

Commercial's

Practical Approach to

DIRECT & INDIRECT TAXES

(INCOME TAX AND GST)

45th
Edition
January
2024

As per Latest Syllabus 2023

**Problems & Solutions with MCQs,
True & False Questions & Fill in the Blanks**

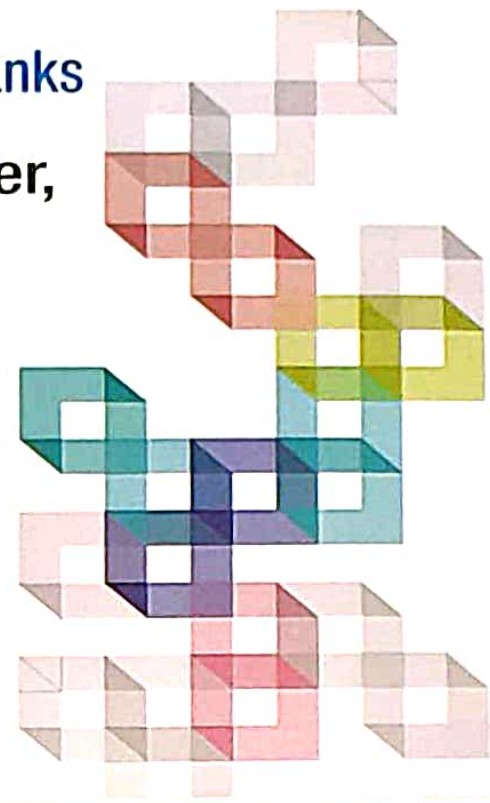
**For CA Inter, CS Exec. & CMA Inter,
CFA, MBA & Graduate/
Post Graduate Students &
Income Tax Departmental Exam**

A.Y. 2024-2025

Applicable for
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CHAPTER 1

Introduction

Summarised Provisions

Charge of Income Tax

Every person, whose *total income* of the *previous year* exceeds the *maximum amount* which is not chargeable to income tax, is an *assessee* and *chargeable* to income-tax in the assessment year at the *rate or rates* prescribed in the *Finance Act/Income-tax Act* for that relevant *assessment year*. However, his total income shall be determined on the basis of his *residential status in India*.

Income Tax Act prescribes a special rate of tax in respect of certain incomes like long-term capital gain, winning from lotteries, crossword puzzles, etc. On the other hand, the relevant Finance Act gives the normal rates of tax for total income excluding incomes taxable as special rates.

Person [Section 2(31)]

Person includes: (i) an Individual; (ii) A Hindu Undivided Family (HUF); (iii) A Company; (iv) A Firm (including LLP); (v) An Association of Persons (AOP) or a Body of Individuals (BOI), whether incorporated or not; (vi) A local authority; (vii) Every artificial juridical person not falling within any of the preceding sub-clauses.

Assessment year [Section 2(9)]

Assessment year means the period of 12 months commencing on the first day of April every year.

Previous year [Section 3]

According to section 3, previous year means the *financial year* immediately preceding the assessment year.

Income-tax is payable on the income earned during the previous year and it is assessed in the immediately succeeding financial year which is called an **assessment year**. Therefore, the income earned during the **previous year** 1.4.2023 to 31.3.2024 will be assessed or charged to tax in the assessment year 2024-25.

First previous year for a business/profession newly set-up during the financial year or for a new source of income: In case—

- (i) a business or profession is newly set up, or
- (ii) a new source of income comes into existence during the financial year, the period beginning from the date of setting up of the business or from the date the new source came into existence and ending on the last day of that financial year, *i.e.*, 31st of March shall be the first previous year for that business or source of income.

