

CMA FINAL**DIRECT TAX LAWS AND INTERNATIONAL TAXATION****MCQs**

- 1.** When a company claimed bogus salary expenditure of ₹ 3 lakhs in order to reduce its income chargeable to tax, it is called as _____
 - a. Tax planning
 - b. Tax management
 - c. Tax avoidance
 - d. Tax evasion

- 2.** In the case of partnership firm resident in India, the benefit of marginal relief is available in which of the following cases?
 - a. Total income ₹ 90 lakhs
 - b. Total income ₹ 95 lakhs
 - c. Total income ₹ 103 lakhs
 - d. Total income ₹ 110 lakhs

- 3.** When unit located in Special Economic Zone has profit of ₹ 25 lakhs and it is in the 4th year of its existence, the quantum of deduction allowable under section 10AA would be.
 - a. ₹ 25 lakhs (100%)
 - b. ₹ 12.50 lakhs (50%)
 - c. ₹ 5 lakhs (20%)
 - d. Nil

- 4.** A HUF having income under the head "Profits and gains of business or profession" ₹ 10 lakhs wants to pay tax under section 115BAC. Which form has to be filed to convey / intimate its option for availing the benefit of section 115BAC?
 - a. It is not eligible for section 115BAC.
 - b. Form No.3CB and Form 3CD
 - c. Form No.3CA and Form 3CD
 - d. Form No.10-IE

- 5.** A company engaged in manufacturing activity opted for section 115BAB. What is the maximum rate of depreciation applicable for the assets owned by it?
 - a. 15%
 - b. 25%
 - c. 40%
 - d. 45%

- 6.** A co-operative society has total income of ₹ 42 lakhs. It is eligible for deduction under section 80P of ₹ 22 lakhs. What is its tax liability under section 115BAD? [Ignore surcharge and HEC]
 - a. ₹4,40,000
 - b. ₹6,00,000
 - c. ₹8,40,000
 - d. ₹9,24,000

7. Ram Saha Ltd is located in Assam. The unit began manufacturing activity on 01.04.2022. Its total income from business (computed) is ₹ 11,40,000. How much is the amount eligible for deduction under Chapter VI-A if the unit is engaged in manufacture of eligible article and is engaged in eligible business?

- a. NIL
- b. ₹5,70,000
- c. ₹11,40,000
- d. ₹2,85,000

8. Ramesh received ₹ 22 lakhs as enhanced compensation relating to compulsory acquisition of land in urban area made in the financial year 2022-23 as per court decree, how much is taxable?

- a. ₹22 lakhs
- b. NIL
- c. ₹11 lakhs
- d. ₹20 lakhs

9. In the case of a foreign company receiving dividend declared by an Indian company in May, 2022 at what rate the tax is deductible at source on such dividend?

- a. 5%
- b. 10%
- c. 15%
- d. 20%

10. Which of the following incomes of a registered trade union is exempt from tax?

- a. Income from house property
- b. Income from other sources
- c. All of these
- d. None of these

11. When a residential house is transferred and the assessee acquires 2 residential houses it is eligible for exemption in which of the following cases?

- a. When the capital gain reinvested is more than ₹ 200 lakhs
- b. When the capital gain reinvested is less than ₹ 200 lakhs
- c. When the assessee does not own more than one residential house
- d. When the assessee does not own any other residential house

12. A wholly religious trust registered under section 12AA received ₹ 5 lakh by way of anonymous donation. The trust spent ₹ 3.50 lakhs towards renovation of temple building owned by it. How much is the tax payable by the trust in respect of the anonymous donation?

- a. NIL
- b. ₹45,000
- c. ₹1,50,000
- d. ₹60,000

13. In which of the following method, multiple year data for determination of arm's length price is not applicable?

- a. Cost Plus Method
- b. Resale Price Method

- c. Profit Split Method
- d. Comparable Uncontrolled Price Method

14. Mr. X gifted his let out property fetching a monthly rent of ₹50,000 to his married daughter on 01.10.2022. He paid ₹1,20,000 towards municipal tax in June, 2022 relating to 5 previous years viz. previous year 2018-19 to 2022-23. How much is taxable in the hands of Mr. X for the assessment year 2023-24?

- a. ₹1,26,000
- b. ₹1,93,200
- c. ₹4,03,200
- d. ₹3,36,000

15. When Arvind incurred ₹60,000 towards surgery of his parents (senior citizens) how much is eligible for deduction under section 80D? Assume they are not covered under any health insurance policy

- a. ₹25,000
- b. ₹30,000
- c. ₹50,000
- d. ₹60,000

16. What is the maximum of surcharge that can be applied on individual taxpayer in respect of income by way of long-term capital gain?

