

INCOME TAX - MCQs - "SERIES C"

120 MCQs [Past ICAI MCQs]

CA INTER SEPT 2024 & JAN 2025 EXAMS

ASSESSMENT YEAR 2024-25

For Admission / Inquiry - WhatsApp at 8527230445 (10am to 2pm)

1. For A.Y. 2024-25, Mr. Hari, a resident Indian, earns income of ₹ 10 lakhs from sale of rubber manufactured from latex obtained from rubber plants grown by him in India and ₹ 15 lakhs from sale of rubber manufactured from latex obtained from rubber plants grown by him in Malaysia. What would be his business income chargeable to tax in India, assuming he has no other business?
- (a) ₹ 3,50,000
 - (b) ₹ 4,00,000
 - (c) ₹ 8,75,000
 - (d) ₹ 18,50,000

Answer: Option (d) [SATC Hint: Refer Rule 7A (Agricultural Income)]

2. [Important] Ms. Sowmya has three farm buildings situated in the immediate vicinity of a rural agricultural land. In the P.Y. 2023-24, she earned ₹ 3 lakh from letting out her farm building 1 for storage of food grains, ₹ 10 lakh from letting out her farm building 2 for storage of dairy products and ₹ 15 lakh from letting out her farm building 3 for residential purposes of Mr. Sumanth, whose food grain produce is stored in farm building 1.

What is the amount of agricultural income exempt from income-tax?

- (a) Nil
- (b) ₹ 3,00,000
- (c) ₹ 13,00,000
- (d) ₹ 18,00,000

Answer: Option (b)

3. The Gupta HUF in Maharashtra comprises of Mr. Harsh Gupta, his wife Mrs. Nidhi Gupta, his son Mr. Deepak Gupta, his daughter-in-law Mrs. Deepti Gupta, his daughter Miss Preeti Gupta and his unmarried brother Mr. Gautam Gupta. Which of the members of the HUF are eligible for coparcenary rights?
- (a) Only Mr. Harsh Gupta, Mr. Gautam Gupta and Mr. Deepak Gupta
 - (b) Only Mr. Harsh Gupta, Mr. Gautam Gupta, Mr. Deepak Gupta and Miss Preeti Gupta
 - (c) Only Mr. Harsh Gupta, Mr. Gautam Gupta, Mr. Deepak Gupta, Mrs. Nidhi Gupta and Mrs. Deepti Gupta
 - (d) All the members are co-parceners

Answer: Option (b) [SATC Hint: Refer Page 14.1 of DT Volume II (21st Edition)]

4. Mr. Square, an Indian citizen, currently resides in Dubai. He came to India on a visit and his total stay in India during the F.Y. 2023-24 was 135 days. He is not liable to pay any tax in Dubai. Following is his details of stay in India in the preceding previous years:

Financial Year	Days of Stay in India
2022-23	100
2021-22	125
2020-21	106
2019-20	83
2018-19	78
2017-18	37
2016-17	40

What shall be his residential status for the P.Y. 2023-24 if his income (other than income from foreign sources) is ₹ 10 lakhs?

- (a) Resident but Not Ordinary Resident (RNOR)
- (b) Resident and Ordinary Resident
- (c) Non-resident
- (d) Deemed Resident but not ordinarily resident

Answer: Option (c)

5. Ashish earns the following income during the P.Y. 2023-24:

- Interest on U.K. Development Bonds (1/4th being received in India) : ₹ 4,00,000
- Capital gain on sale of a building located in India but received in Holland : ₹ 6,00,000

If Ashish is a resident but not ordinarily resident in India, then what will be amount of income chargeable to tax in India for A.Y. 2024-25?

- (a) ₹ 7,00,000
- (b) ₹ 10,00,000
- (c) ₹ 6,00,000
- (d) ₹ 1,00,000

Answer: Option (a)

6. **[Very Important]** Mr. Rajesh, aged 53 years, and his wife, Mrs. Sowmya, aged 50 years, are citizens of Country X. They are living in Country X since birth. They are not liable to tax in Country X. Both of them have keen interest in Indian Culture. Mr. Rajesh's parents and grandparents were born in Country X. Mrs. Sowmya visits India along with Mr. Rajesh for four months every year to be with her parents, who were born in Delhi and have always lived in Delhi. During their stay in India, they organize Cultural Programme in Delhi-NCR. Income of Mr. Rajesh and Mrs. Sowmya from the Indian sources for the P.Y. 2023-24 is ₹18 lakhs and ₹16 lakhs, respectively.

What is the residential status of Mr. Rajesh and Mrs. Sowmya for A.Y. 2024-25?

- (a) Both are resident and ordinarily resident in India
- (b) Both are non-resident in India
- (c) Mr. Rajesh is resident but not ordinarily resident in India and Mrs. Sowmya is non-resident.
- (d) Mrs. Sowmya is resident but not ordinarily resident in India and Mr. Rajesh is resident and ordinarily resident in India.

Answer: Option (d)

7. [Important] Who among the following will qualify as non-resident for the P.Y. 2023-24?

- Mr. Bob, an Italian dancer, came on visit to India to explore Indian dance on 15.09.2023 and left on 25.12.2023. For past four years, he visited India for dance competition and stayed in India for 120 days each year.
- Mr. Samrat born and settled in USA, visits India each year for 100 days to meet his parents and grandparents, born in India in 1946, living in Delhi. His Indian income is ₹15,20,000.
- Mr. Joseph, an American scientist, left India to his home country for fixed employment there. He stayed in India for study and research in medicines from 01.01.2018 till 01.07.2023.

Choose the correct answer

- (a) Mr. Bob and Mr. Joseph
- (b) Mr. Samrat
- (c) Mr. Bob, Mr. Samrat and Mr. Joseph
- (d) None of the three

Answer: Option (b)

8. Mr. Sushant is a person of Indian origin, residing in Canada. During P.Y. 2023-24, he visited India on several occasions and his period of stay, in total, amounted to 129 days during P.Y. 2023-24 and his period of stay in India during P.Y. 2022-23, P.Y. 2021-22, P.Y. 2020-21 and P.Y. 2019-20 was 135 days, 115 days, 95 days and 125 days respectively. He earned the following incomes during the P.Y. 2023-24:

Source of Income	Amount (₹)
Income received or deemed to be received in India	2,50,000
Income accruing or arising or which is deemed to accrue or arise in India	3,75,000
Income accruing or arising and received outside India from business controlled from India	5,50,000
Income accruing or arising and received outside India from business controlled outside India	6,50,000

What is the residential status of Mr. Sushant for A.Y. 2024-25 and his income liable to tax in India during A.Y. 2024-25?

- (a) Non-Resident; ₹6,25,000 is liable to tax in India
- (b) Resident and ordinary resident; ₹18,25,000 is liable to tax in India
- (c) Resident but not ordinarily resident; ₹11,75,000 is liable to tax in India
- (d) Non-Resident; ₹11,75,000 is liable to tax in India

Answer: Option (a)

9. Mr. Ramesh, a citizen of India, is employed in the Indian embassy in Australia. He is a non-resident for A.Y. 2024-25. He received salary and allowances in the Australia from the Government of India for the year ended 31.03.2024 for services rendered by him in Australia. In addition, he was allowed perquisites by the Government. Which of the following statements are correct?
- (a) Salary, allowances and perquisites received outside India are not taxable in the hands of Mr. Ramesh, since he is non-resident.
 - (b) Salary, allowances and perquisites received outside India by Mr. Ramesh are taxable in India since they are deemed to accrue or arise in India.
 - (c) Salary received by Mr. Ramesh is taxable in India but allowances and perquisites are exempt.
 - (d) Salary received by Mr. Ramesh is exempt in India but allowances and perquisites are taxable.