Cases where income of previous year is assessed in the same year:

1. Shipping business of non-residents [Section 172]
2. Assessment of persons leaving India with no present intention of returning back [Section 174]
3. Assessment of association of persons or body of individuals or artificial juridical person formed for a particular event or purpose [Section 174A]
4. Assessment of persons likely to transfer property to avoid tax [Section 175]:
5. Business or profession discontinued during the previous year [Section 176]:

Maximum amount which is not chargeable to income-tax

The limit for assessment year 2024-25 for different assesseees is as under:

| (1) Individual | | | |
|--|-----------|--|-----------|
| An individual who has opted to be taxed under the old regime. | | An individual, irrespective of any age, who does not exercise any option and hence by default he is under the new regime, i.e., section 115BAC(1A). | |
| (a) In case of every individual (male or female), being resident in India , who is of the age of 80 years or more at any time during the previous year | ₹5,00,000 | | ₹3,00,000 |
| (b) In case of individual (male or female) being resident in India who is of the age of 60 years and above but less than 80 years at any time during the previous year | ₹3,00,000 | | ₹3,00,000 |
| (c) Any other individual, i.e., resident in India who is less than 60 years of age or an individual who is a non-resident irrespective of whether his age is less than or more than 60 years | ₹2,50,000 | | ₹3,00,000 |
| (2) Hindu Undivided Family (HUF) | | | |
| Hindu Undivided Family who has opted to be taxed under the old regime. | ₹2,50,000 | Hindu Undivided Family who does not exercise any option and hence by default he is under the new regime, i.e., section 115BAC(1A). | ₹3,00,000 |
| (3) AOP/BOI | | | |
| AOP/BOI other than co-operative society (Where no member has income exceeding maximum exemption limit) who has opted to be taxed under the old regime | ₹2,50,000 | AOP/BOI other than co-operative society (Where no member has income exceeding maximum exemption limit) who does not exercise any option and hence by default it is under the new regime, i.e., section 115BAC(1A). | ₹3,00,000 |
| (4) Artificial Juridical Person | | | |
| Artificial juridical person who has opted to be taxed under the old regime | ₹2,50,000 | Artificial juridical person who does not exercise any option and hence by default it is under the new regime, i.e., section 115BAC(1A). | ₹3,00,000 |

Normal rates of income-tax for assessment year 2024-25 if the assessee opts to be taxed under the old regime

(1) Normal rate in case of an assessee other than firm, company and co-operative society

(a)

| Individual other than referred in column 2 and 3 and HUF, AOP/BOI (other than a co-operative society) | | Individual resident in India (age 60 years or more but less than 80 years) | | Individual resident in India (age 80 years or more) | |
|---|-----|--|-----|---|-----|
| Upto ₹2,50,000 | Nil | Upto ₹3,00,000 | Nil | Upto ₹5,00,000 | Nil |
| ₹2,50,010 to ₹5,00,000 | 5% | ₹3,00,010 to ₹5,00,000 | 5% | ₹5,00,010 to ₹10,00,000 | 20% |
| ₹5,00,010 to ₹10,00,000 | 20% | ₹5,00,010 to ₹10,00,000 | 20% | Above ₹10,00,000 | 30% |
| Above ₹10,00,000 | 30% | Above ₹10,00,000 | 30% | | |

The exemption limit in case of an individual (whether male or female) who is of the age of 60 years and above but who is **non-resident** in India is ₹2,50,000 instead of ₹3,00,000 or ₹5,00,000 as the case may be.

Where the individual or HUF or AOP/BOI (other than a co-operative society) or artificial juridical person has not exercised any option and hence by default he/it is under the new regime, i.e., section 115BAC(1A), the rates of income-tax which is also known as default rates, shall be as under provided the conditions mentioned in section 115BAC(2) are satisfied:

| Total income | Rate of tax |
|-------------------------------|-------------|
| Upto ₹3,00,000 | Nil |
| From ₹3,00,001 to ₹6,00,000 | 5% |
| From ₹6,00,001 to ₹9,00,000 | 10% |
| From ₹9,00,001 to ₹12,00,000 | 15% |
| From ₹12,00,001 to ₹15,00,000 | 20% |
| Above ₹15,00,000 | 30% |

