

Paper 4A Income Tax (New Course)

1. Mr. Karan filed his return of income for A.Y.2019-20 showing total income of Rs.7 lakhs on 1.1.2020. The fee payable by him under section 234F is –
 - (a) Nil
 - (b) Rs.1,000
 - (c) Rs.5,000
 - (d) Rs.10,000

2. Mr. Arjun, aged 53 years, has a total income of Rs.51 lakhs for A.Y.2019-20. His total income comprises of salary, income from house property and interest on savings bank account. His tax liability for A.Y.2019-20 would be –
 - (a) Rs.13,96,200
 - (b) Rs.14,82,000
 - (c) Rs.15,35,820
 - (d) Rs.14,69,000

3. Mr.Aarav gifted a house property valued at Rs.50 lakhs to his wife, Geetha, who in turn has gifted the same to her daughter-in-law Deepa. The house was let out at Rs.25,000 per month throughout the P.Y.2018-19. Compute income from house property for A.Y.2019-20. In whose hands is the income from house property chargeable to tax?
 - (a) Rs.3,00,000 in the hands of Mr. Aarav
 - (b) Rs.2,10,000 in the hands of Mr. Aarav
 - (c) Rs.2,10,000 in the hands of Geetha
 - (d) Rs.2,10,000 in the hands of Deepa

4. Rajan, a resident Indian, has incurred Rs.15,000 for medical treatment his dependent brother, who is a person with severe disability and has deposited Rs.20,000 with LIC for his maintenance. For A.Y.2019-20, Rajan would be eligible for deduction under section 80DD of an amount equal to –
 - (a) Rs.15,000
 - (b) Rs.35,000
 - (c) Rs.75,000
 - (d) Rs.1,25,000

5. Mr. Harini earned income of Rs.4,00,000 from sale of tea grown and manufactured in Shimla. Income from sapling and seedling grown in nursery at Cochin is Rs.80,000. The basic operations were not carried out by her on land. Her agricultural income is
 - (a) Rs.4,80,000
 - (b) Rs.4,00,000
 - (c) Rs.2,40,000
 - (d) Rs.3,20,000

6. Rs.2 lakh is paid to Mr. Vallish, a resident individual on 15.3.2019 by the State of Haryana on compulsory acquisition of his urban agricultural land.
- (a) No tax is deductible at source
 - (b) Tax is deductible@ 1%
 - (c) Tax is deductible@ 5%
 - (d) Tax is deductible@ 10%
7. Two motor cars of the value of Rs.12 lakhs and Rs.8 lakhs was sold by a manufacturer to a distributor.
- (a) Tax @ 1% has to be collected on Rs.20 lakhs
 - (b) Tax @ 1% has to be collected on Rs.12 lakhs
 - (c) Tax @ 1% has to be collected on Rs.8 lakhs
 - (d) No tax collection at source is required in this case
8. Mr. Prem earned income of Rs.22 lakhs from manufacture and sale of coffee grown, cured, roasted and grounded by him in India. The business income chargeable to tax in his hands would be –
- (a) Rs.8,80,000
 - (b) Rs.5,50,000
 - (c) Rs.13,20,000
 - (d) Rs.16,50,000
9. Mr. Ramanan, a resident aged 40 years, has a total income of Rs.3,25,000 for A.Y.2019-20, comprising of his salary income and income from house property. His tax liability for A.Y.2019-20 would be –
- (a) Rs.3,900
 - (b) Rs.1,300
 - (c) Rs.2,600
 - (d) Nil
10. Mr. Shaleen, a businessman, whose total income (before allowing deduction under section 80GG) for A.Y.2019-20 is Rs.4,60,000, paid house rent at Rs.12,000 p.m. in respect of residential accommodation occupied by him at Chennai. The deduction allowable to him under section 80GG for A.Y.2019-20 is
- (a) Rs.98,000
 - (b) Rs.1,15,000
 - (c) Rs.60,000
 - (d) Rs.24,000
11. Mr. Shiva made a donation of Rs.50,000 to National Children's Fund and Rs.20,000 to Rajiv Gandhi Foundation by cheque. He made a cash donation of Rs.10,000 to a public charitable trust. The deduction allowable to him under section 80G for A.Y.2019-20 is
- (a) Rs.80,000
 - (b) Rs.70,000