- a. 10%
- b. 15%
- c. 25%
- d. 37%

17. When a company is located in International Financial Services Centre what is the rate of tax applicable on book profit under section 115JB?

- a. 18%
- b. 15%
- c. 9%
- d. 6%

18. An REIT (Real Estate Investment Trust) distributed interest of ₹2 lakhs to the resident unit holders. At what rate tax is deductible at source on the income so distributed?

- a. 10%
- b. 20%
- c. 30%
- d. NIL

19. A survey under section 133A was conducted in the premises of ABC & Co on 11.11.2022. Whose prior authorization must have been obtained for conducting the survey?

- a. Principal Chief Commissioner
- b. Additional Commissioner
- c. Joint Commissioner
- d. Assistant Commissioner

20. Which of the following perquisite is always a taxable perquisite?

- a. Telephone provided in the residence of the employee

- b. Subsidized lunch
- c. Employers contribution to staff group insurance scheme
- d. Reimbursement of actual sum paid to domestic servant

21. Robello Ltd. engaged in manufacturing activity was incorporated on 05.06.2021. Its total income for the previous year 2022-23 was ₹ 35 lakhs. How much is its income-tax liability including surcharge and cess for the assessment year 2023-24 if it has opted for section 115BAB?

- a. ₹ 5,25,000
- b. ₹ 5,46,000
- c. ₹ 6,00,600
- d. ₹ 7,98,000

22. Myson Inc. USA has a branch in India for sale of its beverages which is globally known and celebrated brand. The total income of the branch for the assessment year 2023-24 was ₹ 11.40 crores. How much is the income-tax liability of the foreign company in respect of its income from the branch?

- a. ₹ 49,79,520
- b. ₹ 47,42,400
- c. ₹ 35,56,800
- d. ₹ 29,64,000

23. Dhananjey is a person of Indian origin living in country X for the past 15 years. He visited India every year and stayed for 65 days. He returned to India permanently in May, 2022. His total income consist of (i) income in country X controlled from India ₹ 18 lakhs; (ii) loss from business in country Y managed by his brothers on his behalf ₹ 7 lakhs; and (iii) income in India ₹ 10 lakhs. Assume that there is no DTAA between India and country X and country Y and there is no income-tax in both those countries. How much is his total income liable to tax in India?

- a. ₹ 28 lakhs
- b. ₹ 21 lakhs
- c. ₹ 10 lakhs
- d. ₹ 8 lakhs

24. Mitra is CFO of Blue Sky (P) Ltd. He joined the company on 01.06.2022 for basic pay ₹ 1,50,000 and dearness allowance @ 50% thereon (eligible for retirement benefits). He was provided rent-free accommodation owned by the employer at Bengaluru. What is the perquisite value of rent-free accommodation?

- a. ₹ 4,50,000
- b. ₹ 3,37,500
- c. ₹ 2,25,000
- d. ₹ 1,68,750

25. Rekha constructed a commercial complex at Pune for which she borrowed ₹ 100 lakhs from SBI in April, 2020 and the construction was completed in January, 2023. Interest on borrowal are as follows

- (i) for financial year 2020-21 ₹ 8 lakhs;
 - (ii) F.Y. 2021-22 ₹ 9 lakhs;
 - (iii) interest from April, 2022 to January, 2023 ₹ 8 lakhs
 - (iv) for the month of February 2023 and March, 2023 ₹ 3 lakhs.
- How much of interest is eligible for deduction under Section 24?

- a. ₹ 8 lakhs
- b. ₹ 5.60 lakhs
- c. ₹ 11.40 lakhs
- d. ₹ 14.40 lakhs

26. Narayan Ltd. engaged in manufacture of plant medicines was incorporated on 05.03.2020. It incurred ₹ 1 lakhs, ₹ 4 lakhs and ₹ 3 lakhs towards research expenses for the financial year 2019-20, 2020-21 and 2021-22. It commenced regular manufacture actually from 1st April, 2022. The research expenses include capital expenditure of ₹ 3 lakhs incurred in F.Y. 2020-21. How much of research expenditure incurred prior to commencement of business is eligible for deduction in the hands of Narayan Ltd. for the assessment year 2023-24?

- a. ₹ 5 lakhs
- b. ₹ 7 lakhs
- c. ₹ 8 lakhs
- d. NIL

27. Flemingo Ltd. is engaged in a business of construction and sale of residential apartments. During the year 2022-23, it constructed 20 apartments and sold all the apartments for ₹ 700 lakhs. There was no difference between value adopted for stamp duty purposes and actual consideration except in the case of 3 apartments whose stamp duty value was ₹ 60 lakhs; ₹ 55 lakhs and ₹ 50 lakhs and their actual consideration was ₹ 56 lakhs; ₹ 48 lakhs; ₹ 44 lakhs respectively. All these apartments were sold in December, 2022. How much would be added to the income of Flemingo Ltd. in respect of the above transactions relating to 3 apartments?

