

## MULTIPLE CHOICE QUESTIONS FOR MCOM - (MC3C12)

### INCOME TAX LAW AND PRACTICE

1. *The term salary includes:*
  - a. wages
  - b. Gratuity
  - c. Advance of salary
  - d. all of the above
2. *Profits or gains arising from the transfer of a capital asset is called.....?*
  - a. capital gains
  - b. capital asset
  - c. capital loss
  - d. none of these
3. *Income from other sources includes:*
  - a. lottery income
  - b. cross word puzzle
  - c. races
  - d. all of these
4. *Income deemed to accrue or arise in India is taxable in case of;*
  - a. Resident only
  - b. both resident and not ordinarily resident
  - c. nonresident
  - d. all of the above
5. *The cost of inflation index number of the previous year 2008-2009 is.....*
  - a. 480
  - b. 519
  - c. 551
  - d. 582
6. *Deduction U/S 80 c is allowed from*
  - a. GTI
  - b. total income
  - c. tax on total income
  - d. balance sheet
7. *Salary due but not yet received is known as .....*
  - a. arrears of salary
  - b. advance of salary
  - c. commuted salary
  - d. none of these
8. *Perquisites are.....*
  - a. payment
  - b. fees
  - c. profit
  - d. all of the above
9. *..... is a provident fund which is not recognized by commissioner of income tax*
  - a. statutory PF
  - b. public PF
  - c. recognized PF
  - d. un recognized PF
10. *Deduction under 80ccc is allowed to the extend of*
  - a. 2 lacs
  - b. 1 lack
  - c. 4 lack
  - d. 5 lack

**11. Agricultural income is :**

- a. fully exempt
- b. partially exempt
- c. fully taxable
- d. partially taxable

**12. Residential status to be determined for**

- a. previous year
- b. assessment year
- c. accounting year
- d. None

**13. Education cess is leviable in case of:**

- a. An individual and HUF
- b. A company assessee only
- c. All assessees
- d. None of these

**14. Tax Audit is compulsory in case of a person is carrying on business whose gross turnover / sales / receipt, as the case may be, exceeds;**

- a. 10 lakh
- b. 40 lakh,
- c. 1 crore
- d. 20 lakh

**15. where the entire block of the depreciate asset is transferred after 36 months, there will be;**

- a. short-term capital gain
- b. long term capital gain
- c. short-term capital gain or loss
- d. long term capital gain or loss

**Answer key**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
d	a	d	d	d	a	a	d	d	b	a	a	c	b	c