

MOCK MCQ TEST

**SUBJECT: INCOME TAX LAW &
PRACTICES**

PAPER CODE: BCOM 301

DELHI INSTITUTE OF ADVANCED STUDIES

FOR PRIVATE CIRCULATION

The Questions and Answers contained in this document have been prepared by the faculty of the Institute from the sources believed to be reliable. Neither the Institute nor the faculty gives any guarantee with respect to completeness or accuracy of the contents contained in the document and shall in no event be liable for any errors, omissions or damages arising out of use of the matter contained in the document. The Institute and the faculty specifically disclaim any implied warranty as to merchantability or fitness of the information for any particular purpose.

DELHI INSTITUTE OF ADVANCED STUDIES

MULTIPLE CHOICE QUESTIONS

Subject: Income Tax Law & Practices

Paper Code: BCOM 301

1. The Income Tax Act, was enacted in:
(A) 1921
(B) 1951
(C) 1961
(D) 1981
2. Mr. X has started his business from 2nd Sept, 2019 and does not have any other source of Income, his first previous year will start from
(A) 1st April, 2019
(B) 2nd September, 2019
(C) Any of the above
(D) None of the above
3. In Assessment year, the tax will be calculated at
(A) current year rate
(B) previous year rate
(C) previous to previous year rate
(D) none of the above
4. Assessee means a person from whom
(A) Tax is to be collected
(B) Tds is to be deducted
(C) Advance tax is collected
(D) all of the above
5. Agriculture income is exempt in India:
(A) True
(B) False
(C) Somewhat agree
(D) Neither of them
6. Agricultural income from foreign is taxable
(A) True
(B) False
(C) Somewhat agree
(D) Neither of them
7. Sale of land is a
(A) Capital Receipt
(B) Revenue Receipt
(C) Both of the above
(D) Neither of the above

8. Sales of goods is a
(A) Revenue Receipt
(B) Capital Receipt
(C) Both of the above
(D) Neither of the above
9. As the income goes up, the slab of income tax rate goes
(A) up
(B) down
(C) moderate
(D) fluctuate
10. The financial year starts from
(A) 1st Jan to 31st Dec
(B) 1st April to 31st March
(C) 1st Oct to 30th September
(D) 1st July to 31st August
11. Person includes
(A) AOP
(B) BOI
(C) Company
(D) All of the above
12. Income tax is paid by every individual depending on his
(A) citizenship
(B) residential status
(C) both of the above
(D) neither of the above
13. Income tax is a
(A) Direct tax
(B) Indirect tax
(C) Neither of the above
(D) Both of the above
14. Income tax is collected by
(A) state government
(B) central government
(C) Semi-Government
(D) All of the above
15. Assessee includes any person in respect of whom:
(A) who is liable to pay tax
(B) any person in respect of whom proceedings under the Act have been started
(C) any person who is deemed to be an assessee
(D) all of the above
16. The residential status of an Individual can be:
(A) Resident and Ordinary Resident
(B) Resident but not ordinary resident
(C) Non resident
(D) All of the above

17. Citizenship is the criteria of assessment
(A) true
(B) false
(C) somewhat agree
(D) partially correct
18. An individual is said to be resident in India if he stays for_ days during the previous year
(A) 180
(B) 182
(C) 183
(D) 184
19. Income received or deemed to be received in India is taxable for
(A) ROR
(B) RNOR
(C) NR
(D) All of the above
20. Gifts received from relatives on the occasion of marriage would be
(A) taxable
(B) exempted
(C) both of the above
(D) Neither of the above
21. Gifts received from others on the occasion other than marriage would be taxable if the aggregate amount exceeds
(A) Rs 50,000
(B) Rs 51,000
(C) Rs 52,000
(D) Neither of the above
22. As the income goes down, the slab of income tax rate goes
(A) up
(B) down
(C) moderate
(D) fluctuate
23. The calendar year starts from
(A) 1st Jan to 31st Dec
(B) 1st April to 31st March
(C) 1st Oct to 30th September
(D) 1st July to 31st August
24. Receipt of Income and remittance of income are different things
(A) True
(B) False
(C) Somewhat agree
(D) All of the above

