

TELANGANA UNIVERSITY
S.S.R. DEGREE COLLEGE, NIZAMABAD (C.C:5029)
IV SEMESTER INTERNAL ASSESSMENT I EXAMINATIONS
INCOME TAX QUESTION BANK

1. Income Tax Act was passed in the year..... [C]
A) 1934 B) 1956 C) 1961 D) 1972
2. Income Tax Act came into force on..... [C]
A) 1st April 1935 B) 1st April 1961 C) 1st April 1962
D) 1st April 1956
3. Income tax is a..... [B]
A) Professional tax B) Direct tax C) Indirect tax
D) Service tax
4. Income tax rates are fixed in..... [B]
A) Income tax Act B) Finance Act C) Income tax rules
D) Finance rules
5. There areheads of income [C]
A) 3 B) 4 C) 5 D) 2
6. A person with the age of or more is considered as a super senior citizen as per Income tax Act. [C]
A) 56 B) 60 C) 80 D) 85
7. The minimum exceptional limit of income is..... [C]
A) 250,000 B) 200,000 C) 300,000 D) 500,000
8. Rebate of Income tax is defined as per section [B]
A) 81A B) 87A C) 81C D) 87C
9. Section 2(9) of Income tax deals with..... [D]
A) Person B) Assessee C) Previous Year
D) Assessment Year
10. Assessment year is the period of 12 months commencing from..... Every year. [C]
A) 1st March B) 31st March C) 1st April D) 30th April
11. When the income earned in an year is taxed in the same year, it is called [C]
A) Advanced Assessment B) Super Assessment
C) Accelerated Assessment D) None of the above

12. Surcharge is levied when the total income exceeds [C]

A) 5 Crore

B) 10 Crore

C) 1 Crore

D) 2 Crore

13. Educational cess is charges at the rate of [C]
A) 2% B) 1% C) 3% D) 5%
14. As per Income tax Act, Person includes [D]
A) Individual B) HUF C) Local Authority
D) All of the above
15. CBDT stands for [B]
A) Central Bureau of Direct Taxes
B) Central Board of Direct Taxes
C) Citizen's Board of Direct Taxes
D) Citizen's Bureau of Direct Taxes
16. 4. CBDT is control by [A]
A) Central Government
B) State Government
C) Both (A) and (B)
D) None of this above
17. To be an Ordinarily resident in India, an individual must satisfy [B]
A) Both Basic Conditions and One Additional Condition
B) One Basic Condition and Both Additional Conditions
C) One Basic Condition and One Additional Condition
D) Both Basic Conditions and Both Additional Conditions
18. A Company has..... types of residential status. [A]
A) 2 B) 3 C) 1 D) 4
19. 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 [D]
A) 90 days B) 162 days C) 180 days D) 182 days
20. 10. Who is assessee in case of a HUF? [A]
A) Karta B) Coparceners C) Deemed Karta D) None of these
21. Dividend from an Indian Company is Fully Exempted
22. Expenditure incurred on exempted income is Not Allowed as deduction.

23. Income exempted from tax are stated in the section 10 Of Income Tax Act.
24. Income from Salary is explained in the section 15 to 17
25. Salary is defined as per section 17(1)
26. When an URPF is recognized, the balance so transferred is called Transferred Balance
27. Bonus paid by the employer to the employee is Fully Taxable
28. Gratuity is defined as per section 10(10)
29. The highest Administrative Authority for Income Tax in India is CBDT
30. Payment made by an employer to employee monthly, other than salary is called Allowances
31. HRA is Partly Taxable
32. Rule 2A explain the taxation of HRA
33. Agricultural income in Pakistan is assessable for Resident
34. If the assessee is living in own house HRA is Fully Taxable
35. Entertainment allowance is allowed as a deduction as per section 16(ii)

36. Any allowance granted for encouraging research, academic and other professional pursuit is called Academic Allowance
37. Children education allowance is exempt up to per month per child for two children.
Rs.100
38. Children hostel allowance is exempt up to per month per child for two children.
Rs.300
39. Transport allowance given by the employer to the employee is exempt up to Rs.1600p.m
40. Foreign allowance is a Fully Exempted Allowance

Short Answers.

1. What is mean by Casual Income?
2. Define direct Tax?
3. Define indirect tax?
4. Define short term capital gain?
5. Define long term capital gain?
6. Residential status?
7. Surcharge?
8. Depreciation?
9. Gross annual value?
10. Under section 24 (A)