000p.a
- b) Rs.1600p.m  
 d) Rs.1600p.a
- (21) State which of the following income are exempted?

- a) Dearness Allowance  
c) Foreign Allowance
- b) City Compensatory Allowance  
d) Medical Allowance
- (22) A government employee received salary Rs.120,000 and entertainment allowance Rs.10,000 during the previous year. He spent Rs.6000 on entertainment. He is entitled to deduction u/s 16(ii) :
- a) 10000  
c) 5000
- b) 6000  
d) Nil
- (23) The following is not taxable as income under the head "Salaries".
- a) Commission received by a full time director  
c) Allowances received by an employee
- b) Remuneration received by a partner  
d) Free accommodation given to an employee
- (24) Gratuity received by a government employee is
- a) Fully exempted  
c) Fully taxable
- b) Partly exempted  
d) Exempted up to Rs:1,00,000
- (25) Income received in India whether occurred in India or outside India, the tax incidence in case of resident is
- a) Taxable as per slabs  
c) Partly exempted
- b) Exempted from tax  
d) None of the above
- (26) Pension is taxable under .....head.
- a) Salary  
c) Capital gains
- b) House property  
d) other sources
- (27) person is Non-resident if he fails to fulfil
- a) The additional conditions  
c) Both basic conditions
- b) At least one of the basic conditions  
d) None of these
- (28) is exempted from income tax.
- a) Interest from Indian company  
c) Cooperative dividend
- b) Dividend from foreign company  
d) Dividend from Indian company
- (29) Any rent or revenue derived from land which is situated in India and is used for agricultural purpose is
- a) Partially taxable  
c) Exempted from tax
- b) Fully taxable  
d) None of the above
- (30) Which of the following is not included in salary income
- a) Commuted pension  
c) Family pension
- b) Un commuted pension  
d) Leave salary
- (31) Dearness allowance is taxable in the hands of
- a) Govt employees  
c) All employees
- b) Non Govt employees  
d) None of these.
- (32) Perquisites to employees are covered in the I.T. Act 1961 under.
- a) Sec 2a.  
c) Sec 28a
- b) Sec. 17b.  
d) Sec. 36 c.
- (33) An employee is deemed as specified employee if he is a director in the company or has substantial in the company or his chargeable salary per annum exceeds
- a) Rs. 5,00,000  
c) Rs. 1,00,000
- b) Rs. 2,00,000  
d) Rs. 50,000.



- c) 5000
- d) All of the above
- (45) Gross Total Income is arrived after
- a) only adding Income under five heads of Income
- b) adding Income under five heads of Income excluding losses
- c) adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses
- d) 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
- (46) Under the head Income from House Property the basis of charge is
- a) Rent Received
- b) Gross Annual Value
- c) Annual Value
- d) Municipal Value
- (47) As per section 30, which expenditure incurred for a building used for the business or profession shall not be allowed as deduction?
- a) Rent, rates and taxes
- b) Insurance of building
- c) Repairs of building
- d) Capital expenditure
- (48) If a block of assets ceases to exist on the last day of the previous year, depreciation admissible for block of assets will be
- a) Nil
- b) 50% of the value of the block of assets on the first day of the previous year
- c) The total value of the block of assets on the first day of the previous year
- d) 50% of the value of the block of assets on the last day of the previous year.
- (49) Which of the following taxes are allowed as deduction while computing the business income
- a) Wealth-tax
- b) Income-tax
- c) Sales tax
- d) None of the above
- (50) In case the assessee follows mercantile system of accounting, bonus or commission to the employee are allowed as deduction on
- a) Due basis
- b) Payment basis
- c) Due basis but subject to section 43B
- d) Any of the above
- (51) Tax audit is compulsory in case a person is carrying on business whose gross turnover/sales/receipts, as the case may be, exceeds
- a) Rs. 10 lakhs
- b) Rs. 40 lakhs
- c) 1 crore
- d) 10 crore
- (52) In case an assessee is engaged in the business of retail trade, presumptive income scheme is applicable if the total turnover of such retail trade of goods does not exceed
- a) Rs. 10 lakhs
- b) Rs. 30 lakhs
- c) Rs. 40 lakhs
- d) Rs. 50 lakhs
- (53) Loss from a speculation business can be set off from
- a) Any head of income
- b) Profits & gains from any business.
- c) Profits & gains from any business other than speculation business
- d) Income of speculation business
- (54) Business loss of the current year cannot be set off against
- a) Any income other than business income
- b) LTCG
- c) Either LTCG/STCG
- d) Salary income

- (55) As per section 80A aggregate of all deductions from section 80C to section 80U cannot exceed amount of
- a) GTI
  - b) special incomes in GTI
  - c) casual incomes in GTI
  - d) capital gains in GTI
- (56) The rate of TDS u/s 194A is
- a) 1
  - b) 5
  - c) 2
  - d) 3
- (57) Scheme of advance tax is known as
- a) Step towards nation building
  - b) Earn more pay more
  - c) Pay as much as you can
  - d) Pay as you earn
- (58) As per section 139(1), filing of returns is compulsory (must) irrespective of whether profit is earned or loss is incurred, in case of
- a) companies only
  - b) firms only
  - c) both companies & firms
  - d) All Assessees
- (59) GST was introduced in India with effect from
- a) 1.1.2017
  - b) 1.4.2017
  - c) 1.1.2018
  - d) 1.7.2017
- (60) Constitution Amendment Act, 2016 for GST was
- a) 80th
  - b) 101st
  - c) 122nd
  - d) None of these