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

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

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

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

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

6. Rs.2 lakh is paid to Mr. Vallish, a resident individual on 15.3.2019 by the State of Haryana on compulsory acquisition of his urban agricultural land.
   (a) No tax is deductible at source
(b) Tax is deductible @ 1%
(c) Tax is deductible @ 5%
(d) Tax is deductible @ 10%

7. Which of the following statements is not true with respect to the A.Y. 2019-20:
   (a) No exemption under section 80TTA would be available to resident senior citizens
   (b) Share of profit will not be exempt in the hands of partner, if firm claims exemption of income under section 10AA
   (c) Exemption will be available in respect of STT paid long term capital gains of Rs. 90,000 on 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. 3,25,000 for A.Y. 2019-20, comprising of his salary income and income from house property. His tax liability for A.Y. 2019-20 would be –
   (a) Rs. 3,900
   (b) Rs. 1,300
   (c) Rs. 2,600
   (d) Nil

10. Mr. Shaleen, a businessman, whose total income (before allowing deduction under section 80GG) for A.Y. 2019-20 is Rs. 4,60,000, paid house rent at Rs. 12,000 p.m. in respect of residential accommodation occupied by him at Chennai. The deduction allowable to him under section 80GG for A.Y. 2019-20 is
    (a) Rs. 98,000
    (b) Rs. 1,15,000
    (c) Rs. 60,000
    (d) Rs. 24,000

11. Mr. Shiva made a donation of Rs. 50,000 to National Children's Fund and Rs. 20,000 to Rajiv Gandhi Foundation by cheque. He made a cash donation of Rs. 10,000 to a public charitable trust. The deduction allowable to him under section 80G for A.Y. 2019-20 is
    (a) Rs. 80,000
    (b) Rs. 70,000
    (c) Rs. 60,000
    (d) Rs. 35,000

12. Who can verify the return of income of a non-resident company?
    (a) Managing Director of the company
13. Which of the following returns can be revised under section 139(5)?
   (a) Only a return of income filed u/s 139(1)
   (b) A return of income filed u/s 139(1) or a belated return filed u/s 139(4)
   (c) A return of income filed u/s 139(1) or a return of loss filed u/s 139(3)
   (d) A return filed u/s 139(1) or u/s 139(3) or u/s 139(4)

14. A registered firm pays salary and interest on capital to its resident partners. The salary and interest paid fall within the limits specified in section 40(b). Which of the following statements is true?
   (a) Tax has to be deducted u/s 192 on salary and u/s 194A on interest
   (b) Tax has to be deducted u/s 192 on salary but no tax needs to be deducted on interest
   (c) No tax has to be deducted on salary but tax has to be deducted u/s 194A on interest
   (d) No tax has to be deducted at source on either salary or interest

15. Mr. X, a resident, is due to receive Rs.4.50 lakhs on 31.3.2019, towards maturity proceeds of LIC policy taken on 1.4.2016, for which the sum assured is Rs.4 lakhs and the annual premium is Rs.1,25,000. Mr. Z, a resident, is due to receive Rs.95,000 on 1.10.2018 towards maturity proceeds of LIC policy taken on 1.10.2012 for which the sum assured is Rs.90,000 and the annual premium is Rs.10,000.
   (a) Tax is required to be deducted on maturity proceeds payable to Mr. X and Mr. Z
   (b) Tax is required to be deducted on maturity proceeds payable to Mr. X
   (c) Tax is required to be deducted on maturity proceeds payable to Mr. Z
   (d) No tax is required to be deducted on maturity proceeds payable to either Mr. X or Mr. Z

16. For the purposes of computing exemption under section 10(10), in case of Mr. Anand, an employee of ABC Ltd., who is covered by the Payment of Gratuity Act, 1972, "salary" includes –
   (a) only basic pay
   (b) basic pay and dearness allowance, if provided in the terms of employment
   (c) basic pay and dearness allowance
   (d) basic pay, dearness allowance and commission as a fixed percentage of turnover

17. Provision of rent free accommodation and motor car owned by Beta Ltd. to its employee Mr. Anand, where motor car is allowed to be used by Mr. Anand both for official and personal purposes, is a -
   (a) perquisite taxable in case of all employees
   (b) perquisite taxable only in case of specified employees
   (c) perquisite of rent free accommodation is taxable in case of all employees whereas perquisite of motor car is taxable only in case of specified employees
   (d) perquisite of rent free accommodation is taxable only in case of specified employees whereas perquisite of motor car is taxable in case of all employees

18. In respect of loss from house property, which of the following statements are correct?
While computing income from any house property, the maximum interest deduction allowable under section 24 is Rs.2 lakhs.

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.

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).