Answer: Option (c) [SATC Hint: Section 9(1)(iii) & Section 10(7)]

10. Anirudh stays in New Delhi. His basic salary is ₹ 10,000 p.m., D.A. (60% of which forms part of pay) is ₹ 6,000 p.m., HRA is ₹ 5,000 p.m. and he is entitled to a commission of 1% on the turnover achieved by him. Anirudh pays a rent of ₹ 5,500 p.m. The turnover achieved by him during the current year is ₹ 12 lakhs. The amount of HRA exempt under section 10(13A) is –
- (a) ₹ 48,480
 - (b) ₹ 45,600
 - (c) ₹ 49,680
 - (d) ₹ 46,800

Answer: Option (a)

11. Mr. Jagat is an employee in accounts department of Bharat Ltd., a cellular company operating in the regions of eastern India. It is engaged in manufacturing of cellular devices. During F.Y. 2023-24, following transactions were undertaken by Mr. Jagat:
- (i) He attended a seminar on "Perquisite Valuation". Seminar fees of ₹ 12,500 was paid by Bharat Ltd.
 - (ii) Tuition fees of Mr. Himanshu (son of Mr. Jagat) paid to private coaching classes (not having any tie-up with Bharat Ltd.) was reimbursed by Bharat Ltd. Amount of fees was ₹ 25,000.
 - (iii) Ms. Sapna (daughter of Mr. Jagat) studies in DPS Public School (owned and maintained by Bharat Ltd.). Tuition fees paid for Ms. Sapna was ₹ 750 per month by Mr. Jagat. Cost of education in similar institution is ₹ 5,250 per month.
- What shall be the amount which is chargeable to tax under the head "Salaries" in hands of Mr. Jagat for A.Y. 2024-25?
- (a) ₹ 25,000
 - (b) ₹ 37,500
 - (c) ₹ 66,500
 - (d) ₹ 79,000

Answer: Option (d) [₹ 25,000 + {₹ 5,250 - ₹ 750} x 12]

12. [Very Important] Mr. Karan completed his MBA in April 2023 and joined XYZ Ltd from 01.05.2023. His basic salary is ₹ 2,25,000 p.m. He is paid 12% of basic salary as D.A forming part of retirement benefits. He contributed 11% of his pay and D.A. towards recognized provident fund and the company contributes the same amount. Accumulated interest on provident fund as on 31.3.2024 is ₹ 49,325. What would be the income chargeable to tax under the head "Salaries" of Mr. Karan for the A.Y. 2024-25, if he has shifted out from section 115BAC?
- (a) ₹ 27,26,442
 - (b) ₹ 27,30,884
 - (c) ₹ 27,22,000
 - (d) ₹ 27,71,325

Answer: Option (a) [₹ 24,75,000 + ₹ 2,97,000 + ₹ 49,325 x ₹ 54,920 / (₹ 3,04,920 + ₹ 3,04,920)]

13. XYZ Pvt. Ltd. provides a car (below 1.6 ltr cc) along with a driver to Mr. Sanjay, employee of XYZ Pvt. Ltd., partly for official and partly for personal purpose. The expenses incurred by the company are: Running and maintenance expenses – ₹ 32,000 and driver's salary – ₹36,000. The taxable value of car facility for A.Y. 2024-25 will be –
- (a) ₹ 21,600
 - (b) ₹ 10,800
 - (c) ₹ 32,400
 - (d) ₹ 39,600

Answer: Option (c)

14. Mr. Raghav has three houses for self-occupation. What would be the tax treatment for A.Y. 2024-25 in respect of income from house property?
- (a) One house, at the option of Mr. Raghav, would be treated as self-occupied. The other two houses would be deemed to be let out.
 - (b) Two houses, at the option of Mr. Raghav, would be treated as self-occupied. The other house would be deemed to be let out.
 - (c) One house, at the option of Assessing Officer, would be treated as self-occupied. The other two houses would be deemed to be let out.
 - (d) Two houses, at the option of Assessing Officer, would be treated as self-occupied. The other house would be deemed to be let out.

Answer: Option (b)

15. Vidya received ₹ 90,000 in May, 2023 towards recovery of unrealised rent, which was deducted from actual rent during the P.Y. 2021-22 for determining annual value. Legal expense incurred in relation to unrealized rent is ₹ 20,000. The amount taxable under section 25A for A.Y. 2024-25 would be –
- (a) ₹ 70,000
 - (b) ₹ 63,000
 - (c) ₹ 90,000
 - (d) ₹ 49,000

Answer: Option (b)

16. Mr. Vikas took a loan of ₹ 15,00,000 @10% p.a. on 1-4-2021 for the construction of residential house for self-occupation. The construction of the house began in June, 2021 and was completed on 30-6-2023. He has not repaid any amount of loan so far. The amount of interest deduction u/s 24(b) for A.Y. 2024-25 is-
- (a) ₹ 1,50,000
 - (b) ₹ 1,80,000
 - (c) ₹ 2,00,000
 - (d) ₹ 2,10,000

Answer: Option (c)

17. Mr. X acquires an asset in the year 2018-19 for the use for scientific research for ₹ 2,75,000. He claimed deduction under section 35(1)(iv) in the previous year 2018-19. The asset was brought into use for the business of Mr. X in the P.Y. 2023-24, after the research was completed. The actual cost of the asset to be included in the block of assets is -
- (a) Nil
 - (b) Market value of the asset on the date of transfer to business
 - (c) ₹ 2,75,000 less notional depreciation under section 32 upto the date of transfer.
 - (d) Actual cost of the asset i.e., ₹ 2,75,000

Answer: Option (a) [SATC Hint: Refer Section 43(1)]

18. [Important] Mr. C aged 35 years is a working partner in M/s BCD, a partnership firm, with equal profit sharing ratio. During the P.Y. 2023-24, the firm has paid remuneration to Mr. B, Mr. C and Mr. D, being the working partners of the firm, of ₹ 2,00,000 each. The firm has paid interest on capital of ₹ 1,20,000 in toto to all the three partners and the same is within the prescribed limit of 12%. The firm had a loss of ₹ 1,12,000 after debiting remuneration and interest on capital.

Note – Remuneration and interest on capital is authorized by the partnership deed

You, being the tax consultant of Mr. C, are in the process of computing his total income. What would be his taxable remuneration from the firm?

- (a) ₹ 2,00,000
- (b) ₹ 1,51,600
- (c) ₹ 1,27,600
- (d) ₹ 1,50,000

Answer: Option (c)

19. Mr. Shahid, a wholesale supplier of dyes, provides you with the details of the following cash payments he made throughout the year –

- 12.06.2023: loan repayment of ₹ 27,000 taken for business purpose from his friend Kunal. The repayment also includes interest of ₹ 5,000.
- 19.08.2023: Portable dye machinery purchased for ₹ 15,000. The payment was made in cash in three weekly instalments.
- 26.01.2024: Payment of ₹ 10,000 made to electrician due to unforeseen electric circuit at shop
- 28.02.2024: Purchases made from unregistered dealer for ₹ 13,500

What will be disallowance under 40A(3), if any, if Mr. Shahid opts to declare his income as per the provisions of section 44AD?