- a. ₹ 17 lakhs
- b. ₹ 13 lakhs
- c. ₹ 11 lakhs
- d. ₹ 4 lakhs

28. Great Nursing Home is a partnership firm consisting of 3 doctors being partners. The firm has aggregate annual receipt of ₹ 48 lakhs. As per the deed of partnership each partner is eligible for interest @ 12% on the capital contribution of ₹ 5 lakhs each. Also, each partner is eligible for working partner salary of ₹ 50,000 per month. Compute income as per the applicable presumptive provision and how much is the total income of the firm.

- a. ₹ 7,98,000
- b. ₹ 4,80,000
- c. ₹ 22,20,000
- d. ₹ 24,00,000

29. Sriram transferred a vacant land to Hari for ₹ 90 lakhs in March, 2023. The vacant land was acquired by Sriram in April, 2011 for ₹ 15 lakhs. He entered into an agreement for sale of land with James in February, 2013 and received ₹ 2 lakhs. This amount was forfeited as James backed out of the agreement. The stamp duty value of the vacant land in March, 2023 was ₹ 110 lakhs. How much is the long-term capital gain of Sriram?

Cost inflation index for F.Y. 2011-12 = 167; F.Y. 2012-13 = 184; F.Y. 2022-23 = 317.

- a. ₹ 81,52,690
- b. ₹ 85,32,335

- c. ₹ 77,73,050
- d. ₹ 65,32,330

30. Malini won a lottery winning of ₹ 10 lakhs which was credited to her bank account. The payer has deducted tax at source correctly. How much Malini must admit as lottery winning in her return of income by grossing up TDS?

- a. ₹ 11,21,070
- b. ₹ 12,62,626
- c. ₹ 14,53,490
- d. ₹ 14,28,570

31. Martin (age 62) resident in India received interest on fixed deposit with SBI of ₹ 45,000 for the year ended 31.03.2023. He does not have PAN. At what rate the bank must deduct tax at source?

- a. Nil
- b. 10%
- c. 20%
- d. 30%

32. Damage (P) Ltd. filed an application in March, 2023 for corporate insolvency resolution process, which was admitted by the adjudicating authority under Insolvency and Bankruptcy Code, 2016. The company has two full-time directors and a managing director. Who must sign the return of income of the company for the assessment year 2023-24?

- a. Any one of the full-time directors
- b. The professional appointed by the said adjudicating authority.
- c. Liquidator of the company
- d. Managing director

33. Shri Rajiv paid ₹ 1,20,000 by cheque on 05.01.2023 towards medical insurance premium for his parents who are senior citizens and not dependent on him. The premium was to provide health insurance cover for 3 years. How much is deductible under section 80D for the assessment year 2023-24?

- a. Nil
- b. ₹ 25,000
- c. ₹ 40,000
- d. ₹ 50,000

34. Mahasakthi Sugars Co-operative Society is engaged in manufacture of jiggery from sugarcane cultivated by its members. What is the 'due date' for filing the return of income for the assessment year 2023-24 in order to be eligible for deduction under section 80-P?

- a. Due date specified in section 139(1)
- b No specific date
- c 31st March, 2022
- d 31st December, 2023

35. During the course of survey in the premises of Jagan & Co. on 10.01.2023, stocks of goods purchased for ₹ 10 lakhs were found to be not recorded in the books of account. The firm has brought forward loss of ₹ 5 lakhs and incurred business loss of ₹ 2 lakhs for the year ended 31.03.2023 without considering the

unaccounted stock. The tax liability of the firm including the said unaccounted purchase would be _____ (including surcharge and cess).

- a. ₹ 3,12,000
- b. ₹ 7,80,000
- c. Nil
- d. ₹ 93,600

36. ABC Ltd. declared interim dividend in August, 2022 of ₹ 100 lakhs. The amount payable by way of dividend distribution tax would be

- a. ₹ 31,20,000
- b. ₹ 26,00,000
- c. ₹ 17,47,200
- d. ₹ 20,55,600

37. A certificate issued by a registered valuer contained incorrect information. The CIT (Appeals) while giving appellate order can

- a. Impose penalty of ₹ 1 lakh on registered valuer.
- b. Not impose penalty on registered valuer
- c. Impose penalty of ₹ 10,000 on registered valuer
- d. Direct registered valuer to rectify the error.

