

CS – EXECUTIVE

TAX SCANNER

MIX MCQs

(SET – 20)

Relevant for – JUNE & DEC 2020

**Compilation & Authored by CA VIVEK
GABA**

CS – EXECUTIVE (NEW & OLD SYLLABUS)
MIX MCQ's SET – 20 (MIX MCQs)
Compilation by: CA VIVEK GABA
SOURCE – ICAI SAMPLE PAPER [REVISED ANSWER]

1. Mr. Karan filed his return of income for A.Y.2020-21 showing total income of Rs.7 lakhs on 1.1.2021. 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.2020-21. His total income comprises of salary, income from house property and interest on savings bank account. His tax liability for A.Y.2020-21 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.2019-20. Compute income from house property for A.Y.2020-21. 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 of his dependent brother, who is a person with severe disability and has deposited Rs.20,000 with LIC for his maintenance. For A.Y.2020-21, 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 leaves grown in Shimla. 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 15.3.2020 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. Which of the following statements is not true with respect to the A.Y. 2020-21:
- (a) No exemption under section 80TTA would be available to resident senior citizens
 - (b) Share of profit will be exempt in the hands of partner, if firm claims exemption of income under section 10AA
 - (c) Exemption will be available in respect of long term capital gains of Rs.1,90,000 on STT paid listed equity shares
 - (d) Exemption under section 10(32) on income of minor child is allowed for more than two children also
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.4,25,000 for A.Y.2020-21, comprising of his salary income and income from house property. His tax liability for A.Y.2020-21 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.2020-21 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.2020-21 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.2020-21 is
- (a) Rs.80,000
 - (b) Rs.70,000
 - (c) Rs.60,000
 - (d) Rs.35,000
12. 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)
13. Mr. X, a resident, is due to receive Rs.4.50 lakhs on 31.3.2020, towards maturity proceeds of LIC policy taken on 1.4.2017, 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 1.10.2019 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 income comprised in maturity proceeds payable to Mr. X and Mr. Z
 - (b) Tax is required to be deducted on income comprised in maturity proceeds payable to Mr. X
 - (c) Tax is required to be deducted on income comprised in maturity proceeds payable to Mr. Z
 - (d) No tax is required to be deducted on income comprised in maturity proceeds payable to either Mr. X or Mr. Z
14. 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
15. Mr. Ravi incurred loss of Rs.4 lakh in the P.Y.2019-20 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
16. Mr. Devansh has agricultural income of Rs.2,30,000 and business income of Rs.2,45,000. Which of the following statements are correct?
- (a) Agricultural income has to be aggregated with business income for tax rate purposes.
 - (b) No aggregation is required since agricultural income is less than basic exemption limit.
 - (c) No aggregation is required since business income is less than basic exemption limit.
 - (d) Agricultural income is exempt under section 10(1) but the same has to be aggregated with business income, since it exceeds Rs.5,000.
17. Mr. Arvind gifted a house property to his wife, Ms. Meena and a flat to his daughter-in law, Ms. Seetha. Both of the properties were let out. Which of the following statements are correct?
- (a) Income from both properties is to be included in the hands of Mr. Arvind by virtue of section 64.
 - (b) Income from property gifted to wife alone is to be included in Mr. Arvind's hands by virtue of section 64.
 - (c) Mr. Arvind is the deemed owner of house property gifted to Ms. Meena and Ms. Seetha.
 - (d) Mr. Arvind is the deemed owner of property gifted to Ms. Meena. Income from property gifted to Ms. Seetha would be included in his hands by virtue of section 64.

18. The benefit of payment of advance tax in one installment on or before 15th March is available to assessee computing profits on presumptive basis –
- (a) under section 44AD
 - (b) under section 44AD and 44ADA
 - (c) under section 44AD and 44AE
 - (d) under section 44AD, 44ADA and 44AE
19. Virat, runs a business of manufacturing of shoes in P.Y. 2017-18. During the P.Y. 2017-18 and P.Y. 2018-19, Virat had incurred business losses. For P.Y. 2019-20, he earned business profit (computed) of Rs.3 lakhs. Considering he may/may not has sufficient business income to set off his earlier losses, which of the following order of set off shall be considered:
(He does not income from any other source)
- (a) First adjustment for loss of P.Y. 2017-18, then loss for P.Y. 2018-19 and then unabsorbed depreciation, if any, income is available for adjustment.
 - (b) First adjustment for loss of P.Y. 2018-19, then loss for P.Y. 2017-18 and then unabsorbed depreciation, if any, income is available for adjustment.
 - (c) First adjustment for unabsorbed depreciation, then loss of P.Y. 2018-19 and then loss for P.Y. 2017-18, if any, income is available for adjustment
 - (d) First adjustment for unabsorbed depreciation, then loss of P.Y. 2017-18 and then loss for P.Y. 2018-19, if any, income is available for adjustment
20. Mr. Kishore celebrated his 50th marriage anniversary. On this occasion, his wife received a diamond necklace worth Rs.5,00,000 from Kishore's brother. Kishore's son gifted him a luxurious car worth Rs.15,00,000, His grandchildren gifted them a new furniture set worth Rs.3,00,000. Also, he received cash gifts from his friends amounting collectively to Rs.80,000. Which of them the following statements stand true on taxability.
- (a) Neither Mr. Kishore nor Mrs. Kishore will be liable for tax for any gifts since they have been received on occasion of marriage anniversary
 - (b) Mr. Kishore & Mrs. Kishore will jointly share the tax liability on all the gifts
 - (c) Mrs. Kishore will be liable to pay tax on diamond set and Mr. Kishore will bear tax for the cash gifts received
 - (d) Mr. Kishore will be liable for tax on cash gifts only.
21. Mr. Anuj, a businessman, whose total income (after allowing deduction under chapter VI-A except under section 80GG) for A.Y. 2020-21 is Rs.5,95,000. He does not own any house property and is staying in a rented accommodation in Patna for a monthly rent of Rs.9,000. Deduction allowance under section 80GG for A.Y. 2020-21 is:
- (a) Rs.48,500
 - (b) Rs.1,48,750
 - (c) Rs.60,000
 - (d) Rs.1,08,000
22. Sujata, aged 16 years, received scholarship of Rs.50,000 during the previous year 2019-20. Which of the following statements are true regarding taxability of such income:
- (a) Such income shall be assessed in hands of Sujata
 - (b) Such income to be included with the income of parent whose income before such clubbing is higher