- (a) ₹ 18,500
- (b) ₹ 28,500
- (c) ₹ 13,500
- (d) Nil

Answer: Option (d)

20. Mr. A, an eligible assessee, following mercantile system of accounting, carrying on eligible business u/s 44AD provides the following details:

- ◆ Total turnover for the F.Y. 2023-24 is ₹ 130 lakh
- ◆ Out of the above:
 - ₹ 25 lakh received by A/c payee cheque during the F.Y. 2023-24;
 - ₹ 50 lakh received by cash during the F.Y. 2023-24;
 - ₹ 25 lakh received by A/c payee bank draft before the due date of filing of return;
 - ₹ 30 lakh not received till due date of filing of return.

What shall be the amount of deemed profits of Mr. A under section 44AD(1) for A.Y. 2024-25?

- (a) ₹ 10.4 lakh
- (b) ₹ 7.0 lakh
- (c) ₹ 5.5 lakh
- (d) ₹ 9.4 lakh

Answer: Option (d)

21. A building was acquired on 1.4.1995 for ₹ 20,00,000 and sold for ₹ 80,00,000 on 01.06.2023. The fair market value of the building on 1.4.2001 was ₹ 25,00,000. Its stamp duty value on the same date was ₹ 22,00,000. Determine the capital gains on sale of such building for the A.Y. 2024-25?

CII for F.Y. 2001-02: 100; F.Y. 2023-24: 348

- (a) ₹ 3,44,000
- (b) ₹ 13,80,000
- (c) ₹ 60,00,000
- (d) ₹ 2,75,000

Answer: Option (a)

22. [Important] In PY 2023-24, Mr. A has transferred the following assets:

Asset transferred	Full Value of Consideration (₹)	Indexed Cost of Acquisition (₹)	Transfer Date
Residential house property	8 crores	6 crores	25.11.2023
Jewellery	3 crores	2 crores	05.01.2024

Mr. A bought a new residential house property on 01.04.2022 for ₹ 1 crore and on 28.02.2024 deposited ₹ 3 crores in a capital gains deposit account scheme. On 30.07.2024, Mr. A has withdrawn ₹ 3 crores from capital gains deposit account and acquired a residential house property worth ₹ 2.5 crore. What would be the capital gains in the hands of Mr. A for A.Y. 2024-25, if the expenses in connection with transfer of jewellery were ₹ 2,00,000?

- (a) ₹ 80,50,000
- (b) ₹ 81,55,705
- (c) ₹ 98,00,000
- (d) ₹ 48,00,000

Answer: Option (b) [SATC Hint: Sec 54F – $98,00,000 \times 50,00,000 / 298,00,000$]

23. [Important] Mr. Vishal and Mr. Guha sold their residential house property in Pune for ₹ 3 crore and ₹ 4 crore, respectively, in January, 2024. The house property was purchased by them 25 months back. The indexed cost of acquisition is ₹ 1 crore and ₹ 1.75 crore, respectively. Mr. Vishal purchased two residential flats, one in Delhi and one in Agra for ₹ 70 lakhs and ₹ 80 lakhs, respectively, in April, 2024. On the same date, Mr. Guha also purchased two residential flats, one in Mumbai and the other in Pune, for ₹ 80 lakhs and ₹ 75 lakhs, respectively. Both of them invested ₹ 30 lakhs in bonds of NHAI in March, 2024 and ₹ 30 lakhs in bonds of RECL in April, 2024. What is the income taxable under the head "Capital Gains" for A.Y. 2024-25 in the hands of Mr. Vishal and Mr. Guha?

- (a) ₹ 70 lakhs and ₹ 95 lakhs, respectively
- (b) ₹ 60 lakhs and ₹ 85 lakhs, respectively
- (c) Nil and ₹ 95 lakhs, respectively
- (d) Nil and ₹ 20 lakhs, respectively

Answer: Option (c)

24. Mr. Ram, an Indian resident, purchased a residential house property at Gwalior on 28.05.1999 for ₹ 28.5 lakhs. The fair market value and the stamp duty value of such house property as on 1.4.2001 was ₹ 33.5 lakhs and ₹ 32.4 lakhs, respectively. On 05.02.2012, Mr. Ram entered into an agreement with Mr. Byomkesh for sale of such property for ₹ 74 lakhs and received an amount of ₹ 3.9 lakhs as advance. However, as Mr. Byomkesh did not pay the balance amount, Mr. Ram forfeited the advance. What would be the indexed cost of acquisition of Mr. Ram if he sells the property in F.Y. 2023-24?

Cost Inflation Index for F.Y. 2001-02: 100; F.Y. 2023-24: 348

- (a) ₹ 1,10,88,500
- (b) ₹ 1,03,34,400
- (c) ₹ 97,97,600
- (d) ₹ 99,18,000

Answer: Option (d)

25. Mr. X aged, 61 years, received dividend of ₹ 12,00,000 from ABC Ltd. in P.Y. 2023-24. Interest on loan taken for the purpose of investment in ABC Ltd., is ₹ 3,00,000. Income included in the hands of Mr. X for P.Y. 2023-24 would be -
- (a) ₹ 12,00,000
 - (b) ₹ 9,60,000
 - (c) ₹ 9,00,000
 - (d) ₹ 2,00,000

Answer: Option (b)

26. Mr. Vikas transferred 600 unlisted shares of XYZ (P) Ltd. to ABC (P) Ltd. on 15.12.2023 for ₹ 3,50,000 when its fair market value was ₹ 5,15,000. The indexed cost of acquisition of shares for Mr. Vikas was computed at ₹ 4,25,000.

Determine the income chargeable to tax in the hands of Mr. Vikas and ABC (P) Ltd. in respect of the above transaction.

- (a) ₹ 90,000 chargeable to tax in the hands of Mr. Vikas as long-term capital gains and nothing is taxable in the hands of ABC (P) Ltd.
- (b) ₹ 75,000 chargeable to tax in the hands of Mr. Vikas as long-term capital gains and nothing is taxable in the hands of ABC (P) Ltd.
- (c) ₹ 90,000 chargeable to tax in the hands of Mr. Vikas as long-term capital gains and ₹ 1,65,000 is taxable under the head "Income from other sources" in the hands of ABC (P) Ltd.
- (d) ₹ 75,000 chargeable to tax in the hands of Mr. Vikas as long-term capital gains and ₹ 1,65,000 is taxable under the head "Income from other sources" in the hands of ABC (P) Ltd.