38. Tripti Charitable Trust registered under Section 12AA paid rent for premises at ₹ 30,000 per month by cash. It also did not deduct tax on salary paid to its manager amounting to ₹ 4,80,000 for the previous year 2022-23. The total income of the assessee would be increased by _____ because of the above said transactions.

- a. ₹ 3,60,000
- b. ₹ 5,04,000
- c. ₹ 8,40,000
- d. ₹ 2,52,000

39. X Co. Ltd. paid interest to its holding company Y Inc. of USA at 15% amounting to ₹ 200 lakhs. The total interest paid by X Co. Ltd. for the previous year 2022-23 was ₹ 500 lakhs. In determining arm's length price interest paid to Y Inc. was added back to the extent of ₹ 100 lakhs in the hands of X Co. Ltd. The EBITDA of X Co. Ltd. is ₹ 700 lakhs for the year ended 31st March, 2023. The amount of interest liable for disallowance in the hands of X Co. Ltd. would be _____.

- a. ₹ 500 lakhs
- b. ₹ 300 lakhs
- c. ₹ 190 lakhs
- d. Nil

40. Madan Traders Ltd. Jaipur received ₹ 200 by way of dividend declared by Botham Co. Ltd. of UK in January, 2023. Madam, Traders Ltd. has 26% shareholding in Botham Co. Ltd. The tax liability of Madam Traders Ltd. on the dividend income would be

- a. Nil
- b. ₹ 62.4 lakhs
- c. ₹ 34.944 lakhs
- d. ₹ 43.0976 lakhs

- 41.** What is the due date of filing the return of income in case of a company who is required to furnish a report in Form No. 3CEB under section 92E?
- September 30 of the assessment year
 - November 30 of the assessment the year
 - July 31 of the assessment year
 - June 30 of relevant assessment the year
- 42.** Return filed under which of the following sections can be revised u/s 139(5)?
- 139(1)
 - 139(4)
 - 139(5)
 - All of the above
- 43.** Notice u/s 143(2) (i.e. notice of scrutiny assessment) should be served within a period of _____ from the end of the financial year in which the return is filed.
- 3 months
 - 12 months
 - 24 months
 - 18 months
- 44.** As per section 115JB, every taxpayer being a company is liable to pay MAT, if the Income tax payable on the total income, computed as per the provisions of the Income-tax Act in respect of any year is less than _____
- 15.50%
 - 18.00%
 - 15.00%
 - 20.00%
- 45.** As per section 178(3), the _____ of a company has to intimate the tax authority before he parts with any of the assets of the company or the properties in his hands and has to set aside the amount if any intimated to him by the tax authorities.
- Managing Director
 - Manager
 - Chartered Accountant
 - Liquidator
- 46.** Any mistake which is apparent from the record in any order passed by the Assessing Officer can be rectified under section _____.
- 154
 - 147
 - 143
 - 254
- 47.** As per section 115QA (3), tax to credit of Government in case of distributed income of domestic company for buy-back of shares shall be deposited within _____ days from date of payment of any consideration to the shareholder on buy-back of shares
- 7 days
 - 14 days
 - 10 days
 - 30 days

48. If any person fails to keep and maintain any information and document as required by sec. 92D in respect of an international transaction or specified domestic transaction, the Assessing Officer or Commissioner (Appeals) may direct that such person shall pay, by way of penalty, a sum equal to _____

- a. ₹ 5,00,000
- b. 2% of the value of each international transaction or specified domestic transaction entered into by such person
- c. ₹ 1,00,000
- d. 1% of the value of each international transaction or specified domestic transaction entered into by such person

49. X Marine Lines Inc., a Singapore company engaged in shipping business collected ₹ 150 lakhs towards carrying goods from Chennai Port. Its presumptive income chargeable to tax in India would be ₹ _____

- a. 15 lakhs
- b. 11.25 lakhs
- c. 12 lakhs
- d. Nil

50. When an assessee fails to furnish any information relating to a specified domestic transaction, the quantum of penalty as a percentage of value of the transaction would be —

- a. 2%
- b. 1%
- c. 5%
- d. 3%

51. When an assessee fails to furnish any information relating to a specified domestic transaction, the quantum of penalty as a percentage of value of the transaction would be _____.

- a. 2%
- b. 1%
- c. 5%
- d. 3%

52. Information and documents required to be maintained u/s 92D shall be kept and maintained for a period of _____ from the end of the relevant assessment year.

- a. 8 years
- b. 5 years
- c. 10 years
- d. 16 years

53. Advance Pricing Agreement shall be valid for such period not exceeding _____ consecutive previous years as may be specified in the agreement.