- (c) Such income is completely exempt from tax
- (d) Such income to be clubbed with father's income
23. M/s Thakural & Sons paid Rs.11,00,000 as remuneration to its partners. The same was in accordance with partnership deed. Partners are also entitled to interest on capital @ 11% as per partnership deed. Total interest paid during the year is Rs.1,30,000. The book profit before interest on capital and remuneration is Rs.37,00,000. The salary allowable as deduction to M/s Thakural & Sons is:
- (a) Rs.22,62,000
- (b) Rs.11,00,000
- (c) Rs.23,10,000
- (d) Rs.22,32,000
24. Ashok took possession of property on 31st August 2019 booked by him three years back at Rs.25 lakhs, The Stamp Duty Value (SDV) of the property as on 31st August 2019 was Rs.31 lakh and on date of booking it was Rs.29 lakh. He had paid Rs.2 lakh by A/c payee cheque as down payment on date of booking. Which of the following will be considered as income, if any, and in which previous year?
- (a) Rs.4 lakhs in P.Y. 2019-20
- (b) Rs.4 lakhs in P.Y. 2016-17
- (c) Rs.6 lakhs in P.Y. 2019-20
- (d) No income shall be taxable, since down payment was paid by A/c cheque while booking the property
25. ABC Ltd. wants 400 customized backpacks which will be distributed by the company to its employees on the annual event. ABC Ltd. hires a local vendor for this task and ABC Ltd. informs the local vendor about its specifications for the backpacks. The local vendor procures its own raw material and supplies the required backpacks to the Company. He charges Rs.1,00,000 for the backpacks from ABC Ltd. While making payment to the vendor, at what rate ABC Ltd. is required to deduct tax at source?
- (a) 1%
- (b) 2%
- (c) 10%
- (d) No tax is required to be deducted at source.
26. Which of the following benefits are not allowable to Ms. Sakshi, a non-resident, while computing her total income and tax liability for A.Y. 2020-21 under the Income-tax Act, 1961?
- (a) Deduction of 30% of gross annual value while computing her income from house property in Bangalore
- (b) Tax rebate of Rs.9,500 from tax payable on her total income of Rs.4,40,000
- (c) Deduction for donation made by her to Prime Minister's National Relief Fund
- (d) Deduction for interest earned by her on NRO savings account.
27. Unexhausted basic exemption limit, if any, of a non-resident for A.Y. 2020-21 can be adjusted against–
- (a) Only LTCG taxable @20%
- (b) Only STCG taxable @15%
- (c) Both (a) and (b)
- (d) Neither (a) nor (b)
28. During the P.Y. 2019-20, Mr. Samar, a non-resident, received Rs.75,00,000 on account of sale of

agricultural land in Mauritius. The money was first received in Mauritius and then remitted to his Indian bank account. Is the sum taxable in India?

(a) No, as agricultural income is exempt u/s 10(1).

(b) No, as the income has accrued and arisen outside India and is also received outside India.

(c) Yes, since it is remitted to India in the same year.

(d) Yes, as agricultural income earned outside India is not exempted in India in the hands of a non-resident.

29. Gross total income of Arpita for P.Y. 2019-20 is Rs.6,00,000. She had taken a loan of Rs.7,20,000 in the financial year 2016-17 from a bank for her husband who is pursuing MBA course from IIM, Kolkata. On 02.04.2019, she paid the first installment of loan of Rs.45,000 and interest of Rs.65,000. Compute her total income for A.Y. 2020-21.