Answer: Option (c)

27. Mr. Vikas received a gold ring worth ₹ 60,000 on the occasion of his daughter's wedding from his best friend Mr. Vishnu. Mr. Vishnu also gifted a gold chain to Kavya, daughter of Mr. Vikas, worth ₹ 80,000 on the said occasion. Would such gifts be taxable in the hands of Mr. Vikas and Ms. Kavya?
- (a) Yes, the gift of gold ring and gold chain is taxable in the hands of Mr. Vikas and Ms. Kavya, respectively
 - (b) Such gifts are not taxable in the hands of Mr. Vikas nor in the hands of Ms. Kavya
 - (c) Value of gold ring is taxable in the hands of Mr. Vikas but value of gold chain is not taxable in the hands of Ms. Kavya
 - (d) Value of gold chain is taxable in the hands of Ms. Kavya but value of gold ring is not taxable in the hands of Mr. Vikas

Answer: Option (c)

28. If the converted property is subsequently partitioned among the members of the family, the income derived from such converted property as is received by the spouse of the transferor will be taxable -
- (a) as the income of the karta of the HUF
 - (b) as the income of the spouse of the transferor
 - (c) as the income of the HUF.
 - (d) as the income of the transferor-member

Answer: Option (d)

29. Ram owns 500, 15% debentures of Reliance Industries Ltd. of ₹ 500 each. Annual interest of ₹ 37,500 was declared on these debentures for P.Y. 2023-24. He transfers interest income to his friend Shyam, without transferring the ownership of these debentures. While filing return of income for A.Y. 2024-25, Shyam showed ₹ 37,500 as his income from debentures. As tax advisor of Shyam, do you agree with the tax treatment done by Shyam in his return of income?
- (a) Yes, since interest income was transferred to Shyam therefore, after transfer it becomes his income.
 - (b) No, since Ram has not transferred debentures to Shyam, interest income on the debentures is not taxable income of Shyam.
 - (c) Yes, if debentures are not transferred, interest income on debentures can be declared by anyone, Ram or Shyam, as taxable income depending upon their discretion.
 - (d) No, since Shyam should have shown the income as interest income received from Mr. Ram and not as interest income earned on debentures.

Answer: Option (b)

30. Mrs. Shivani, wife of Mr. Anurag, is a partner in a firm. Her capital contribution of ₹ 5 lakhs to the firm as on 1.4.2023 included ₹ 3.5 lakhs contributed out of gift received from Anurag. The firm paid interest on capital of ₹ 50,000 and share of profit of ₹ 60,000 during the F.Y. 2023-24. The entire interest has been allowed as deduction in the hands of the firm. Which of the following statements is correct?
- (a) Share of profit is exempt but interest on capital is taxable in the hands of Mrs. Shivani.
 - (b) Share of profit is exempt but interest of ₹ 39,286 is includible in the income of Mr. Anurag and interest of ₹ 10,714 is includible in the income of Mrs. Shivani.
 - (c) Share of profit is exempt but interest of ₹ 35,000 is includible in the income of Mr. Anurag and interest of ₹ 15,000 is includible in the income of Mrs. Shivani.
 - (d) Share of profit to the extent of ₹ 42,000 and interest on capital to the extent of ₹ 35,000 is includible in the hands of Mr. Anurag.

Answer: Option (c)

31. Mr. Arvind gifted a house property to his wife, Ms. Meena and a flat to his daughter-in law, Ms. Seetha. Both the properties were let out. Which of the following statements is 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.

Answer: Option (d)

32. [Important] Pankaj gifted an amount of ₹ 3,00,000 to his wife, Pinky and ₹ 2,00,000 to his daughter, Rinky aged 20 years, on 1st April 2020. Both Pinky and Rinky invested the amounts on the same date in Government of India 11% Taxable Bonds. The interest accrues yearly and is reinvested in the same bonds. Determine what will be the amount taxable in hands on Pinky for A.Y. 2024-25.

- (a) ₹ 4,473
- (b) ₹ 12,132
- (c) ₹ 33,000
- (d) ₹ 36,630

Answer: Option (b) [₹ 300,000 x 111% x 111% x 111% x 11% - ₹ 33,000]

33. According to section 80, no loss which has not been determined in pursuance of a return filed in accordance with the provisions of section 139(3), shall be carried forward. The exceptions to this are -

- (a) Loss from specified business under section 73A
- (b) Loss under the head "Capital Gains" and unabsorbed depreciation carried forward under section 32(2)
- (c) Loss from house property and unabsorbed depreciation carried forward under section 32(2)
- (d) Loss from speculation business under section 73

Answer: Option (c)

34. Brought forward loss from house property of ₹ 3,10,000 of A.Y. 2023-24 is allowed to be set-off against income from house property of A.Y. 2024-25 of ₹ 5,00,000 to the extent of -

- (a) ₹ 2,00,000
- (b) ₹ 3,10,000
- (c) ₹ 2,50,000
- (d) ₹ 1,00,000

Answer: Option (b)

35. The details of income/loss of Mr. Kumar for A.Y. 2024-25 are as follows:

Particulars	Amt. (in ₹)
Income from Salary (Computed)	5,20,000
Loss from self-occupied house property	95,000
Loss from let-out house property	2,25,000
Loss from specified business u/s 35AD	2,80,000
Loss from medical business	1,20,000
Long term capital gain	1,60,000
Income from other sources	80,000

What shall be the gross total income of Mr. Kumar for A.Y. 2024-25? Ignore Sec 115BAC.

- (a) ₹ 4,40,000
- (b) ₹ 3,20,000
- (c) ₹ 1,60,000
- (d) ₹ 4,80,000

Answer: Option (a)

36. [Amended] During the A.Y. 2024-25, Mr. Kabir has a loss of ₹ 6 lakhs under the head "Income from house property", loss of ₹ 5 lakhs from business of profession and income of ₹ 3 lakhs from long term capital gains. He filed his return of income for the A.Y. 2024-25 on 31.12.2024. Determine the total income of Mr. Kabir for A.Y. 2024-25 and the amount of loss which can be carried forward in a manner most beneficial to him?
- (a) Total income Nil; loss of ₹ 4,00,000 from house property and loss of ₹ 4,00,000 from business or profession.
 - (b) Total income ₹ 1,00,000; loss of ₹ 4,00,000 from house property.
 - (c) Total income Nil; **HP loss is not allowed to be carried forward under Sec 115BAC**
 - (d) Total income Nil; loss of ₹ 6,00,000 from house property.

Answer: Option (c) [Note: In case of belated return default tax regime i.e. Sec 115BAC is applicable.]

37. XYZ Ltd. has two units, one unit at Special Economic Zone (SEZ) and other unit at Domestic Tariff Area (DTA). The unit in SEZ was set up and started manufacturing from 12.3.2015 and unit in DTA from 15.6.2018. Total turnover of XYZ Ltd. and Unit in DTA is ₹ 8,50,00,000 and ₹ 3,25,00,000, respectively. Export sales of unit in SEZ and DTA is ₹ 2,50,00,000 and ₹ 1,25,00,000, respectively and net profit of Unit in SEZ and DTA is ₹ 80,00,000 and ₹ 45,00,000, respectively. XYZ Ltd. would be eligible for deduction under section 10AA for P.Y. 2023-24 for-
- (a) ₹ 38,09,524
 - (b) ₹ 19,04,762
 - (c) ₹ 23,52,941
 - (d) ₹ 11,76,471

Answer: Option (b) $[(80 \text{ Lakh} \times 250,00,000) / 525,00,000] \times 50\%$

38. Mr. Shiva made a donation of ₹ 50,000 to PM Cares Fund and ₹ 20,000 to Rajiv Gandhi Foundation by cheque. He made a cash donation of ₹ 10,000 to a public charitable trust. The deduction allowable to him under section 80G for A.Y. 2024-25 is -
- (a) ₹ 80,000
 - (b) ₹ 70,000
 - (c) ₹ 60,000
 - (d) ₹ 50,000

Answer: Option (d) [**SATC Hint:** Rajiv Gandhi Foundation is now **NOT** eligible for deduction]

39. [Important] Mr. Arpit, an employee of MNO Ltd. has contributed ₹ 1,61,280 towards NPS and similar amount is contributed by his employer. His basic salary is ₹ 80,000 p.m. and dearness allowance is 40% of basic salary which forms part of retirement benefits. He also paid ₹ 55,000 towards LIC premium for himself and his wife and medical insurance premium of ₹ 35,000 by crossed cheque for his mother, being a senior citizen during the previous year 2023-24. How much deduction is available under Chapter VI-A while computing total income of Mr. Arpit for the A.Y. 2024-25?
- (a) ₹ 3,46,280
 - (b) ₹ 3,69,400
 - (c) ₹ 3,19,400
 - (d) ₹ 3,96,280