25. Ordinary resident must stay in India for_ days during the previous year
(A) 60 days
(B) 65 days
(C) 70 days
(D) neither of the above
26. A resident must stay in India for 730 days during the previous
(A)6 years
(B)8 years
(C)7 years
(D)9 years
27. A person is said to be of Indian origin if he or his parent were born in
(A)undivided india
(B) divided india
(C)partitioned india
(D)Neither of the above
28. Receipt by a member from HUF is fully exempt
(A) true
(B) false
(C) somewhat agree
(D) all of the above
29. Income of minor child clubbed with the income of parents gets an exemption of
(A) Rs 1500
(B) Rs 3000
(C) Rs 4000
(D)Rs 2000
- 30.To determine the residential status of HUF, the residential status of
(A) member is considered
(B) karta is considered
(C) co-parceners is considered
(D) neither of the above
- 31.GST is a.....
(A)Professional tax
(B)Direct tax
(C) Indirect tax
(D) Service tax
- 32.A person with the age of or more is considered as a super senior citizen as per Income tax Act.
(A)56
(B)60
(C)80
(D)85
33. Assessment year is the period of 12 months commencing from_every year.
(A)1stMarch
(B)31stMarch
(C)1stApril

(D) 30th April

34. Expenditure incurred on exempted income is as deduction.

- (A) Fully Allowed
- (B) Partly Allowed
- (C) Not Allowed
- (D) None of these

DELHI INSTITUTE OF ADVANCED STUDIES



DELHI INSTITUTE OF ADVANCED STUDIES

Plot No. 6, Sector-25, Rohini, Delhi-110085

(Approved by AICTE & Affiliated with GGSIP University for B.Com(H), BBA, MBA & MBA (FM) Programmes)

(An ISO 9001:2015 Certified Institution)

35. HRA is.....
- (A) Fully Taxable
 - (B) Partly Taxable
 - (C) Fully Exempted
 - (D) None of these
36. If the assessee is living in own house HRA is.....
- (A) Fully Taxable
 - (B) Partly Taxable
 - (C) Fully Exempted
 - (D) None of these
37. Children education allowance is exempt up to per month per child for two children.
- (A) Rs.100
 - (B) Rs.150
 - (C) Rs.200
 - (D) Rs.250
38. Children hostel allowance is exempt up to per month per child for
- (A) 2 child
 - (B) 3 child
 - (C) 4 child
 - (D) 7 child
39. Transport allowance given by the employer to the employee is exempt up to.....
- (A) Rs.1000p.m
 - (B) Rs.1600p.m
 - (C) Rs.1000p.a
 - (D) Rs.1600p.a
40. Education allowance is exempted for.....
- (A) One person
 - (B) Four persons
 - (C) Two persons
 - (D) None of these
41. Gratuity received by a government employee is.....
- (A) Fully exempted
 - (B) Partly exempted
 - (C) Fully taxable
 - (D) Exempted up to Rs:1,00,000
42. The periodic payment of money for the past service is known as.....
- (A) Gratuity
 - (B) Pension



DELHI INSTITUTE OF ADVANCED STUDIES

Plot No. 6, Sector-25, Rohini, Delhi-110085

(Approved by AICTE & Affiliated with GGSIP University for B.Com(H), BBA, MBA & MBA (FM) Programmes)
(An ISO 9001:2015 Certified Institution)

- (C) Commuted pension
- (D) Leave salary

43. Pension is taxable under head.

- (A) Salary
- (B) House property
- (C) Capital gains
- (D) other sources

44. Which of the following is not included in salary income.

- (A) Commuted pension
- (B) Un commuted pension
- (C) Family pension
- (D) Leave salary

45. Dearness allowance is taxable in the hands of.....

- (A) Govt employees
- (B) Non Govt employees
- (C) All employees.
- (D) None of these.