(a) Rs.6,00,000

(b) Rs.5,35,000

(c) Rs.4,90,000

(d) Rs.5,55,000

30. Soumil, aged 47 years, paid medical insurance premium of Rs.15,000 and Rs.20,000 to insure health of himself and his spouse, respectively. He also paid medical insurance premium of Rs.43,000 to insure health of his father, aged 69 years, not dependant on him. He had also incurred Rs.4,000 in cash on preventive health check up of his father. Total deduction admissible under section 80D to Mr. Soumil is:

(a) Rs.55,000

(b) Rs.29,000

(c) Rs.68,000

(d) Rs.72,000

31. Mr. X, a resident employee of Hindustan Company established in India, received a scholarship of Rs.5,00,000 from his employer to meet the cost of education of his children. X actually spent an amount of Rs.4,50,000 on education of his children. What will be the amount of income exempt in the hands of X?

(a) Nil

(b) Rs.4,50,000

(c) Rs.50,000

(d) Rs.5,00,000

32. Mr. Pulkit, aged 45 years, paid health insurance premium in lump sum of Rs.90,000 for three years on 01-05-2019. Compute the amount of deduction allowable to him for A.Y. 2020-21.

(a) Rs.90,000

(b) Rs.30,000

(c) Rs.25,000

(d) Nil

33. Mr. Agarwal moved to Mumbai. He took a property on rent for his residential purpose. However, the property was not fully occupied by him. He let out the property to his friend at Rs.15,000 p.m. from 01.04.2019 to 31.03.2020. Mr. Agarwal is of the view that income from subletting of property is taxable as Income from House Property. As tax advisor of Mr. Agarwal, find out whether his view is correct?

(a) Correct, as any income from a house property is taxable under the head Income from House Property.

(b) Incorrect, as Mr. Agarwal is not the owner of the property let out by him. The income from subletting shall be taxable under the head Profits and Gains of Business or Profession.

- (c) Incorrect, as Mr. Agarwal is not the owner of the property let out by him. The income from subletting shall be taxable under the head Income from other sources.
- (d) Correct, as income from subletting of a property is directly attributable to the property itself and hence, chargeable to tax as income from house property.
34. Mr. Happy, a US citizen, came to India for an assignment from 11.01.2016 to 09.10.2016 and went back to his home country on completion of the same. He thereafter, visited India on 05.07.2018 again for an assignment, which ended on 26.05.2019. What is the latest date by which Mr. Happy should depart from India after completing the assignment so as to qualify as non-resident for P.Y. 2019-20? (Assume that he shall not be visiting India again during the year)
- (a) 29-05-2019
- (b) 30-05-2019
- (c) 31-05-2019
- (d) 28-09-2019
35. M/s PQR & Co., a firm carrying on business, furnishes the following particulars for the P.Y. 2019-20.
- | <u>Particulars</u> | <u>Rs.</u> |
|--|------------|
| Book profits (before setting of unabsorbed depreciation and brought forward business loss) | 2,70,000 |
| Unabsorbed depreciation of P.Y.2012-13 | 1,20,000 |
| Brought forward business loss of P.Y.2018-19 | 2,00,000 |
- Compute the amount of remuneration allowable under section 40(b) from the book profit.
- (a) Rs. 2,43,000
- (b) Rs.1,80,000
- (c) Rs.1,50,000
- (d) Nil
36. Mr. B acquires 1000 equity shares on 01.01.2017 at Rs.200. The Fair Market Value of the said shares on 31.01.2018 is Rs.500. Mr. B sells the said shares on 30.04.2019 at Rs.400. Calculate the amount of capital gain in the hands of Mr. B, assuming that securities transaction tax has been paid by Mr. B on acquisition and transfer of the said equity shares.
- (a) Nil
- (b) (-) Rs. 1,00,000
- (c) Rs. 2,00,000
- (d) Rs. 3,00,000
37. Mr. Dinesh owns 7 goods vehicle and declares profit on presumptive basis under section 44AE for A.Y.2020-21. He is –
- (a) liable to pay advance tax in four instalments in June, September, December and March
- (b) liable to pay advance tax in three instalments in September, December and March
- (c) liable to pay advance tax in one instalment in March
- (d) not liable to pay advance tax since he is declaring profit on presumptive basis.
38. Mr. Ravi incurred loss of Rs.4 lakh in the P.Y.2019-20 in leather business. Against which of the following incomes earned during the same year, can he set-off such loss?
- (i) Profit of Rs.1 lakh from apparel business
- (ii) Long-term capital gains of Rs.2 lakhs on sale of jewellery

(iii) Salary income of Rs.1 lakh

Choose the correct answer.