Answer: Option (b) [**SATC Hint:** ₹ 150,000 + ₹ 50,000 + ₹ 134,400 + ₹ 35,000]

40. Mr. Ram acquired a house property at Chennai from Mr. Satyam, a resident, for a consideration of ₹ 85 lakhs, on 23.8.2023. On the same day, Mr. Ram made two separate transactions, thereby acquiring an urban plot in Gwalior from Mr. Vipun, a resident, for a sum of ₹ 50 lakhs and rural agricultural land from Mr. Danish, a resident, for a consideration of ₹ 75 lakhs. Which of the following statements are correct assuming that in the consideration amounts as aforementioned all the charges incidental to transfer of the immovable property are included?
- No tax deduction at source is required in respect of any of the three payments.
 - TDS@1% is attracted on all the three payments.
 - TDS@1% on ₹ 85 lakhs and ₹ 50 lakhs are attracted. No TDS on payment of ₹ 75 lakhs for acquisition of rural agricultural land
 - TDS@1% on ₹ 85 lakhs is attracted. No TDS on payments of ₹ 50 lakhs and ₹ 75 lakhs.

Answer: Option (c)

41. Mr. Nihar maintains a Savings A/c and a Current A/c in Mera Bank Ltd. The details of withdrawals on various dates during the previous year 2023-24 are as follows:

Date of Cash withdrawal	Saving Account	Current Account
05.04.2023	15,00,000	-
10.05.2023	-	22,00,000
25.06.2023	20,00,000	-
17.07.2023	-	5,00,000
28.10.2023	35,00,000	-
10.11.2023	-	38,00,000
12.12.2023	25,00,000	-

Mr. Nihar regularly files his return of income. Is Mera Bank Limited required to deduct tax at source on the withdrawals made by Mr. Nihar during the previous year 2023-24? If yes, what would the amount of tax deducted at source?

- TDS of ₹ 4,60,000 is required to be deducted
- No, TDS is not required to be deducted as the cash withdrawal does not exceed ₹ 1 crore neither in saving account nor in current account
- TDS of ₹ 3,00,000 is required to be deducted.
- TDS of ₹ 1,20,000 is required to be deducted.

Answer: Option (d)

42. **[Important]** Mr. Raj (a non-resident and aged 65 years) is a retired person, earning rental income of ₹ 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?
- Yes, he is liable to pay advance tax in India as he is a non- resident and his tax liability in India exceeds ₹ 10,000.
 - No, he is not liable to pay advance tax in India as his tax liability in India is less than ₹ 10,000.
 - 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" and he is of the age of 65 years.
 - Both (b) and (c)

Answer: Option (b)

43. **[Important]** Mr. Jha, an employee of FX Ltd, attained 60 years of age on 15.05.2023. He is resident in India during F.Y. 2023-24 and earned salary income of ₹ 5 lakhs (computed). During the year, he earned ₹ 7 lakhs from winning of lotteries. What shall be his advance tax liability for A.Y. 2024-25? Assume he has shifted out from section 115BAC.
- (a) ₹ 2,20,000 + Cess ₹ 8,800 = ₹ 2,28,800, being the tax payable on total income of ₹ 12 lakhs
 - (b) ₹ 2,10,000 + Cess ₹ 8,400 = ₹ 2,18,400, being the tax payable on lottery income of ₹ 7 lakhs
 - (c) ₹ 10,000 + Cess ₹ 400 = ₹ 10,400, being the net tax payable on salary income, since tax would have been deducted at source from lottery income.
 - (d) Nil

Answer: Option (d) [SATC: Senior Citizen & has no PGBP Income]

44. **[Important]** In which of the following transactions, quoting of PAN is mandatory by the person entering into the said transaction?
- I. Opening a Basic savings bank deposit account with a bank
 - II. Applying to a bank for issue of a credit card.
 - III. Payment of ₹ 40,000 to mutual fund for purchase of its units
 - IV. Cash deposit with a post office of ₹ 1,00,000 during a day.
 - V. A fixed deposit of ₹ 30,000 with a NBFC registered with RBI aggregating the total deposits to ₹ 3,50,000 for the F.Y upto to the date of this deposit made.
 - VI. Sale of shares of an unlisted company for an amount of ₹ 60,000

Choose the correct answer:

- (a) II, IV
- (b) II, III, IV
- (c) I, II, III, V, VI
- (d) II, IV, VI

Answer: Option (a)

45. Arun's gross total income of P.Y. 2023-24 is ₹ 2,45,000. He deposits ₹ 45,000 in PPF. He pays electricity bills aggregating to ₹ 1.20 lakhs in the P.Y. 2023-24. Which of the statements is correct?
- (a) Arun is not required to file his return of income u/s 139(1) for P.Y. 2023-24, since his total income before giving effect to deduction under section 80C does not exceed the basic exemption limit.
 - (b) Arun is not required to file his return of income u/s 139(1) for P.Y. 2023-24, since his electricity bills do not exceed ₹ 2,00,000 for the P.Y. 2023-24.
 - (c) Arun is not required to file his return of income u/s 139(1) for P.Y. 2023-24, since neither his total income before giving effect to deduction under section 80C exceeds the basic exemption limit nor his electricity bills exceed ₹ 2 lakh for the P.Y. 2023-24.
 - (d) Arun is required to file his return of income u/s 139(1) for P.Y. 2023-24, since his electricity bills exceed ₹ 1 lakh for the P.Y. 2023-24.

Answer: Option (d)

46. Mr. Dinesh, a resident in India, has gross total income of ₹ 2,30,000 comprising of interest on saving A/c and rental income during the previous year 2023-24. He incurred expenditure of ₹ 2,00,000 for his son for a study tour to Europe. Whether he is required to file return of income for the assessment year 2024-25? If yes, what is the due date?
- (a) Yes, 31st July of A.Y
 - (b) Yes, 30th September of A.Y
 - (c) Yes, 31st October of A.Y
 - (d) No, he is not required to file return of income

Answer: Option (d) [SATC Hint: Page 17.2]

47. Mr. Ajay is a recently qualified doctor. He joined a reputed hospital in Delhi on 01.01.2024. He earned total income of ₹ 3,40,000 till 31.03.2024. His employer advised him to claim rebate u/s 87A while filing return of income for A.Y. 2024-25. He approached his father, a tax professional, to enquire regarding what is rebate u/s 87A of the Act. What would have his father told him?
- (i) An individual who is resident in India and whose total income does not exceed ₹ 5,00,000 is entitled to claim rebate under section 87A.
 - (ii) An individual who is resident in India and whose total income does not exceed ₹ 3,50,000 is entitled to claim rebate under section 87A.
 - (iii) Maximum rebate allowable under section 87A is ₹ 5,000.
 - (iv) Rebate under section 87A is available in the form of exemption from total income.
 - (v) Maximum rebate allowable under section 87A is ₹ 12,500.
 - (vi) Rebate under section 87A is available in the form of deduction from basic tax liability.