46. Deduction under section 80 C is available for investments in

- (A) Unit link insurance plan
- (B) LIC
- (C) Statutory provident fund
- (D) All of these

47. Deduction under section 80 CCD is available to investment made in the fund of

- (A) State government
- (B) Deemed government
- (C) Central govt.
- (D) None of these

48. Maximum deduction under section 80CCE is subject to a maximum of

- (A) Rs. 5,00,000.
- (B) Rs. 2,00,000.
- (C) Rs. 1,00,000.
- (D) Rs. 1,50,000.

49. Deduction under section 80D is available on

- (A) Health Insurance Premium
- (B) Life Insurance Premium
- (C) Education Insurance Premium
- (D) None of these



DELHI INSTITUTE OF ADVANCED STUDIES

Plot No. 6, Sector-25, Rohini, Delhi-110085

(Approved by AICTE & Affiliated with GGSIP University for B.Com(H), BBA, MBA & MBA (FM) Programmes)
(An ISO 9001:2015 Certified Institution)

50. Deduction under section 80 D is subject to
(A) 25,000
(B) 50,000
(C) 70,000
(D) None of these
51. Deduction under section 80DD is available to
(A) dependent
(B) disabled dependent
(C) Less dependent
(D) None of these
52. Deduction under sec 80DD is available to the extent of
(A) Rs 75,000
(B) Rs 50,000
(C) Rs 25,000
(D) None of these
53. Deduction under section 80DDB is available to the extent of
(A) 40,000
(B) 20,000
(C) 30,000
(D) None of these
54. Deduction under section 80E is available on
(A) education
(B) health
(C) life
(D) none of these
55. Deduction under 80 QQB is available in respect of
(A) royalty income
(B) health
(C) education
(D) none of these
56. Every assessee has to file return of income if their taxable income exceeds
(A) gross total income
(B) total income
(C) net income
(D) basic exemption limit
57. The due date of filing return of income in case of company is
(A) 30th September
(B) 31st March



DELHI INSTITUTE OF ADVANCED STUDIES

Plot No. 6, Sector-25, Rohini, Delhi-110085

(Approved by AICTE & Affiliated with GGSIP University for B.Com(H), BBA, MBA & MBA (FM) Programmes)
(An ISO 9001:2015 Certified Institution)

- (C) 1st april
(D) none of these

58. if total income is up to 50,000 then the late fees of filing ROI IS
(A) 1,000
(B) 2,000
(C) 3,000
(D) NONE OF THESE

59. If total income is up to 5,00,000 then the late fees of filing ROI is
(A) 1,000
(B) 5,000
(C) 3,000
(D) NONE OF THESE

60. Sales tax collected from the buyer of the goods is
(A) Capital receipt
(B) Revenue receipt
(C) Deferred revenue receipt
(D) Profits in lieu of salary

ANSWER KEY

1.(C)	2.(B)	3.(A)	4.(D)	5.(A)	6.(A)	7.(A)	8.(A)	9.(A)	10.(B)	11.(D)
12.(B)	13.(A)	14.(B)	15.(D)	16.(D)	17.(A)	18.(B)	19.(D)	20.(B)	21.(A)	22.(B)
23.(A)	24.(A)	25.(A)	26.(C)	27.(A)	28.(A)	29.(A)	30.(B)	31.(C)	32.(C)	33.(C)
34.(A)	35.(B)	36.(A)	37.(A)	38.(A)	39.(B)	40.(C)	41.(A)	42.(B)	43.(A)	44.(C)
45.(D)	46.(D)	47.(C)	48.(D)	49.(A)	50.(A)	51.(B)	52.(A)	53.(A)	54.(A)	55.(A)
56.(D)	57.(A)	58.(A)	59.(B)	60.(D)						



DELHI INSTITUTE OF ADVANCED STUDIES

Plot No. 6, Sector-25, Rohini, Delhi-110085

(Approved by AICTE & Affiliated with GGSIP University for B.Com(H), BBA, MBA & MBA (FM) Programmes)

(An ISO 9001:2015 Certified Institution)

DELHI INSTITUTE OF ADVANCED STUDIES