- (a) Only (i)
- (b) Only (ii)
- (c) Only (iii)
- (d) Both (i) and (ii)

39. During the A.Y. 2019-20, Mr. A has a loss of Rs.8 lakhs under the head "Income from house property" which could not be set off from any other head of income as per the provisions of section 71. The due date for filing return of income u/s 139(1) in case of Mr. A has already expired and Mr. A forgot to file his return of income within the said due date. However, Mr. A filed his belated return of income for A.Y. 2019-20. Now, while filing return of income for A.Y. 2020-21, Mr. A wishes to set off the said loss during P.Y. 2019-20. Determine whether Mr. A can claim the said set off?
- (a) No, Mr. A cannot claim set off of loss of Rs.8 lakhs during A.Y. 2020-21 as he failed to file his return of income u/s 139(1) for A.Y. 2019-20.
 - (b) Yes, Mr. A can claim set off of loss of Rs.2 lakhs, out of Rs.8 lakhs, from its income from house property during A.Y. 2020-21, if any, and the balance has to be carried forward to A.Y.2021-22.
 - (c) Yes, Mr. A can claim set off of loss of Rs.2 lakhs, out of Rs.8 lakhs, from its income from any head during A.Y. 2020-21 and the balance, if any, has to be carried forward to A.Y.2021-22.
 - (d) Yes, Mr. A can claim set off of loss of Rs.8 lakhs during A.Y. 2020-21 from its income from house property, if any, and the balance has to be carried forward to A.Y.2021-22.
40. Mr. P has a house property in Delhi whose Municipal value is Rs.1,00,000 and the Fair Rental Value is Rs.1,20,000. The standard rent is fixed at Rs.1,08,000. It was self-occupied by Mr. P from 01.04.2019 to 31.07.2019. With effect from 01.08.2019, it was let out at Rs. 10,000 per month. Compute the net annual value of the house property for A.Y. 2020-21 if the municipal taxes paid by him during the year were Rs.20,000.
- (a) Rs.1,00,000
 - (b) Rs. 88,000
 - (c) Rs. 60,000
 - (d) Rs.1,08,000
41. An assessee purchases furniture worth Rs. 80,000 on 05.09.2019 and makes the payment of Rs. 45,000 by account payee cheque and Rs. 20,000 in cash on the same date. The balance of Rs. 15,000 is paid by the assessee by bearer cheque on 06.09.2019 when the furniture is delivered in his office. Compute the amount of actual cost of furniture to the assessee.
- (a) Rs.45,000
 - (b) Rs. 80,000
 - (c) Rs. 60,000
 - (d) Rs. 65,000
42. Maya had bought 3,000 STT paid listed shares of a company on 25.02.2019 at Rs.300 per share. The company announces and allots bonus shares in the ratio of 3:1 on 01.07.2019. After the allotment of bonus shares, the shares were sold by Maya on 10.03.2020 at Rs.400 per share and STT was paid on it. Compute the amount of capital gain/loss in her hands for A.Y. 2020-21.
- CII – F.Y. 2018-19: 280; F.Y. 2019-20:289
- (a) Long term capital gain of Rs.7,00,000.
 - (b) Long term capital gain on sale of original shares of Rs.3,00,000. Short term capital gain on sale of bonus shares of Rs.4,00,000.
 - (c) Long term capital of Rs.6,71,071.

- (d) Long term capital gain on sale of original shares of Rs.2,71,071. Short term capital gain on sale of bonus shares of Rs.4,00,000.
43. XYZ & Co., a partnership firm, owns a house property which is utilized by the partners for their residence. On 31.10.2019, the firm sells the property at a long-term capital gain of Rs.3,50,000. Can the firm or partners claim exemption under section 54?
- (a) Yes, the firm can claim exemption u/s 54 as the firm has earned long term capital gains from the transfer of a residential house.
- (b) Yes, the partners can claim exemption u/s 54 as the property was used by them for residential purpose and the said property has been indirectly transferred by the partners only in the capacity of a firm.
- (c) Neither the firm nor the partners can claim deduction u/s 54 as the said deduction is allowed only in case of a commercial property.
- (d) The firm cannot claim deduction u/s 54 as deduction under the said section is allowed only to an individual or HUF. Further, the partners cannot claim deduction u/s 54 as the transferor in the instant case is the firm.
44. On 20.10.2019, Pihu (minor child) gets a gift of Rs.20,00,000 from her father's friend. On the same day, the amount is deposited in Pihu's bank account. On the said deposit, interest of Rs.13,000 was earned during the P.Y. 2019-20. In whose hands the income of Pihu shall be taxable? Also, compute the amount of income that shall be taxable.
- (a) Income of Rs.20,11,500 shall be taxable in the hands of Pihu's father.
- (b) Income of Rs.20,13,000 shall be taxable in the hands of Pihu's father.
- (c) Income of Rs.20,11,500 shall be taxable in the hands of Pihu's father or mother, whose income before this clubbing is higher.
- (d) Income of Rs.20,13,000 shall be taxable in the hands of Pihu's father or mother, whose income before this clubbing is higher.
45. A Ltd. is 100% holding company of B Ltd. A Ltd. transfers a capital asset (acquired in 2002 for Rs. 50,000) on 16.06.2019 for Rs.3,70,000 to B Ltd. B Ltd. is an Indian company, while A Ltd. is a foreign company. The capital asset is transferred as stock-in-trade to B Ltd. Determine whether any capital gains shall be chargeable to tax in the instant case?
- (a) Any transfer between a holding company and 100% subsidiary company is not treated as a transfer at all. Hence, no capital gains tax liability shall arise.
- (b) Any transfer between a holding company and 100% subsidiary company is not treated as a transfer if the transferee company is an Indian company. Hence, no capital gains tax liability shall arise.
- (c) A transfer between a holding company and 100% subsidiary company is treated as a "transfer" as there is no specific exclusion in this regard. Hence, capital gains tax liability shall arise.
- (d) Any transfer between a holding company and 100% subsidiary company is not treated as a transfer if the transferee company is an Indian company. However, this rule is not applicable if the capital asset is transferred as stock-in-trade. Hence, capital gains tax liability shall arise.
46. Mr. Raj (a non-resident and aged 65 years) is a retired person, earning rental income of Rs. 40,000 per month from a property located in Delhi. He is residing in Canada. Apart from rental income, he does not have any other source of income. Is he liable to pay advance tax in India?
- (a) Yes, he is liable to pay advance tax in India as he is a non-resident and his tax liability in India exceeds Rs. 10,000.
- (b) No, he is not liable to pay advance tax in India as his tax liability in India is less than Rs. 10,000.