Notes:

- If the individual does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), the exemption limit in case of all individuals (whether of the age of less than 60 years, or 60 years or more or 80 years or more) shall be ₹3,00,000.
- As per section 115BAC(2), an individual or HUF or AOP/BOI or artificial juridical person who are taxable under section 115BAC(1A),
 - certain allowances and deductions are not allowed to a salaried employee
 - deduction of interest is not allowed under the head "income from house property"
 - certain deductions are not allowed while computing the business income
 - deductions under section 80C to 80U (i.e. Chapter VI-A) are not allowed

For details see Chapter 13.

Surcharge

Surcharge is levied on the amount of income-tax at following rates if total income of an assessee exceeds specified limit:

Rate of Surcharge for assessment year 2024-25

| Total income does not exceeds ₹50,00,000 | Total income exceeds ₹50,00,000 but does not exceed ₹1 crore | Total income exceeds ₹1 crores but does not exceed ₹2 crore | Total income exceeds ₹2 crores but does not exceed ₹5 crore | Total income exceeds ₹5 crores |
|--|--|---|---|-------------------------------------|
| Nil | 10% of income-tax | 15% of income-tax | 25% of income-tax (see Notes below) | 37% of income-tax (see Notes below) |

Notes:

1. The enhanced surcharge of 25% or 37%, as the case may be, is not levied, on dividend income or income chargeable to tax under sections 111A, 112, 112A and 115AD(1)(b). Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.
2. The surcharge rate for AOP with all members as a company, shall be capped at 15%.
3. Where the individual or HUF or AOP/BOI (other than a co-operative society) or artificial juridical person has not exercised any option and hence by default he/it is under the new regime, i.e., section 115BAC(1A), the rate of surcharge shall be 25% instead of 37% even if his/its total income exceed ₹5 crore.

Marginal relief: Marginal relief has also been provided in all cases where surcharge is to be levied.

In the case of persons mentioned above, where such income exceeds,—

- (a) ₹50,00,000 but does not exceed ₹1 crore, the total amount payable on such income and surcharge thereon shall not exceed the total amount payable on a total income of ₹50,00,000 by more than the amount of income that exceeds ₹50,00,000;
- (b) ₹1 crore but does not exceed ₹2 crore, the total amount payable on such income and surcharge thereon shall not exceed the total amount payable on a total income of ₹1 crore by more than the amount of income that exceeds ₹1 crore;
- (c) ₹2 crore but does not exceed ₹5 crore, the total amount payable on such income and surcharge thereon shall not exceed the total amount payable on a total income of ₹2 crore by more than the amount of income that exceeds ₹2 crore;
- (d) ₹5 crore, the total amount payable on such income and surcharge thereon shall not exceed the total amount payable on a total income of ₹5 crore by more than the amount of income that exceeds ₹5 crore. [Not applicable, in case the assessee has not exercised any option and hence by default he/it is under the new regime, i.e., section 115BAC(1A)]

Health and education cess: For assessment year 2024-25: 'Health and Education Cess (H&EC) on Income Tax' @ 4% on income tax (inclusive of surcharge, wherever applicable) shall be levied.

(2) In case of a firm (including limited liability partnership)

| | |
|--------------------|-----|
| Normal rate of tax | 30% |
|--------------------|-----|

Surcharge: The amount of income-tax shall be increased by a surcharge at the rate of 12% of such income-tax in case of a firm having a total income exceeding ₹1 crore.

Marginal relief: The total amount payable as income-tax and surcharge on total income exceeding ₹1 crore shall not exceed the total amount payable as income-tax on a total income of ₹1 crore by more than the amount of income that exceeds ₹1 crore.

Health and education cess: For assessment year 2024-25: 'Health and Education Cess (H&EC) on Income Tax' @ 4% on income tax (inclusive of surcharge, wherever applicable) shall be levied.