Choose the correct option from the following:

- (a) (ii), (iii), (vi)
- (b) (i), (v), (vi)
- (c) (ii), (iii), (iv)
- (d) (i), (iv), (v)

Answer: Option (b)

48. Mr. Ritvik has purchased his First house in Gwalior for self-occupation on 5.4.2022 for ₹ 45 lakhs (stamp duty value being the same) with bank loan sanctioned on 30.3.2022 and disbursed on 3.4.2022. He paid interest of ₹ 3.8 lakhs during the P.Y. 2023-24. What is the tax treatment of interest paid by him?
- (a) Interest of ₹ 2 lakhs allowable u/s 24
 - (b) Interest of ₹ 2 lakhs allowable u/s 24 and ₹ 1.8 lakhs allowable u/s 80EEA
 - (c) Interest of ₹ 2 lakhs allowable u/s 24 and ₹ 1.5 lakhs allowable u/s 80EEA
 - (d) Interest of ₹ 1.5 lakhs allowable u/s 24 and ₹ 1.5 lakhs allowable u/s 80EEA

Answer: Option (c)

49. Mr. Bandu, aged 37 years, provides following details for P.Y. 2023-24 as follows:

Particulars	₹ in lakhs
Textile Business Income	22
Speculative Business Income	(4)
Textile Business Loss b/f from P.Y. 2021-22	(5)
Business income of spouse included in the income of Mr. Bandu as per section 64(1)(iv)	2
Deductions available under Chapter VI-A	3
TDS	1
TCS	0.5
Advance tax paid	1.3

What shall be the net tax payable/(refundable) as per regular provisions of the Income-tax Act, 1961 for A.Y. 2024-25 for Mr. Bandu?

- (a) ₹ 24,200
- (b) ₹ (1,00,600)
- (c) ₹ 2,11,400
- (d) ₹ 12,500

Answer: Option (a)

50. Mr. Ashutosh, aged 65 years and a resident in India, has a total income of ₹ 3,20,00,000, comprising long term capital gain taxable under section 112 of ₹ 57,00,000, long term capital gain taxable under section 112A of ₹ 65,00,000 and other income of ₹ 1,98,00,000. What would be his tax liability for A.Y. 2024-25. Assume that Mr. Ashutosh has shifted out from section 115BAC.
- (a) ₹ 90,05,880
 - (b) ₹ 97,25,690
 - (c) ₹ 97,34,400
 - (d) ₹ 97,22,440

Answer: Option (a)

51. The tax liability of Mr. Saral, who attained the age of 60 years on 01.04.2024 and shifted out from section 115BAC for the P.Y. 2023-24, on the total income of ₹ 5,60,000, comprising of salary income and interest on fixed deposits, would be -
- (a) ₹ 9,880
 - (b) ₹ 22,880
 - (c) ₹ 25,480
 - (d) Nil

Answer: Option (b)

52. The tax liability of Nirlep Co-operative Society (does not opt to pay tax under section 115BAD or section 115BAE) on the total income of ₹ 90,000 for P.Y. 2023-24, is -
- (a) ₹ 24,000
 - (b) ₹ 28,080
 - (c) Nil
 - (d) ₹ 24,960

Answer: Option (d)

53. What is the amount of marginal relief available to Sadvichar Ltd., a domestic company on the total income of ₹ 10,03,50,000 for P.Y. 2023-24 (comprising only of business income) whose turnover in P.Y. 2021-22 is ₹ 450 crore, paying tax as per regular provisions of Income-tax Act? Assume that the company does not exercise option under section 115BAA.
- (a) ₹ 9,98,000
 - (b) ₹ 12,67,600
 - (c) ₹ 3,50,000
 - (d) ₹ 13,32,304

Answer: Option (b)

54. The tax payable by Dharma LLP on total income of ₹ 1,01,00,000 for P.Y. 2023-24, is -
- (a) ₹ 35,29,340
 - (b) ₹ 32,24,000
 - (c) ₹ 33,21,500
 - (d) ₹ 31,51,200

Answer: Option (b)

55. Mr. Raman, aged 64 years, was not able to provide satisfactory explanation to the Assessing Officer for the investments of ₹ 7 lakhs not recorded in the books of accounts. What shall be the tax payable by him on the value of such investments considered to be deemed income as per section 69?
- (a) ₹ 2,18,400
 - (b) ₹ 55,000
 - (c) ₹ 5,46,000
 - (d) ₹ 54,600

Answer: Option (c)

56. If Anirudh, a citizen of India, has stayed in India in the P.Y. 2023-24 for 181 days, and he is non-resident in 9 out of 10 years immediately preceding the current previous year and he has stayed in India for 365 days in all in the 4 years immediately preceding the current previous year and 420 days in all in the 7 years immediately preceding the current previous year, his residential status for the A.Y. 2024-25 would be -
- (a) Resident and ordinarily resident
 - (b) Resident but not ordinarily resident
 - (c) Non-resident
 - (d) Deemed resident but not ordinarily resident

Answer: Option (b)

57. Mr. Ajay is found to be the owner of two gold chains of 50 gms each (market value of which is ₹ 1,45,000 each) during the financial year ending 31.3.2024 but he could offer satisfactory explanation to the Assessing Officer for ₹ 50,000 spent on acquiring these gold chains. As per section 115BBE, Mr. Ajay would be liable to pay tax of -
- (a) ₹ 1,87,200
 - (b) ₹ 2,26,200
 - (c) ₹ 1,49,760
 - (d) ₹ 1,80,960

Answer: Option (a)

58. Raman, a citizen of India, was employed in Hindustan Lever Ltd. He resigned on 27.09.2023. He received a salary of ₹ 40,000 p.m. from 1.4.2023 to 27.9.2023 from Hindustan Lever Ltd. Thereafter he left for Dubai for the First time on 1.10.2023 and got salary of rupee equivalent of ₹ 80,000 p.m. from 1.10.2023 to 31.3.2024 in Dubai. His salary for October to December 2023 was credited in his Dubai bank account and the salary for January to March 2024 was credited in his Mumbai account directly. He is liable to tax in respect of -
- (a) income received in India from Hindustan Lever Ltd;
 - (b) income received in India and in Dubai;
 - (c) income received in India from Hindustan Lever Ltd. and income directly credited in India;
 - (d) income received in Dubai

Answer: Option (b)

59. Mr. Suhaan (aged 35 years), a non-resident earned dividend income of ₹ 12,50,000 from an Indian Company which was declared on 30.09.2023 and credited directly to its bank account on 05.10.2023 in France and ₹ 15,000 as interest in Saving A/c from State Bank of India for the previous year 2023-24. Assuming that he has no other income, what will be amount of income chargeable to tax in his hands in India for A.Y. 2024-25?
- (a) ₹ 2,55,000
 - (b) ₹ 12,65,000
 - (c) ₹ 12,50,000
 - (d) ₹ 12,55,000

Answer: Option (d)

60. Mr. Sumit is an Indian citizen and a member of the crew of an America bound Indian ship engaged in carriage of freight in international traffic departing from Chennai on 25th April, 2023.

From the following details for the P.Y. 2023-24, What would be the residential status of Mr. Sumit for A.Y. 2024-25, assuming that his stay in India in the last 4 previous years preceding P.Y. 2023-24 is 365 days and last seven previous years preceding P.Y. 2023-24 is 730 days?

- Date entered in the Continuous Discharge Certificate in respect of joining the ship by Mr. Sumit: 25th April, 2023
- Date entered in the Continuous Discharge Certificate in respect of signing off the ship by Mr. Sumit: 24th October, 2023

Mr. Sumit has been filing his income tax return in India as a Resident for the preceding 2 previous years.