- (c) No, he is not liable to pay advance tax in India as he has no income chargeable under the head "Profits and gains of business or profession".
- (d) Both (b) and (c)
47. Mr. Vaibhav sold his old residential house in April, 2018 for Rs.28,00,000. Long-term capital gain arising on transfer of old house amounted to Rs.8,40,000. In December, 2018, he purchased another residential house worth Rs.5,00,000. The new house was however, sold in April, 2019 for Rs.14,00,000 (stamp duty value of the new house was Rs.12,00,000). What will be amount of taxable capital gains in the hands of Mr. Vaibhav for the A.Y. 2019-20 and 2020-21?
- (a) Long term capital gain of Rs.3,40,000 in A.Y. 2019-20 and short-term capital gain of Rs.14,00,000 in A.Y. 2020-21
- (b) Long term capital gain of Rs.3,40,000 in A.Y. 2019-20 and long term capital gain of Rs.5,00,000 and short-term capital gain of Rs.14,00,000 in A.Y. 2020-21
- (c) Long term capital gain of Rs.3,40,000 in A.Y. 2019-20 and long term capital gain of Rs.5,00,000 and short-term capital gain of Rs.9,00,000 in A.Y. 2020-21
- (d) Long term capital gain of Rs.3,40,000 in A.Y. 2019-20 and long term capital gain of Rs.5,00,000 and short-term capital gain of Rs.7,00,000 in A.Y. 2020-21
48. Which of the following persons is/are liable to pay advance tax as per the provisions of Income-tax Act, 1961?
- I. A resident individual aged 62 years having only income from capital gains of Rs.20,00,000 (estimated) during P.Y. 2019-20.
- II. A resident individual aged 58 years having only income from other sources of Rs.2,00,000 (estimated) during P.Y. 2019-20.
- III. A private company having estimated total income of Rs.1,00,000 during P.Y. 2019-20.
- IV. A partnership firm which has estimated its total income to be Nil for P.Y. 2019-20.
- V. A HUF having estimated total income of Rs.6,00,000 during P.Y. 2019-20.
- (a) I, III, V
- (b) I, II, III, IV, V
- (c) III, V
- (d) III, IV, V
49. Mr. Sujal and his brother jointly own a bungalow. They had taken a housing loan to purchase the bungalow. The loan is sanctioned in the name of Mr. Sujal and his brother in the year 2015. Interest on housing loan for the P.Y. 2019-20 amounted to Rs.5,00,000 which is paid by Mr. Sujal (Rs.2,50,000) and his brother (Rs.2,50,000). The bungalow is used by them for their residence. In this case, what will be the amount of deduction available under section 24(b) to Mr. Sujal and his brother?
- (a) Rs.30,000 each
- (b) Rs.2,00,000 each
- (c) Rs.2,50,000 each
- (d) Rs.5,00,000 each
50. Sumit acquired a building for Rs.15 lakh in June, 2017 in addition to the cost of Rs.3 lakh in respect of the land on which the building is situated. It was used for personal purposes until he commenced business in June, 2019 and since then it was used for business purposes. The amount of depreciation eligible in his case for the A.Y. 2020-21 would be:

- (a) Rs.1,50,000
- (b) Rs.1,45,800
- (c) Rs.,180,000
- (d) Rs.1,21,500

PART – B [GOODS AND SERVICES TAX]