(3) (a) In the case of a domestic company

- (i) Where the domestic company opts to be taxed under Section 115BAA 22%.
- (ii) Where the domestic company opts to be taxed under Section 115BAB 15%

- | | |
|---|------------|
| (iii) Where the company does not opt to be taxed under section 115BAA or 115BAB and its total turnover or the gross receipt in the previous year 2021-2022 does not exceed ₹400 crore | 25% |
| (iv) Any other company | 30% |
| (b) In case of a foreign company | 40% |

Surcharge in case of domestic company

Where the domestic company opts to be taxed either under Section 115BAA or 115BAB, the surcharge shall be 10% of the tax.

In any other case, if the total income of a domestic company exceeds ₹1 crore but does not ₹10 crore, a surcharge of 7% of tax shall be levied.

Where the total income of the domestic company exceeds ₹10 crore, a surcharge at the rate of 12% of tax shall be levied.

Marginal relief in case of a domestic company except which has opted to pay tax as per section 115BAA or 115BAB: The total amount payable as income-tax and surcharge on total income exceeding ₹1 crore but not exceeding ₹10 crore, shall not exceed the total amount payable as income-tax on a total income of ₹1 crore, by more than the amount of income that exceeds ₹1 crore.

Further, the total amount payable as income-tax and surcharge on total income exceeding ₹10 crore, shall not exceed the total amount payable as income-tax and surcharge on a total income of ₹10 crore, by more than the amount of income that exceeds ₹10 crore.

Surcharge in case of a foreign company: Where the total income of a foreign company exceeds ₹1 crore but does not ₹10 crore a surcharge of 2% of tax shall be levied.

Where the total income of the domestic company exceeds ₹10 crore a surcharge at the rate of 5% of tax shall be levied.

Health and education cess: For assessment year 2024-25: 'Health and Education Cess (H&EC) on Income Tax' @ 4% on income tax (inclusive of surcharge, wherever applicable) shall be levied.

Certain special rates, which are given in the Income-tax Act itself, e.g., long-term capital gain is taxable @ 10%/20%, short-term capital gain referred to in section 111A is taxable @ 15% and income from lotteries, crossword puzzles, and income from transfer of virtual digital assets, etc., is taxable @ 30% for assessment year 2024-25.

(4) In the case of a co-operative society

- | | |
|---|-----|
| <i>(a) Where option under section 115BAD or 115BAE is not exercised</i> | |
| Upto ₹10,000 of total income | 10% |
| Next ₹10,010 of total income | 20% |
| Balance total income | 30% |
| <i>(b) Where option under section 115BAD is exercised</i> | |
| | 22% |
| <i>(c) Where option under section 115BAE is exercised</i> | |
| | 15% |

Surcharge:

- (i) Where option under section 115BAD or 115BAE is not exercised
Where the total income exceeds ₹1 crore but does not exceed ₹10 crores, surcharge shall be levied at the rate of 7%.

Where the total income exceeds ₹10 crores, surcharge shall be levied at the rate of 12%.

- (ii) Where option under section 115BAD or 115BAE is exercised @ 10%

Marginal relief in case of a co-operative society

The total amount payable as income-tax and surcharge on total income exceeding ₹1 crore but not exceeding ₹10 crore, shall not exceed the total amount payable as income-tax on a total income of ₹1 crore, by more than the amount of income that exceeds ₹1 crore.

Further, the total amount payable as income-tax and surcharge on total income exceeding ₹10 crore, shall not exceed the total amount payable as income-tax and surcharge on a total income of ₹10 crore, by more than the amount of income that exceeds ₹10 crore.

Rebate of maximum ₹12,500/₹25,000 for resident individuals having total income up to ₹5,00,000/₹7,00,000, as the case may be [Section 87A]

With a view to provide tax relief to the individual tax payers who are in lower income bracket, the Act has provided rebate from the tax payable by an assessee, if the following condition and satisfied:

- (1) The assessee is an **individual**
- (2) He is **resident** in India,
- (3) He has exercised option to pay tax as per the Old Tax Regime
- (4) His total income **does not exceed** ₹5,00,000

Quantum of rebate: The rebate shall be equal to:

- (1) the amount of income-tax payable on the total income for any assessment year or
- (2) ₹12,500.

whichever is less.