- (c) Rs.60,000
- (d) Rs.35,000

12. Who can verify the return of income of a non-resident company?
- (a) Managing Director of the company
 - (b) Any director of the company
 - (c) Both (a) and (b)
 - (d) A person who holds a valid power of attorney from such company to do so
13. Which of the following returns can be revised under section 139(5)?
- (a) Only a return of income filed u/s 139(1)
 - (b) A return of income filed u/s 139(1) or a belated return filed u/s 139(4)
 - (c) A return of income filed u/s 139(1) or a return of loss filed u/s 139(3)
 - (d) A return filed u/s 139(1) or u/s 139(3) or u/s 139(4)
14. A registered firm pays salary and interest on capital to its resident partners. The salary and interest paid fall within the limits specified in section 40(b). Which of the following statements is true?
- (a) Tax has to be deducted u/s 192 on salary and u/s 194A on interest
 - (b) Tax has to be deducted u/s 192 on salary but no tax needs to be deducted on interest
 - (c) No tax has to be deducted on salary but tax has to be deducted u/s 194A on interest
 - (d) No tax has to be deducted at source on either salary or interest
15. Mr. X, a resident, is due to receive Rs.4.50 lakhs on 31.3.2019, towards maturity proceeds of LIC policy taken on 1.4.2016, for which the sum assured is Rs.4 lakhs and the annual premium is Rs.1,25,000. Mr. Z, a resident, is due to receive Rs.95,000 on 1.10.2018 towards maturity proceeds of LIC policy taken on 1.10.2012 for which the sum assured is Rs.90,000 and the annual premium is Rs.10,000.
- (a) Tax is required to be deducted on maturity proceeds payable to Mr. X and Mr. Z
 - (b) Tax is required to be deducted on maturity proceeds payable to Mr. X
 - (c) Tax is required to be deducted on maturity proceeds payable to Mr. Z
 - (d) No tax is required to be deducted on maturity proceeds payable to either Mr. X or Mr. Z
16. For the purposes of computing exemption under section 10(10), in case of Mr. Anand, an employee of ABC Ltd., who is covered by the Payment of Gratuity Act, 1972, "salary" includes –
- (a) only basic pay
 - (b) basic pay and dearness allowance, if provided in the terms of employment
 - (c) basic pay and dearness allowance
 - (d) basic pay, dearness allowance and commission as a fixed percentage of turnover
17. Provision of rent free accommodation and motor car owned by Beta Ltd. to its employee Mr. Anand, where motor car is allowed to be used by Mr. Anand both for official and personal purposes, is a -

- (a) perquisite taxable in case of all employees
 - (b) perquisite taxable only in case of specified employees
 - (c) perquisite of rent free accommodation is taxable in case of all employees whereas perquisite of motor car is taxable only in case of specified employees
 - (d) perquisite of rent free accommodation is taxable only in case of specified employees whereas perquisite of motor car is taxable in case of all employees
18. In respect of loss from house property, which of the following statements are correct?
- (a) While computing income from any house property, the maximum interest deduction allowable under section 24 is Rs.2 lakhs
 - (b) Loss from house property relating to a particular year can be set-off against income under any other head during that year only to the extent of Rs.2 lakhs
 - (c) The loss in excess of Rs.2 lakh, which is not set-off during the year, can be carried forward for set-off against any head of income in the succeeding year(s)
 - (d) All of the above
19. Mr. Ravi incurred loss of Rs.4 lakh in the P.Y.2018-19 in retail trade business. Against which of the following incomes earned during the same year, can he set-off such loss?
- (a) profit of Rs.1 lakh from wholesale cloth business
 - (b) long-term capital gains of Rs.1.50 lakhs on sale of land
 - (c) speculative business income of Rs.40,000
 - (d) All of the above
20. Mr. Harish, aged 40 years, earned income of Rs.15,000 during P.Y. 2018-19 from post office savings bank account. What portion of such income would be ultimately included in his total income?
- (a) Rs.15,000
 - (b) Rs.5,000
 - (c) Rs.1,500
 - (d) Nil