- 1 Mr. X, a registered supplier of Meghalaya, wants to opt for composition levy. The turnover limit for composition levy is-
 - (a) ₹ 50 lakh
 - (b) ₹ 75 lakh
 - (c) ₹ 1.50 crore
 - (d) none of the above
- 2 The persons making inter-State supplies from Madhya Pradesh is compulsorily required to get registered under GST, _____.
 - (a) if his all India based aggregate turnover exceeds ₹ 20 lakh in a financial year
 - (b) if his all India based aggregate turnover exceeds ₹ 10 lakh in a financial year
 - (c) irrespective of the amount of aggregate turnover in a financial year
 - (d) in case of making inter-State supply of taxable goods, irrespective of the amount of aggregate turnover in a financial year
- 3 Input tax credit is not available in respect of _____.
 - (a) services on which tax has been paid under composition levy
 - (b) free samples
 - (c) goods used for personal consumption
 - (d) all of the above
- 4 Mr. X, a registered person, deals in supply of taxable goods. He need not issue tax invoice for the goods supplied on 16.04.20XX as the value of the goods is _____.
 - (a) ₹ 1,200
 - (b) ₹ 600
 - (c) ₹ 150
 - (d) ₹ 200
- 5 GST is payable by recipient of services in the following cases:-
 - (i) Services provided by way of sponsorship to ABC Ltd.
 - (ii) Services supplied by a director of Galaxy Ltd. to Mr. Krishna.
 - (iii) Services by Department of Posts by way of speed post to MNO Ltd.
 - (iv) Services supplied by a recovering agent to SNSP Bank

- (a) (i) & (iii)
 - (b) (i) & (iv)
 - (c) (ii) & (iii)
 - (d) (ii) & (iv)
- 6 Which of the following statement is true for Mr. X, a casual taxable person?
- (a) Mr. X is not required to take registration under GST.
 - (b) Mr. X is required to get registration under GST, if the aggregate turnover in a financial year exceeds ₹ 20 lakh.
 - (c) Mr. X can opt for voluntary registration under GST.
 - (d) Mr. X has to compulsorily get registered under GST irrespective of the threshold limit.
- 7 The registration certificate granted to Non resident taxable person is valid for _____ days from the effective date of registration or period specified in registration application, whichever is earlier.
- (a) 30
 - (b) 60
 - (c) 90
 - (d) 120
- 8 Which of the following activity shall be treated neither as a supply of goods nor a supply of services?
- (i) Permanent transfer of business assets where input tax credit has been availed on such assets
 - (ii) temporary transfer of intellectual property right
 - (iii) transportation of deceased
 - (iv) services by an employee to the employer in the course of employment
- (a) (i) & (iii)
 - (b) (ii) & (iv)
 - (c) (i) & (ii)
 - (d) (iii) & (iv)
- 9 Balance in electronic credit ledger can be utilized against which liability?
- (a) Output tax payable
 - (b) Interest

- (c) Penalty
 - (d) All of the above
- 10 What is the due date for payment of tax for a normal taxpayer?
- (a) Last day of the month to which payment relates
 - (b) Within 10 days of the subsequent month
 - (c) Within 20 days of the subsequent month
 - (d) Within 15 days of the subsequent month
- 11 How the aggregate turnover is calculated for computing threshold limit of registration?
- (i) Aggregate value of all taxable supplies(excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and interstate supplies of a person having same PAN computed on all India basis.
 - (ii) Aggregate value of all taxable supplies(excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and interstate supplies of a person computed for each state separately.
 - (iii) Aggregate value of all taxable intrastate supplies, export of goods/services and exempt supplies of a person having same PAN computed for each state separately.
 - (iv) Aggregate value of all taxable supplies(excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, export of goods/services and interstate supplies of a person having same PAN computed on all India basis and excluding taxes if any charged under CGST Act, SGST Act and IGST Act.
- (a) (i)
 - (b) (ii)
 - (c) (iii)
 - (d) (iv)
- 12 Within how many days a person should apply for registration?
- (a) Within 60 days from the date he becomes liable for registration.
 - (b) Within 30 days from the date he becomes liable for registration.
 - (c) No Time Limit
 - (d) Within 90 days from the date he becomes liable for registration.
- 13 A person having ____business verticals in a State ____obtain a separate registration for each business vertical.
- (a) Single, shall
 - (b) Multiple, shall

- (c) Multiple, may
- (d) Single, May
14. What is the validity of the registration certificate?
- (a) One year
- (b) No validity
- (c) Valid till it is cancelled.
- (d) Five years.
15. Within how many days an application for revocation of cancellation of registration can be made?
- (a) Within 7 days from the date of service of the cancellation order.
- (b) Within 15 days from the date of issue of the cancellation order.
- (c) Within 45 days from the date of issue of the cancellation order.
- (d) Within 30 days from the date of service of the cancellation order.
21. Can a registered person opting for composition scheme collect GST on his outward supplies?
- (a) Yes, in all cases
- (b) Yes, only on such goods as may be notified by the Central Government
- (c) Yes, only on such services as may be notified by the Central Government
- (d) No
22. In case of Goods Transport Agency (GTA) services, tax is to be paid under forward charge if:
- (a) GST is payable @ 12%
- (b) GST is payable @ 5% and a factory registered under the Factories Act, 1948 is the recipient of GTA service.
- (c) GST is payable @ 5% and an unregistered individual end customer is the recipient of GTA service.
- (d) None of the above
23. The term 'goods', as defined under section 2(52) of the CGST Act, 2017, does not include-
- (a) Grass
- (b) Money and securities
- (c) Actionable claims
- (d) Growing crops
24. Rama Ltd. has provided following information for the month of September:
- | | |
|---|---------------|
| (i) Intra-State outward supply | ₹ 10,00,000/- |
| (ii) Inter-State exempt outward supply | ₹ 5,00,000/- |
| (iii) Turnover of exported goods | ₹ 10,00,000/- |
| (iv) Payment made for availing GTA services | ₹ 80,000/- |
- Calculate the aggregate turnover of Rama Ltd.
- (a) ₹ 8,00,000/-