- a. 5
- b. 3
- c. 10
- d. 2

54. As per section _____ when any specified domestic transaction is carried out between associated enterprises, the said transaction should be carried out at arm's length price.

- a. 90
- b. 91
- c. 92
- d. 90A

55. In the year of restructuring, depreciation shall be _____.

- a. available to the successor company fully
- b. apportioned between successor and predecessor on the basis of number of days
- c. available to the predecessor company fully
- d. None of the above

56. A is using a motor car for his personal purposes, but charges as business expenditure. This is the case of _____.

- a. Tax Avoidance
- b. Tax Planning
- c. Tax Evasion
- d. Tax Management

57. During the course of survey in the premises of Jagan & Co. on 10.01.2023, stocks of goods purchased for ₹ 10 lakhs were found to be not recorded in the books of account. The firm has brought forward loss of ₹ 5 lakhs and incurred business loss of ₹ 2 lakhs for the year ended 31.03.2023 without considering the unaccounted stock. The tax liability of the firm including the said unaccounted purchase would be ____ (including surcharge and cess).

- a. ₹ 7,80,000
- b. ₹ 3,12,000
- c. ₹ 93,600
- d. Nil

58. Tripti Charitable Trust registered u/s 12AB paid rent for premises at ₹ 30,000 per month by cash. It also did not deduct tax on salary paid to its manager amounting to ₹ 9,80,000 for the previous year 2022-23. The total income of the assessee would be increased by because of the above said transactions.

- a. ₹ 3,60,000
- b. ₹ 6,54,000
- c. ₹ 8,40,000
- d. ₹ 2,52,000

59. Royalty of ₹ 10 lakh received by a foreign company from an Indian concern in pursuance of an agreement approved by the Central Government in the previous year 2022-23. What will be tax liability of the company?

- a. Nil
- b. ₹ 1,04,000
- c. ₹ 4,16,000
- d. None of the above

60. Harivallabh Pvt. Ltd., has spent a sum of ₹ 10 lakhs towards meeting its corporate social responsibility (CSR) under the Companies Act, 2013. The amount of deduction available while computing the business income is

- _____.
- Nil
 - ₹ 10 lakhs
 - ₹ 15 lakhs
 - ₹ 12.5 lakhs

61. When an Indian company pays ₹5 lakhs to a foreign company for online advertisement of its products, it has to deduct _____.

- equalization levy @ 6%
- equalization levy @ 8%
- tax at source @ 10%
- tax at source @ 2%

62. Venus Traders is engaged in turmeric trade with a turnover exceeding ₹ 1000 lakhs dispatched its goods through Indian Railways. The amount of freight payable as on 31.03.2023 was ₹1,40,000. It wants to claim the freight as expenditure. To satisfy such claim, it has to pay the freight to Indian Railways _____.

- before due date specified in Section 139(1)
- before the end of the previous year
- before the end of the assessment year
- there is no time restriction

63. GAAR provisions shall not apply to _____.

- an arrangement where the tax benefit in the relevant assessment year arising, in aggregate, to all the parties to the arrangement does not exceed a sum of ₹ 3 crore
- an arrangement where the tax benefit in the relevant assessment year arising, in aggregate, to all the parties to the arrangement does not exceed a sum of ₹ 5 crore
- an arrangement where the tax benefit in the relevant assessment year arising, in aggregate, to all the parties to the arrangement does not exceed a sum of ₹ 1 crore
- None of the above

64. Uncontrolled transaction means a transaction between _____, whether resident or non-resident

- enterprises other than associated enterprises
- associated enterprises
- any enterprises
- none of the above

65. The provisions of sec. 92 will apply only if the aggregate value of specified domestic transactions entered into by the taxpayer during the year exceeds a sum of ₹ _____.

- 100 crore
- 5 crore
- 10 crore
- 20 crore

66. In respect of DTAA, generally, India follows:

- UN Model
- UK Model

- c. OECD Model
- d. US Model

67. ICDS is applicable in case of income under the head:

- a. Profits and gains from Business or Profession
- b. Capital Gains
- c. Income from House Property
- d. All heads of income

68. Countries that employ explicit policies designed to attract international trade oriented activities by minimization of taxes and reduction or elimination of other restrictions on business operations is described as _____.