However, w.e.f. A.Y. 2024-25, where the above assessee does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A) is applicable, and his total income does not exceed ₹7,00,000, the rebate shall be equal to:

- (1) the amount of income-tax payable on the total income for any assessment year or
- (2) ₹25,000,

whichever is less.

Moreover, where the total income exceeds ₹7,00,000, the income-tax payable on such total income shall not be greater than the amount by which the total income so exceeds ₹7,00,000. In other words, the assessee shall be entitled to a deduction from the amount of income-tax on his total income, of an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds ₹7,00,000.

Assessee [Section 2(7)]

Assessee means a person by whom *any tax* or any *other sum of money* is payable under Income Tax Act and **includes:**

- (a) person who is liable to pay tax on behalf of others
- (b) deemed assessee
- (c) assessee deemed to be in default

How to compute total income

Aggregate of income under the following 5 heads:

| | |
|----------------|---|
| Salary | — |
| House Property | — |
| PGBP | — |
| Capital Gain | — |
| Other Sources | — |

| | |
|--|---|
| Gross total income | — |
| Less: Deduction under Chapter VIA (Section 80C to 80U) | — |
| Total income | — |

Rounding off of Total Income [Section 288A]

The total income, as computed above, shall be rounded off to the nearest multiple of ten rupees.

Rounding off of tax, etc. [Section 288B]

The amount of tax (including tax deductible at source or payable in advance), interest, penalty, fine or any other sum payable, and the amount of refund due, under the provisions of the Income-tax Act, shall be rounded off to the nearest multiple of ten rupees.

MULTIPLE CHOICE QUESTIONS

- 1.1 Income-tax Act extends to:
 - (A) whole of India
 - (B) whole of India except Jammu & Kashmir
 - (C) whole of India except Sikkim
 - (D) whole of India except Jammu & Kashmir and Sikkim
- 1.2 Finance Bill becomes the Finance Act. when it is passed by:
 - (A) the Lok Sabha
 - (B) both the Lok Sabha and Rajya Sabha
 - (C) both the Houses of Parliament and given the assent of the President
 - (D) both the Houses of Parliament and given the assent of the Prime Minister/Finance Minister
- 1.3 Out of the following, which of the items is not a revenue receipts:
 - (A) bonus shares received by a dealer of shares.
 - (B) a claim of ₹1,50,000 received from insurance company for loss of profits
 - (C) Goods and Service Tax (GST) collected from the purchaser of goods
 - (D) compensation received in respect of permanent disablement due to an accident.
- 1.4 Part I of First Schedule of the Finance Act, 2023 has given rates of income tax for the assessment year:
 - (A) 2023-24
 - (B) 2024-25
 - (C) 2025-26
 - (D) None of the above
- 1.5 Part II of First Schedule of the Finance Act, 2023 has given the rates of tax deductible at source for the financial year:
 - (A) 2022-23
 - (B) 2023-24
 - (C) 2024-25
 - (D) None of the above
- 1.6 Part III of First Schedule of the Finance Act, 2023 has given the rates of advance tax & tax to be deducted in case of salary for the assessment year:
 - (A) 2023-24
 - (B) 2024-25