- (b) ₹ 23,80,000/-
- (c) ₹ 25,00,000/-
- (d) ₹ 20,00,000/-
25. 'P' Ltd. has its registered office, under the Companies Act, 2013, in the State of Maharashtra from where it ordinarily carries on its business of taxable goods. It also has a warehouse in the State of Telangana for storing said goods. What will be the place of business of 'P' Ltd. under the GST law?
- (a) Telangana
- (b) Maharashtra
- (c) Both (a) and (b)
- (d) None of the above
26. An exempt supply includes-
- (a) Supply of goods or services or both which attracts Nil rate of tax
- (b) Non-taxable supply
- (c) Supply of goods or services or both which are wholly exempt from tax under section 11 of the CGST Act or under section 6 of IGST Act
- (d) All of the above
27. Discount given after the supply is deducted from the value of taxable supply, if –
- (a) such discount is given as per the agreement entered into at/or before the supply
- (b) such discount is linked to the relevant invoices
- (c) proportionate input tax credit is reversed by the recipient of supply
- (d) all of the above
28. In which of the following situations, taxpayer needs to reverse the credit already taken?
- (a) If payment is not made to the supplier within 45 days from the date of invoice
- (b) If payment is not made to the supplier within 90 days from the date of invoice
- (c) If payment is not made to the supplier within 180 days from the date of invoice
- (d) None of the above
29. Which of the following statements are correct?
- (i) Revocation of cancellation of registration under CGST/SGST Act shall be deemed to be a revocation of cancellation of registration under SGST/CGST Act.
- (ii) Cancellation of registration under CGST/SGST Act shall be deemed to be a cancellation of registration under SGST/CGST Act.
- (iii) Revocation of cancellation of registration under CGST/SGST Act shall not be deemed to be a revocation of cancellation of registration under SGST/CGST Act.
- (iv) Cancellation of registration under CGST/SGST Act shall not be deemed to be a cancellation of registration under SGST/CGST Act.
- (a) (i) and (ii)
- (b) (i) and (iv)
- (c) (ii) and (iii)
- (d) (iii) and (iv)
30. If the goods are received in lots/installment, -----

- (a) 50% ITC can be taken on receipt of 1st installment and balance 50% on receipt of last installment.
 - (b) ITC can be availed upon receipt of last installment.
 - (c) 100% ITC can be taken on receipt of 1st installment.
 - (d) Proportionate ITC can be availed on receipt of each lot/installment.
31. For banking companies using inputs and input services partly for taxable supplies and partly for exempt supplies, which of the statement is true?
- (a) ITC shall be compulsorily restricted to credit attributable to taxable supplies including zero rated supplies
 - (b) 50% of eligible ITC on inputs, capital goods, and input service shall be mandatorily taken in a month and the rest shall lapse.
 - (c) Banking company can choose to exercise either option (a) or option (b)
 - (d) None of the above
32. A supplier takes deduction of depreciation on the GST component of the cost of capital goods as per Income- tax Act, 1961. The supplier can-
- (a) avail only 50% of the said tax component as ITC
 - (b) not avail ITC on the said tax component
 - (c) avail 100% ITC of the said tax component
 - (d) avail only 25% of the said tax component as ITC
33. Which of the following services received without consideration amount to supply?
- 1) Import of services by a person in India from his son well-settled in USA
 - 2) Import of services by a person in India from his brother well-settled in Germany
 - 3) Import of services by a person in India from his brother (wholly dependent on such person in India) in France
 - 4) Import of services by a person in India from his daughter (wholly dependent on such person in India) in Russia
- a) 1), 3) and 4)
 - b) 2), 3) and 4)
 - c) 2) and 3)
 - d) 1) and 2)
34. Which of the following persons is not eligible for composition scheme even though their aggregate turnover does not exceed Rs. 1.50 crore in preceding FY, in Uttar Pradesh?
- (a) A person supplying restaurant services
 - (b) A person supplying restaurant services and earning bank interest
 - (c) A person supplying restaurant services and warehousing of rice
 - (d) A person supplying restaurant services and warehousing of processed tea
35. The time of supply of service in case of reverse charge mechanism is
- (a) Date on which payment is made to the supplier
 - (b) Date immediately following 60 days from the date of issue of invoice
 - (c) Date of invoice

(d) Earlier of (a) and (b)

36. Which of the following services does fall under reverse charge provisions as contained under section 9(3) of the CGST Act?