- (a) Resident and ordinarily resident
- (b) Resident but not-ordinarily resident
- (c) Non-resident
- (d) Deemed resident but not-ordinarily resident

Answer: Option (a)

61. Dividend income from Australian company received in Australia in the year 2021, brought to India during the previous year 2023-24 is taxable in the A.Y. 2024-25 in the case of –

- (a) resident and ordinarily resident only
- (b) both resident and ordinarily resident and resident but not ordinarily resident
- (c) non-resident
- (d) None of the above

Answer: Option (d)

62. Mr. Nishant, a resident but not ordinarily resident for the previous year 2022-23 and resident and ordinarily resident for the previous year 2023-24 has received rent from property in Canada amounting to ₹ 1,00,000 during the P.Y. 2022-23 in a bank in Canada. During the financial year 2023-24, he remitted this amount to India through approved banking channels. Is such rent taxable in India, and if so, how much and in which year?

- (a) Yes; ₹ 70,000 was taxable in India during the previous year 2022-23.
- (b) Yes; ₹ 1,00,000 was taxable in India during the previous year 2022-23.
- (c) Yes; ₹ 70,000 was taxable in India during the previous year 2023-24.
- (d) No; such rent is not taxable in India either during the previous year 2022-23 or during the previous year 2023-24.

Answer: Option (d)

63. Who among the following will qualify as non-resident for the previous year 2023-24?

- Mr. Joey, an Italian designer came on visit to India to explore Indian handloom on 03.09.2023 and left on 15.12.2023. For past four years, he visited India for fashion shows and stayed in India for 100 days each year.
- Mr. Sanjay born and settled in Canada, visits India each year for three months to meet his parents and grandparents, born in India in 1946, living in Mumbai. His Indian income is ₹ 15,20,000.
- Mr. Chang, a Korean scientist left India to his home country for fixed employment there. He stayed in India for study and research in medicines from 01.01.2019 till 01.07.2023.

Choose the correct answer:

- (a) Mr. Joey and Mr. Chang
- (b) Mr. Sanjay
- (c) Mr. Sanjay and Mr. Chang
- (d) Mr. Chang

Answer: Option (b)

64. Which of the following income would be exempt in the hands of a Sikkimese Individual?

- (a) only income from any source in the State of Sikkim
- (b) only income by way of dividend
- (c) only income from interest on securities
- (d) All the above

Answer: Option (d)

65. Which of the following statements is/are true in respect of taxability of agricultural income under the Income-tax Act, 1961?

- (i) Any income derived from saplings or seedlings grown in a nursery is agricultural income exempt from tax u/s 10(1).
- (ii) 60% of dividend received from shares held in a tea company is agricultural income exempt from tax u/s 10(1).
- (iii) While computing income tax liability of an assessee aged 50 years, agricultural income is required to be added to total income only if net agricultural income for the P.Y. exceeds ₹ 5,000 and the total income (including net agricultural income) exceeds ₹ 2,50,000.
- (iv) While computing income tax liability of an assessee aged 50 years, agricultural income is required to be added to total income only if net agricultural income for the P.Y. exceeds ₹ 5,000 and the total income (excluding net agricultural income) exceeds ₹ 2,50,000.

Choose the correct answer:

- (a) (i) and (iii)
- (b) (ii) and (iii)
- (c) (i) and (iv)
- (d) (i), (ii) and (iv)

Answer: Option (c)

66. [Important] Income derived from farm building situated in the immediate vicinity of an agricultural land (not assessed to land revenue) would be treated as agricultural income if such land is situated in –

- (a) an area at a distance of 3 kms from the local limits of a municipality and has a population of 80,000 as per last census
- (b) an area within 1.5 kms from the local limits of a municipality and has a population of 12,000 as per last census
- (c) an area within 2 kms from the local limits of a municipality and has a population of 11,00,000 as per last census
- (d) an area within 8 kms from the local limits of a municipality and has a population of 10,50,000 as per last census

Answer: Option (a)

67. Anand is provided with furniture to the value of ₹ 70,000 along with house from February, 2023. The actual hire charges paid by his employer for hire of furniture is ₹ 5,000 p.a.. The value of furniture to be included along with value of unfurnished house for A.Y. 2024-25 is-
- (a) ₹ 5,000
 - (b) ₹ 7,000
 - (c) ₹ 10,500
 - (d) ₹ 14,000

Answer: Option (a)

68. Mr. Kashyap received basic salary of ₹ 20,000 p.m. from his employer. He also received children education allowance of ₹ 3,000 for three children and transport allowance of ₹ 1,800 p.m. Assume he has shifted out from section 115BAC. The amount of salary chargeable to tax for P.Y. 2023-24 is -
- (a) ₹ 2,62,600
 - (b) ₹ 2,12,600
 - (c) ₹ 2,11,600
 - (d) ₹ 2,12,200

Answer: Option (b)

69. Ganesh and Rajesh are co-owners of a self-occupied property. They own 50% share each. The interest paid by each co-owner during the previous year on loan (taken for acquisition of property during the year 2004) is ₹ 2,05,000. The amount of allowable deduction in respect of each co-owner is -
- (a) ₹ 2,05,000
 - (b) ₹ 1,02,500
 - (c) ₹ 2,00,000
 - (d) ₹ 1,00,000

Answer: Option (c)

70. An electricity company charging depreciation on straight line method on each asset separately, sells one of its machinery in April, 2023 at ₹ 1,20,000. The WDV of the machinery at the beginning of the year i.e., on 1st April, 2023 is ₹ 1,35,000. No new machinery was purchased during the year. The shortfall of ₹ 15,000 is treated as -
- (a) Terminal depreciation
 - (b) Short-term capital loss
 - (c) Normal depreciation.
 - (d) Any of the above, at the option of the assessee

Answer: Option (a)

71. **[Important]** Mr. X, a retailer acquired furniture on 10th May 2023 for ₹ 10,000 in cash and on 15th May 2023, for ₹ 15,000 and ₹ 20,000 by a bearer cheque and account payee cheque, respectively. Depreciation allowable for A.Y. 2024-25 would be -
- (a) ₹ 2,000
 - (b) ₹ 3,000
 - (c) ₹ 3,500
 - (d) ₹ 4,500

Answer: Option (b)

72. The W.D.V. of a block (Plant and Machinery, rate of depreciation 15%) as on 1.4.2023 is ₹ 3,20,000. A second hand 'machinery costing ₹ 50,000 was acquired on 1.9.2023 through account payee cheque but put to use on 1.11.2023. During Jan 2024, part of this block was sold for ₹ 2,00,000. The depreciation for A.Y. 2024-25 would be -
- (a) ₹ 21,750
 - (b) ₹ 25,500
 - (c) ₹ 21,125
 - (d) ₹ 12,750

Answer: Option (a)

73. **[Important]** M/s ABC, an eligible assessee, following mercantile system of accounting, carrying on eligible business under section 44AD provides the following details:
- Total turnover for the financial year 2023-24 is ₹ 130 lakh
 - Out of the above:
 - ✓ ₹ 25 lakh received by A/c payee cheque during the financial year 2023-24;
 - ✓ ₹ 50 lakh received by cash during the financial year 2023-24;
 - ✓ ₹ 25 lakh received by A/c payee bank draft before the due date of filing of return;
 - ✓ ₹ 30 lakh not received till due date of filing of return.

What shall be the amount of deemed profits of M/s ABC under section 44AD(1) for A.Y. 2024-25?