- a. Tax Havens
- b. Tax Planning
- c. Tax Evasion
- d. Tax Management

69. Sakshita Fertilisers P Ltd., is a manufacturer. A factory building has been constructed for ₹40 lakhs and occupied on 12.02.2020. Additional depreciation allowable for the said factory building is (including surcharge and cess)

- a. Nil
- b. ₹ 4,00,000
- c. ₹ 2,00,000
- d. None of the above

70. M/s. KLM Ltd. a company having international transactions of ₹ 7 crores related to purchase of raw materials from its subsidiary company. M/s. BL Inc., in USA. M/s. KLM Ltd. is required to keep and maintain certain information and documents under section 92D for period of years

- a. 8
- b. 10
- c. 5
- d. 14

71. ABC & Co. Ltd. earned ₹ 15 lakhs by way of transfer of carbon credit. The tax liability in respect of carbon credit is _____?

- a. ₹ 1,56,000
- b. ₹ 2,34,000
- c. ₹ 4,68,000
- d. Nil

72. When Mr. Arun (age 50) has business loss of ₹ 15 lakhs and unexplained cash credit of ₹ 20 lakhs, the total tax liability including cess would be _____.

- a. ₹ 15,60,000
- b. ₹ 7,80,000
- c. ₹ 6,86,400
- d. Nil

73. Vikash has advertised on Facebook to promote his business of coaching. He is required to pay ₹ 20,000 in the previous year 2022-23 to Facebook for the

advertising services availed. What amount is required to be deducted as equalisation levy.

- a. ₹ 1,200
- b. ₹ 800
- c. ₹ 400
- d. Nil

74. Kumar Industries is engaged in manufacture of leather products. It was set up in backward area and became eligible for subsidy @ 25% for the generator, to be used in guest house, acquired by it for ₹ 12 lakhs on 15.12.2022. It received the subsidy in March 2023. The amount of depreciation for the year at the applicable rate would be _____.

- a. ₹ 67,500
- b. ₹ 90,000
- c. ₹ 1,80,000
- d. Nil

75. Alpha Ltd., Mumbai has 27% shareholding in Beta Pte. Inc. of Singapore. Alpha Ltd. received ₹ 15 lakhs (converted in Indian rupee) by way of dividend in October, 2022. The dividend so received is taxable in the hands of Alpha Ltd. at

- a. Nil, Fully exempt
- b. 10%
- c. 15%
- d. 30%

76. Gama Traders is a partnership firm consisting of 4 equal partners. One partner retired on 31.03.2022. The firm has eligible brought forward loss of ₹ 4 lakhs relating to the assessment year 2021-22. The total income of the firm of the previous year 2022-23 before set off of the said brought forward loss is ₹ 7,20,000. The amount of brought forward loss eligible for set off would be

- a. ₹ 4,00,000
- b. Nil
- c. ₹ 1,00,000
- d. ₹ 3,00,000

77. The provisions of Alternate Minimum Tax (AMT) will be applicable when the adjusted total income of the individual taxpayer exceeds

- a. ₹ 10,00,000
- b. ₹ 20,00,000
- c. ₹ 50,00,000
- d. ₹ 1,00,00,000

78. Mr. Ram Chandran a resident individual (age 52) has income of ₹ 51,00,000 for the year ended 31.03.2023. His income-tax liability after marginal relief would be

- a. ₹ 14,76,250
- b. ₹ 14,69,000
- c. ₹ 14,12,500
- d. ₹ 13,62,400

79. Y & Co. is a partnership firm which was dissolved on 31.03.2022. The return of income of the firm for the assessment year 2022-23 was filed on 31.08.2022.

The return of income of the firm was selected for scrutiny assessment under section 143(3). The notice for scrutiny assessment under section 143(2) has to served on

- all the partners
- any working partner.
- any partner having long association.
- any partner.

80. Sakshita Fertilisers P Ltd., is a manufacturer. A factory building has been constructed for ₹ 40 lakhs and occupied on 12.02.2022. Additional depreciation allowable for the said factory building is

- Nil
- ₹ 4 lakhs
- ₹ 2 lakhs
- None of the above

81. Mr Nyati has won a lottery prize. After deduction of tax, he received ₹7 lakhs. He as spent ₹ 20,000 by way of purchase of lottery tickets and for collecting the prize money. The amount chargeable to tax in his hands in this regard is

- ₹ 7 lakhs
- ₹ 10 lakhs
- ₹6.8 lakhs
- ₹9.8 lakhs

82. Mr. Janak's turnover during the year ended 31.03.2023 was ₹ 3 crores. He has paid a sum of ₹3 lakhs to an engineer for supervision of a residential house for his own occupation. The amount of tax to be deducted at source from such payment u/s 194-J is

- ₹3 lakhs
- ₹ 3.3 lakhs
- ₹30,000
- Nil

83. Mrs Rakshita, a Cost Accountant has raised a fees bill on LMN P Ltd., for ₹ 3,00,000 and in addition, has charged separately IGST of 18% i.e. ₹54,000, the total amount of the bill being ₹ 3,54,000. The amount of tax to be deducted at source by LMN P Ltd., is