- (a) Services supplied by arbitral tribunal to business entity
- (b) Sponsorship provided to any partnership firm
- (c) Sponsorship provided to any body corporate
- (d) ALL of the above

37. ITC of motor vehicles used for _____ is allowed.

- (a) Transportation of goods
- (b) Transportation of passengers
- (c) Imparting training on driving
- (d) All of the above

38. Which of the following persons is required to obtain compulsory registration?

- (a) Persons exclusively engaged in making supplies tax on which is to be paid by the recipient on reverse charge basis under section 9(3) of the CGST Act, 2017.
- (b) Persons making inter-State supplies of taxable services up to Rs. 20,00,000
- (c) Persons making supplies of services through an ECO (other than supplies specified under section 9(5) of the CGST Act) with aggregate turnover up to Rs. 20,00,000
- (d) None of the above.

39. A non-resident taxable person is required to apply for registration:

- (a) within 30 days from the date on which he becomes liable to registration
- (b) within 60 days from the date on which he becomes liable to registration
- (c) at least 5 days prior to the commencement of business
- (d) None of the above

40. Registration certificate granted to casual taxable person or non-resident taxable person will be valid for:

- (a) Period specified in the registration application
- (b) 90 days from the effective date of registration
- (c) Earlier of (a) or (b)
- (d) Later of (a) or (b)

41. In case of taxable supply of services by a non- banking financial company (NBFC), invoice shall be issued within a period of _____ from the date of supply of service.

- (a) 30 days

- (b) 45 days
- (c) 60 days
- (d) 90 days
42. Where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued:
- (a) before/at the time of supply.
- (b) 6 months from the date of removal.
- (c) Earlier of (a) or (b).
- (d) Later of (a) or (b).
43. Invoice shall be prepared in (i) _____ in case of taxable supply of goods and in (ii) in case of taxable supply of services.
- a) (i) Triplicate, (ii) Duplicate
- b) (i) Duplicate, (ii) Triplicate
- c) (i) Duplicate, (ii) Duplicate
- d) None of the above
44. Which of the following shall be discharged first, while discharging liability of a taxable person?
- (a) All dues related to previous tax period
- (b) All dues related to current tax period
- (c) Demand raised under section 73 and 74
- (d) No such condition is mandatory.
45. The due date of filing Final Return is_____.
- (a) 20th of the next month
- (b) 18th of the month succeeding the quarter
- (c) Within 3 months of the date of cancellation or date of order of cancellation, whichever is later
- (d) 31st December of next financial year
46. Which of the following statements is true under GST?
- a) Grand-parents are never considered as related persons to their grandson/granddaughter
- b) Grand-parents are always considered as related persons to their grandson/granddaughter
- c) Grand-parents are considered as related persons to their grandson/granddaughter only if they are wholly dependent on their grandson/granddaughter
- d) None of the above
47. Alcoholic liquor for human consumption is subjected to
- a) State excise duty
- b) Central Sales Tax/Value Added Tax
- c) Both (a) and (b)
- d) GST
48. Mr. A has a tax invoice [dated 20-1-2018] of services received by him. Its input tax credit is lost if ITC is not availed on or before—

- a) 20-1-2019.
b) 31-12-2018.
c) 20-1-2020.
d) date of filing return of September, 2018 or date of filing of annual return for 2017-18, whichever is earlier.
49. Input tax credit shall not be available in respect of:
- a) Goods used for personal consumption
b) Membership of a club
c) Travel benefits extended to employees on vacation such as leave or home travel concession
d) All of the Above
50. Which of the following is not considered as 'goods' under the CGST Act, 2017?
- a) Sale of a ten-paisa coin having sale value of Rs.100/-
b) Sale of shares of unlisted company
c) Sale of lottery tickets
d) All of the above
51. In case of supply of goods for Rs. 5,00,000, following information is provided-
1. Advance received on 1-Apr-20XX
2. Invoice issued on 15-Apr-20XX
3. Goods removed on 25-Apr-20XX
What is the time of supply of goods?
- a) 1-Apr-20XX
b) 15-Apr-20XX
c) 25-Apr-20XX
d) 30-Apr-20XX
52. Mr. Sham is receiving legal services from a lawyer Mr. Gyan. The information regarding date of payment, invoice etc. is as follows-
1. Invoice issued by Mr. Gyan on 15-Apr-20XX
2. Payment received by Mr. Gyan on 5-May-20XX
3. Date of payment entered in books of accounts of Sham: 1-May-20XX
What is time of supply of goods?
- a) 1-May-20XX
b) 5-May-20XX
c) 14-Jun-20XX
d) 15-Apr-20XX
53. Which of the following is not eligible for opting composition scheme under GST?
- a) M/s ABC, a firm selling garments having annual turnover of Rs. 78 lakh.
b) A startup company operating restaurant in Delhi having a annual turnover of Rs. 98 lakh.
c) A courier service company operating solely in Mumbai having annual turnover of Rs. 90lakh.
d) A trader selling grocery items having an annual turnover of Rs. 95 lakh.
54. Which of the following is not a supply of services?
- a) Renting of Commercial Office Complex

- b) Payment of Non-Compete Fee by an ex-employee to his previous employer
- c) Repairing of Mobile Phone
- d) Permanent transfer of business assets on which ITC is availed