All of the above

19. Mr. Ravi incurred loss of Rs.4 lakh in the P.Y.2018-19 in retail trade business. Against which of the following incomes earned during the same year, can he set-off such loss?
(a) profit of Rs.1 lakh from wholesale cloth business
(b) long-term capital gains of Rs.1.50 lakhs on sale of land
(c) speculative business income of Rs.40,000
(d) All of the above

20. Mr. Harish, aged 40 years, earned income of Rs.15,000 during P.Y. 2018-19 from post office savings bank account. What portion of such income would be ultimately included in his total income?
(a) Rs.15,000
(b) Rs.5,000
(c) Rs.1,500
(d) Nil

21. A member of parliament is entitled to salary, constituency allowance and daily allowance when the Parliament is in session. Which of the following statements are correct?
(a) His entire income is taxable under the head "Salaries"
(b) Only his salary component is taxable under the head "Salaries". Constituency allowance and daily allowance are exempt.
(c) Only his salary component is taxable under the head "Income from other sources". Constituency allowance and daily allowance are exempt.
(d) His salary component and constituency allowance is taxable under the head "Income from other sources". Daily allowance is exempt.

22. 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.

23. 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.

24. The benefit of payment of advance tax in one installment on or before 15th March is available to assesses 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

25. M/S Mohan & Sons paid Rs.35,000 to Mr. Goel on 01.05.2018 towards fee for legal advisory services without deduction of tax at source. Another payment of Rs.47,000 was due to Mr. Goel on 31.07.2018 and TDS on entire amount (i.e. Rs.35,000 plus Rs.47,000) was deducted and then the net amount was paid. However, the total tax deducted was deposited on 15.11.2018. The interest chargeable under section 201(1A) will be:
   (a) Rs.650
   (b) Rs.433
   (c) Rs.486
   (d) Rs.597

26. Jenny has invested in debt securities of Haryali Pvt. Ltd., a company deriving its main source of income from business of growing and processing organic vegetables and fruits. Thus, the company has 80% of income exempt as agricultural income and 20% is taxable as business income. During the P.Y. 2018-19, Jenny derived Rs.5,000 as interest income from the above investments. Which of the following statements are correct on taxability:
   (a) Interest will be exempt from tax to the extent of 80%, since Hariyali Pvt. Ltd has 80% exempted income.
   (b) Interest will be exempt from tax to the extent of 20%, since Hariyali Pvt. Ltd has claimed 80% of income as exempt.
   (c) Interest will be fully taxable
   (d) Interest will be fully exempt

27. Virat, runs a business of manufacturing of shoes in P.Y. 2016-17. During the P.Y. 2016-17 and P.Y. 2017-18, Virat had incurred business losses. For P.Y. 2018-19, 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. 2016-17, then loss for P.Y. 2017-18 and then unabsorbed depreciation, if any, income is available for adjustment.
   (b) First adjustment for loss of P.Y. 2017-18, then loss for P.Y. 2016-17 and then unabsorbed depreciation, if any, income is available for adjustment.
   (c) First adjustment for unabsorbed depreciation, then loss of P.Y. 2017-18 and then loss for P.Y. 2016-17, if any, income is available for adjustment
   (d) First adjustment for unabsorbed depreciation, then loss of P.Y. 2016-17 and then loss for P.Y. 2017-18, if any, income is available for adjustment
28. 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.

29. Mr. Joe, a foreign national, working with Mint Inc., a USA company, came India during the P.Y. 2018-19 for rendering services on behalf of the employer. He wishes to claim his salary income earned during his stay in India as exempt. Which of the following conditions are NOT necessary to be fulfilled to claim such remuneration as exempt income
   (a) Mint Inc. Is not engaged in a business activity in India.
   (b) Mr. Joe should be an overseas citizen of India
   (c) Mr. Joe stay in India should not exceed 90 days during the P.Y. 2018-19
   (d) Remuneration received by Mr. Joe is not liable to be deducted from Mint Inc.'s income chargeable to tax under the Act

30. Mr. Anuj, a businessman, whose total income (after allowing deduction under chapter VI-A except under section 80GG) for AY 2019-20 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. 2019-20 is:
   (a) Rs.48,500
   (b) Rs.1,48,750
   (c) Rs.60,000
   (d) Rs.1,08,000

31. Sujata, aged 16 years, received scholarship of Rs.50,000 during the previous year 2018-19. 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

32. M/S Thakural & Sons, paid Rs.11,00,000 as remuneration to its partner. 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

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33. Mr. Warner, an Indian citizen and a Government employee, left India for the first time on 31.01.2018 on account of his transfer to High Commission in United Kingdom. During P.Y. 2018-19, he visited India only for a week on occasion of his brother marriage. During F.Y. 2018-19, his income composition includes salary, foreign allowances, rent from property in Singapore and interest earned from fixed deposits maintained with SBI. His taxable income for P.Y. 2018-19 will include:
(a) All of them, since Mr. Warner is a resident in India, hence his global income will be taxable
(b) Only interest earned from fixed deposits maintained in India
(c) No income shall be taxable since Mr. Warner is a non-resident in India for P.Y. 2018-19
(d) Salary and interest income of fixed deposits with SBI

34. Ashok took possession of property on 31st August 2018 booked by him three years back at Rs.25 lakhs, The Stamp Duty Value (SDV) of the property as on 31st August 2018 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. 2018-19
(b) Rs.4 lakhs in P.Y. 2015-16
(c) Rs.6 lakhs in P.Y. 2018-19
(d) No income shall be taxable, since down payment was paid by A/c cheque while booking the property

35. 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.

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