- (C) 2025-26
(D) None of the above
- 1.7 The circulars issued by CBDT are binding on:
(A) Assessee
(B) Income-tax Authorities
(C) Any authority other than Court
(D) All the above
- 1.8 Guidelines issued by CBDT by a circular are binding on:
(A) Assessee
(B) Income-tax Authorities
(C) Both on Income-tax Authorities as well as the assessee
(D) Any authority other than Court
- 1.9 A.O.P. should consist of:
(A) individuals only
(B) persons other than individuals only
(C) both the above
(D) None of the above
- 1.10 Body of individuals should consist of:
(A) individuals only
(B) persons other than individuals only
(C) both the above
(D) None of the above
- 1.11 A new business was set up on 15.10.2023 and it commenced its business from 1.12.2023. The first previous year in this case shall be:
(A) 15.10.2023 to 31.3.2024
(B) 1.12.2023 to 31.3.2024
(C) 2023-24
(D) 2024-25
- 1.12 A person leaves India permanently on 15.11.2023. The assessment year for income earned till 15.11.2023 in this case shall be:
(A) 2022-23
(B) 2023-24
(C) 2024-25
(D) None of the above
- 1.13 Surcharge on income tax for the A.Y. 2024-25 is payable by a domestic company other than referred to in section 115BAA or 115BAB at the rate of:
(A) 5% of income-tax payable provided its total income exceeds ₹10,00,000
(B) 5% of income-tax payable provided its total income exceeds ₹1 crore and 10% of income tax if total income exceeds ₹10 crores
(C) 7% of income-tax payable provided its total income exceeds ₹1 crore and 12% of income tax if total income exceeds ₹10 crores
(D) 5% of income-tax payable provided its total income exceeds ₹1 crore
- 1.14 Surcharge in case of a foreign company is payable at the rate of:
(A) 2% of the income-tax payable provided its total income exceeds ₹1 crore
(B) 2% of the income-tax payable irrespective of the amount of its total income

- (C) 2% of the income-tax payable provided its total income exceeds ₹1 crore and 5% of income tax if total income exceeds ₹10 crores.
- (D) 7% of income-tax payable provided its total income exceeds ₹1 crore and 12% of income tax if total income exceeds ₹10 crores
- 1.15 Surcharge on income tax is payable by:
- (A) all assessees except a foreign company
- (B) individual and HUF only
- (C) all assessees provided their total income exceeds a certain amount
- (D) all assessees provided their total income exceeds a certain amount or those assessees who are eligible to opt for a special taxation regime
- 1.16 Where H.U.F. does not exercise any option and hence by default, it is under the new regime, i.e., section 115BAC(1A), the maximum amount on which income-tax is not chargeable for assessment year 2024-25, is:
- (A) ₹2,00,000
- (B) ₹2,50,000
- (C) ₹2,00,000
- (D) ₹3,00,000
- 1.17 Where H.U.F. opts to be taxed under the old regime, the maximum amount on which income-tax is not chargeable for assessment year 2024-25 is:
- (A) ₹2,00,000
- (B) ₹2,50,000
- (C) ₹2,00,000
- (D) ₹3,00,000
- 1.18 Where a resident individual, less than 60 years old, opts to be taxed under the old regime, the maximum amount on which income tax is not chargeable for the assessment year 2024-25 is:
- (A) ₹2,00,000
- (B) ₹2,50,000
- (C) ₹3,00,000
- (D) ₹2,40,000
- 1.19 Where a resident individual, of the age of 60 years or more but less than 80 years, opts to be taxed under the old regime, the maximum amount on which income tax is not chargeable for the assessment year 2024-25 is:
- (A) ₹2,50,000
- (B) ₹5,00,000
- (C) ₹3,00,000
- (D) ₹2,40,000
- 1.20 Where a resident individual who is of the age of 60 years or more but less than 80 years does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), the maximum amount on which income tax is not chargeable for the assessment year 2024-25, is:
- (A) ₹2,50,000
- (B) ₹5,00,000
- (C) ₹3,00,000
- (D) ₹2,40,000