- ₹30,000
- ₹30,900
- ₹35,400
- None of the above

84. Harivallabh Pvt. Ltd., has spent a sum of ₹ 10 lakhs towards meeting its corporate social responsibility (CSR) under the Companies Act, 2013. The amount of deduction available while computing the business income is

- ₹ 10 lakhs
- ₹ 15 lakhs
- ₹12.5 lakhs
- Nil

85. Any person, responsible for paying income by way of interest by an infrastructure debt fund referred to in sec. 10(47) to a non-resident or a foreign company, is responsible to deduct tax at source @:

- a. 20% (+ Surcharge + HEC)
- b. 30% (+ Surcharge + HEC)
- c. 5% (+ Surcharge + HEC)
- d. 40% (+ Surcharge + HEC).

86. Time limit for completion of best judgment assessment as per Sec. 153(1) is _____ months from the end of relevant assessment year.

- a. 12 months
- b. 30 months
- c. 6 months
- d. 18 months.

87. Where a person, who is required to pay advance tax, fails to pay advance tax at all or 90% of assessed tax as advance tax, is liable to pay interest @ _____ % per month or part thereof.

- a. 10
- b. 5
- c. 2
- d. 1.

88. When an Advance Pricing Agreement is entered between the taxpayers, the tax administration of the host country and the foreign tax administration, it is called:

- a. Unilateral Advance Pricing Agreement
- b. Bilateral Advance Pricing Agreement
- c. Multilateral Advance Pricing Agreement
- d. None of the above.

89. As per sec. 115R, the additional income-tax payable on income distributed by a specified Mutual Fund, out of its income derived from transactions made on a recognised stock exchange located in any IFSC and the consideration is paid or payable in convertible foreign exchange @:

- a. Nil
- b. 10%
- c. 25%
- d. 30%

90. A person is required to furnish a return of income u/s 139(1) for assessment year 2023-24 has furnished his return on 29.12.2023 and his total income is ₹ 4.5 lakhs, then he shall require to pay fee of:

- a. Nil
- b. ₹ 1,000
- c. ₹ 5,000
- d. ₹ 10,000.

91. A settlement application shall be presented in Form No. _____ by the applicant in person or by his agent, for settlement of cases in Settlement Commission.

- a. 34B

- b. 34C
- c. 34D
- d. 34DA.

92. In case of buy back of shares, any income by way of capital gain in hands of shareholder is:

- a. Taxable for additional tax @ 20% (+SC + Cess)
- b. Taxable for additional tax @ 10% (+SC + Cess)
- c. Exempt
- d. Taxable @ 20%.

93. Which of the following is not a cost formulae recognised by ICDS II for valuation of inventories?

- a. Specific Identification Method
- b. First-in-First-Out Method
- c. Weighted Average Method
- d. Simple Average Method.

94. Scrutiny Assessment u/s 143(3) is done by the Assessing Officer or the prescribed income-tax authority to ensure that:

- a. the assessee has not understated his income
- b. the assessee has not declared excessive loss
- c. the assessee has not under paid the tax
- d. All of the above.

95. Tax payable by a firm whose total income is ₹ 11 crores is ₹ _____ crores.

- a. 3.7389
- b. 3.390
- c. 3.80688
- d. None of the above.

96. A businessman at Delhi is using a car exclusively for business purposes. As per Union Territory rule, his car can be used in Delhi only on alternate days. Car is the only asset in the block. Car has thus been used for only 50% of the number of days in the year. WDV of the car as on 1.4.2022 is ₹ 10 lakhs. Rate of depreciation is 15%. Depreciation allowable is ₹ _____

- a. 75,000
- b. 1,50,000
- c. 1,00,000
- d. None of the above.

97. Safe Harbour Rules are relevant in the context of

- a. Maritime Law (Maintenance of sea harbours in a safe manner).
- b. Customs Act, 1962
- c. Transfer pricing.
- d. None of the above.