- 1.21 Where an individual, who is non-resident in India and is less than 60 years old, opts to be taxed under the old regime, the maximum amount on which income-tax is not chargeable for the assessment year 2024-25, is:
- (A) ₹2,40,000
 - (B) ₹2,50,000
 - (C) ₹3,00,000
 - (D) ₹2,00,000
- 1.22 Where an individual, who is non-resident in India and is less than 60 years old, does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), the maximum amount on which income-tax is not chargeable for the assessment year 2024-25, is:
- (A) ₹2,40,000
 - (B) ₹2,50,000
 - (C) ₹3,00,000
 - (D) ₹2,00,000
- 1.23 Where an individual, who is non-resident in India and is of the age of 60 years or more, opts to be taxed under the old regime, the maximum amount on which income-tax is not chargeable for the assessment year 2024-25, is:
- (A) ₹2,00,000
 - (B) ₹3,00,000
 - (C) ₹2,50,000
 - (D) ₹2,40,000
- 1.24 Where an individual, who is non-resident in India and is of the age of 60 years or more, does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), the maximum amount on which income-tax is not chargeable for the assessment year 2024-25, is:
- (A) ₹2,00,000
 - (B) ₹3,00,000
 - (C) ₹2,50,000
 - (D) ₹2,40,000
- 1.25 Where a resident individual, of the age of 80 years or more, opts to be taxed under the old regime, the maximum amount on which income tax is not chargeable for the assessment year 2024-25 is:
- (A) ₹2,50,000
 - (B) ₹5,00,000
 - (C) ₹3,00,000
 - (D) ₹2,40,000
- 1.26 Where a resident individual who is of the age of 80 years or more does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), the maximum amount on which income tax is not chargeable for the assessment year 2024-25, is:
- (A) ₹2,50,000
 - (B) ₹5,00,000
 - (C) ₹3,00,000
 - (D) ₹2,40,000
- 1.27 The maximum amount on which income-tax is not chargeable in case of firm is:
- (A) ₹1,60,000

- (B) ₹1,80,000
(C) ₹2,00,000
(D) Nil
- 1.28 The maximum amount on which income-tax is not chargeable in case of a co-operative society who has not opted to be taxed u/s 115BAD is:
(A) ₹1,80,000
(B) ₹2,00,000
(C) Nil
(D) ₹2,50,000
- 1.29 The maximum amount on which income-tax is not chargeable in case of a co-operative society who has opted to be taxed u/s 115BAD is:
(A) ₹1,80,000
(B) ₹2,00,000
(C) Nil
(D) ₹2,50,000
- 1.30 Surcharge on income tax for assessment year 2024-25, is payable by an individual/HUF/AOP/BOI, whose total income does not include short term capital gain u/s 111A, long-term capital gain u/s 112, long-term capital gain u/s 112A and income from dividend, at the rate of
(A) 10% of income tax payable provided the total of such person exceeds ₹1 crore
(B) 10% of income tax payable if the total income exceeds ₹50,00,000 but does not exceed ₹1 crore and 15% if the total income of such person exceeds ₹1 crore.
(C) 10% of income tax payable if the total income exceeds ₹50,00,000 but does not exceed ₹1 crore, 15% if the total income exceeds ₹1 crore but does not exceed ₹2 crore, 25% if the total income exceeds ₹2 crore.
(D) 10% of income tax payable if the total income exceeds ₹50,00,000 but does not exceed ₹1 crore, 15% if the total income exceeds ₹1 crore but does not exceed ₹2 crore, 25% if the total income exceeds ₹2 crore but does not exceed ₹5 crore, 37% if the total income exceeds ₹5 crore.
- 1.31 Health and education cess is leviable on:
(A) Income-tax
(B) Income-tax + surcharge, if applicable
(C) Surcharge
(D) Total income
- 1.32 Health and education cess is leviable @:
(A) 4%
(B) 5%
(C) 3%
(D) 1%
- 1.33 Health and education cess is leviable in case of:
(A) an individual assessee only
(B) an individual and HUF
(C) a company assessee only
(D) all assessees
- 1.34 In case of an individual and HUF, health and education cess is leviable only when the total income of such assessee:

- (A) Exceeds ₹10,00,000
(B) is less than or more than ₹10,00,000
(C) Exceeds ₹50,00,000
(D) Exceeds ₹1 crore
- 1.35 For assessment year 2024-25, a firm is subject to income-tax at a flat rate of:
(A) 30% + surcharge @ 12% if the total income exceeds ₹1 crores + health and education cess @ 4%
(B) 30% + 5% surcharge + health and education cess @ 4%
(C) 30% + 10% surcharge if its total income exceeds ₹1 crore + health and education cess @ 4%
(D) 30% + 15% surcharge if its total income exceeds ₹1 crore and health and education cess @ 4%
- 1.36 The total income of the assessee has been computed at ₹3,83,494.90. For rounding off, the total income will be taken as:
(A) ₹3,83,500
(B) ₹3,83,490
(C) ₹3,83,495
(D) None of the above
- 1.37 The total income of the assessee has been computed as ₹4,83,495. For rounding off the total income will be taken as:
(A) ₹4,83,500
(B) ₹4,83,490
(C) ₹4,83,495
(D) None of the above
- 1.38 Income-tax is rounded off to:
(A) nearest multiple of ten Rupees
(B) nearest multiple of one Rupee
(C) no rounding off of tax is done
(D) nearest multiple of five Rupees
- 1.39 R, a resident in India, is 57 years old. His total income for the assessment year 2024-25 is ₹4,90,000. His tax liability, if he opts to be taxed under the old regime, shall be:
(A) Nil
(B) ₹12,000
(C) ₹12,480
(D) ₹24,960
- 1.40 R, a resident in India, is 57 years old. His total income for the assessment year 2024-25 is ₹6,90,000. His tax liability, if does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), shall be:
(A) Nil
(B) ₹24,000
(C) ₹24,960
(D) ₹52,520
- 1.41 R, a resident of India, is 61 years old. His total income for the assessment year 2024-25 is ₹5,15,000. His tax liability, if he opts to be taxed under the old regime, shall be:
(A) ₹3,120

- (B) ₹11,180
(C) ₹13,520
(D) ₹16,120
- 1.42 R, a resident of India, is 61 years old. His total income for the assessment year 2024-25 is ₹5,15,000. His tax liability, if he does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), shall be:
(A) ₹14,560
(B) ₹11,180
(C) ₹13,520
(D) Nil
- 1.43 Mrs. R, a resident of India, is 56 years old. Her total income for the assessment year 2024-25 is ₹11,20,000. Her tax liability, if she opts to be taxed under the old regime, shall be:
(A) ₹1,51,840
(B) ₹1,67,440
(C) ₹1,54,440
(D) ₹1,64,840
- 1.44 Mrs. R, a resident of India, is 56 years old. Her total income for the assessment year 2024-25 is ₹11,20,000. Her tax liability, if she does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), shall be:
(A) ₹ 81,120
(B) ₹1,02,960
(C) ₹1,54,440
(D) ₹1,64,840
- 1.45 Mrs. A, a resident of India, is 61 years old. Her total income for the assessment year 2024-25 is ₹4,50,000. Her tax liability, if she opts to be taxed under the old regime, shall be:
(A) ₹10,400
(B) ₹5,200
(C) Nil
(D) ₹7,800
- 1.46 Mrs. A, a resident of India, is 61 years old. Her total income for the assessment year 2024-25 is ₹6,50,000. Her tax liability, if she does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), shall be:
(A) ₹20,800
(B) ₹20,000
(C) Nil
(D) ₹44,200
- 1.47 R's total income for the assessment year 2024-25 is ₹10,20,000. His tax liability, if he opts to be taxed under the old regime, shall be:
(A) ₹1,31,040
(B) ₹1,36,240
(C) ₹1,23,240
(D) ₹1,20,640
- 1.48 R's total income for the assessment year 2024-25 is ₹10,20,000. His tax liability, if he does not exercise any option and hence by default, he is under the new regime, i.e., section 115BAC(1A), shall be:
(A) ₹82,160