98. Mr. Cheema withdrew ₹ 2 lakhs out of his own contribution with National Pension System Trust. On the date of withdrawal, the balance in the account consisted of his own contribution of ₹6 lakhs and Employer's contribution of ₹8 lakhs. The amount of withdrawal liable to tax in the hands of Mr. Cheema would be

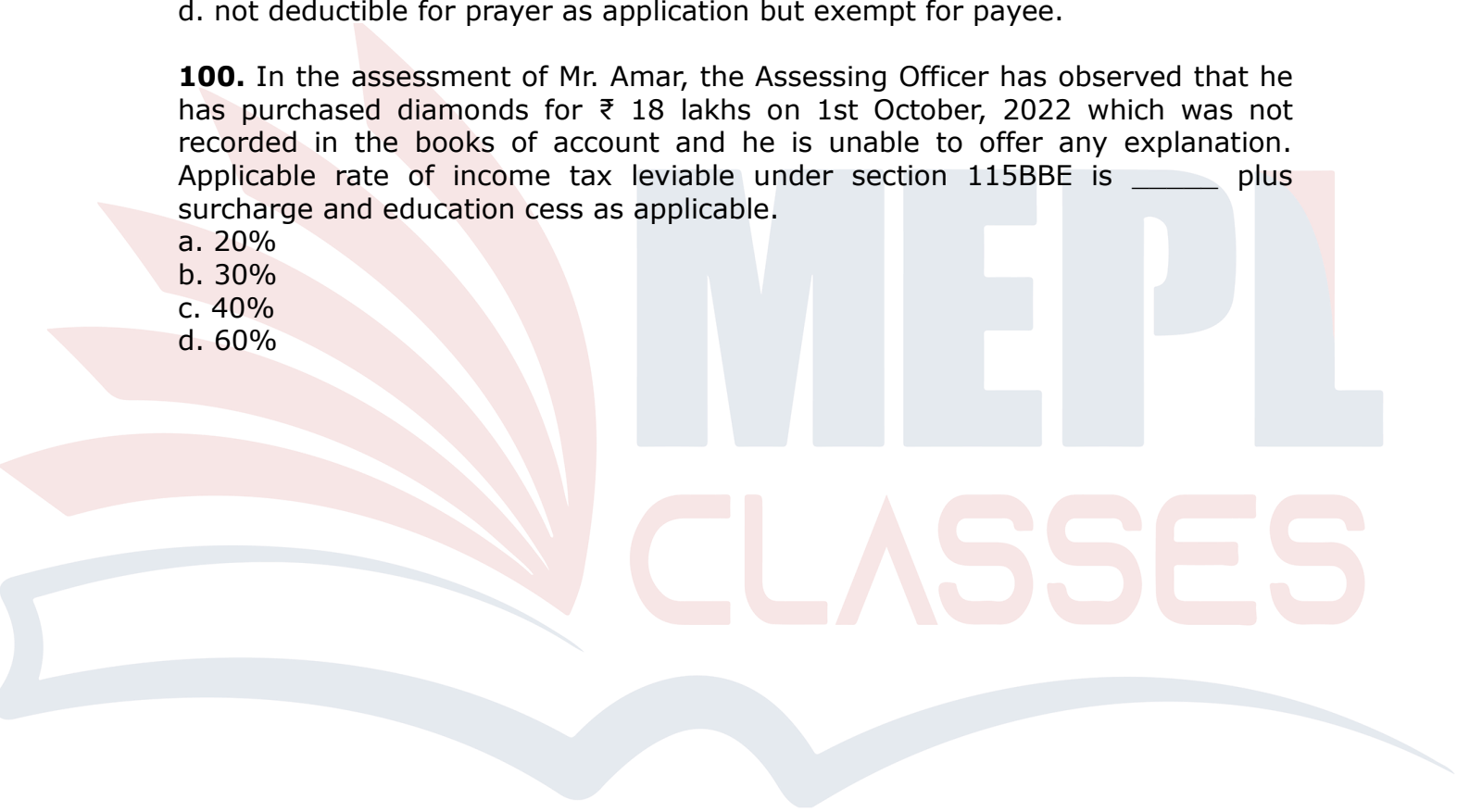
- A. Nil
- b. ₹ 3,00,000
- c. ₹ 1,50,000
- d. ₹ 50,000

99. Mahan Charitable Trust (registered under section 12AA) is engaged in running education institutions. It paid ₹ 5 lakhs to Malar Charitable Trust (registered under section 12AA) as corpus donation out of its income of the previous year 2022-23. The amount of corpus donation is

- a. Taxable in the hands of both the trusts.
- b. Exempt in the hands of both the trusts.
- c. deductible for prayer as application and taxable for the payee.
- d. not deductible for prayer as application but exempt for payee.

100. In the assessment of Mr. Amar, the Assessing Officer has observed that he has purchased diamonds for ₹ 18 lakhs on 1st October, 2022 which was not recorded in the books of account and he is unable to offer any explanation. Applicable rate of income tax leviable under section 115BBE is _____ plus surcharge and education cess as applicable.

- a. 20%
- b. 30%
- c. 40%
- d. 60%



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