- (a) ₹ 10.4 lakh
- (b) ₹ 7.0 lakh
- (c) ₹ 5.5 lakh
- (d) ₹ 9.4 lakh

Answer: Option (d)

74. For an assessee, who is a salaried employee who invests in equity shares, what is the benefit available in respect of securities transaction tax paid by him on sale and acquisition of 100 listed shares of X Ltd. which has been held by him for 14 months before sale?
- (a) Rebate under section 88E is allowable in respect of securities transaction tax paid
 - (b) Securities transaction tax paid is treated as expenses of transfer and deducted from sale consideration.
 - (c) Capital gains without deducting STT paid is taxable at a concessional rate of 10% on such capital gains exceeding ₹ 1 lakh
 - (d) Capital gains without deducting STT paid is taxable at concessional rate of 15%.

Answer: Option (c)

75. Under section 54EC, capital gains on transfer of land or building or both are exempted if invested in the bonds issued by NHAI & RECL or other notified bond-
- (a) within a period of 6 months after the date of such transfer
 - (b) within a period of 6 months from the end of the relevant previous year
 - (c) within a period of 6 months from the end of the previous year or the due date for filing the return of income under section 139(1), whichever is earlier
 - (d) At any time before the end of the relevant previous year.

Answer: Option (a)

76. **[Important]** Mr. A (aged 45 years) sold an agricultural land for ₹ 52 lakhs on 04.10.2023 acquired at a cost of ₹ 49.25 lakhs on 13.09.2022 situated at 7 kms from the jurisdiction of municipality having population of 4,00,000 and also sold another agricultural land for ₹ 53 lakhs on 12.12.2023 acquired at a cost of ₹ 46 lakhs on 15.02.2022 situated at 1.5 kms from the jurisdiction of municipality having population of 12,000. What would be the amount of capital gain chargeable to tax in the hands of Mr. A for the assessment year 2024-25? Cost inflation index for F.Y. 2021-22: 317; 2022-23:331; 2023-24: 348.
- (a) Short-term capital gain of ₹ 9.75 lakhs
 - (b) Short-term capital gain of ₹ 7 lakhs
 - (c) Long-term capital gain of ₹ 4,12,500
 - (d) Long-term capital gain of ₹ 5,29,196

Answer: Option (b)

77. Mr. Kashyap has acquired a building from his friend on 10.10.2023 for ₹ 15,00,000. The stamp duty value of the building on the date of purchase is ₹ 16,20,000. Income chargeable to tax in the hands of Mr. Kashyap is
- (a) ₹ 70,000
 - (b) ₹ 50,000
 - (c) Nil
 - (d) ₹ 1, 20,000

Answer: Option (c)

78. Mr. Mayank has received a sum of ₹ 75,000 on 24.10.2023 from his friend on the occasion of his marriage anniversary. What would be the taxability of the said sum in the hands of Mr. Mayank?
- (a) Entire ₹ 75,000 is chargeable to tax.
 - (b) Entire ₹ 75,000 is exempt from tax
 - (c) Only ₹ 25,000 is chargeable to tax
 - (d) Only 50% i.e., ₹ 37,500 is chargeable to tax

Answer: Option (a)

79. Mr. Aarav gifted a house property valued at ₹ 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 ₹ 25,000 per month throughout the P.Y. 2023-24. Compute income from house property for A.Y. 2024-25. In whose hands is the income from house property chargeable to tax?
- (a) ₹ 3,00,000 in the hands of Mr. Aarav
 - (b) ₹ 2,10,000 in the hands of Mr. Aarav
 - (c) ₹ 2,10,000 in the hands of Geetha
 - (d) ₹ 2,10,000 in the hands of Deepa

Answer: Option (b)

80. On 20.10.2023, Pihu (minor child) gets a gift of ₹ 20,00,000 from her father's friend. On the same day, the amount is deposited as fixed deposit in Pihu's bank account. On the said deposit, interest of ₹ 13,000 was earned during the P.Y. 2023-24. In whose hands the income of Pihu shall be taxable? Also, compute the amount of income [Ignore Sec 115BAC] that shall be taxable.
- (a) Income of ₹ 20,11,500 shall be taxable in the hands of Pihu's father.
 - (b) Income of ₹ 20,13,000 shall be taxable in the hands of Pihu's father.
 - (c) Income of ₹ 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 ₹ 20,13,000 shall be taxable in the hands of Pihu's father or mother, whose income before this clubbing is higher.

Answer: Option (c)

81. Mr. A incurred short-term capital loss of ₹ 10,000 on sale of shares through the National Stock Exchange. Such loss _____?
- (a) can be set-off only against short-term capital gains
 - (b) can be set-off against both short-term capital gains and long-term capital gains.
 - (c) can be set-off against any head of income.
 - (d) not allowed to be set-off.

Answer: Option (b)

82. Mr. Rohan incurred loss of ₹ 3 lakh in the P.Y. 2023-24 in retail trade business. Against which of the following income during the same year, can he set-off such loss?
- (a) profit of ₹ 1 lakh from wholesale cloth business
 - (b) long-term capital gains of ₹ 1.50 lakhs on sale of land
 - (c) speculative business income of ₹ 40,000
 - (d) All of the above

Answer: Option (d)

83. Virat runs a business of manufacturing of shoes since the P.Y. 2021-22. During the P.Y. 2021-22 and P.Y. 2022-23, Virat had incurred business losses. For P.Y. 2023-24, he earned business profit (computed) of ₹ 3 lakhs. Considering he may/may not have sufficient business income to set off his earlier losses, which of the following order of set off shall be considered: (He does not have income from any other source)
- (a) First adjustment for loss of P.Y. 2021-22, then loss for P.Y. 2022-23 and then unabsorbed depreciation, if any.
 - (b) First adjustment for loss of P.Y. 2022-23, then loss for P.Y. 2021-22 and then unabsorbed depreciation, if any.
 - (c) First adjustment for unabsorbed depreciation, then loss of P.Y. 2022-23 and then loss for P.Y. 2021-22, if any.
 - (d) First adjustment for unabsorbed depreciation, then loss of P.Y. 2021-22 and then loss for P.Y. 2022-23, if any.

Answer: Option (a)

84. Mr. Ravi incurred loss of ₹ 4 lakh in the P.Y. 2023-24 in leather business. Against which of the following incomes earned during the same year, can he set-off such loss?
- (i) Profit of ₹ 1 lakh from apparel business
 - (ii) Long-term capital gains of ₹ 2 lakhs on sale of jewellery
 - (iii) Salary income of ₹ 1 lakh

Choose the correct answer:

- (a) First from (ii) and thereafter from (i); the remaining loss has to be carried forward.
- (b) First from (i) and thereafter from (ii) and (iii)
- (c) First from (i) and thereafter from (iii); the remaining loss has to be carried forward
- (d) First from (i) and thereafter from (ii); the remaining loss has to be carried forward

Answer: Option (d)

85. During the A.Y. 2023-24, Mr. A has a loss of ₹ 8 lakhs under the head "Income from house property" which could not be set off against 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. 2023-24. Now, while filing return of income for A.Y. 2024-25, Mr. A wishes to set off the said loss against income from house property for the P.Y. 2023-24. Determine whether Mr. A can claim the said set off.

- (a) No, Mr. A cannot claim set off of loss of ₹ 8 lakhs during A.Y. 2024-25 as he failed to file his return of income u/s 139(1) for A.Y. 2023-24.
- (b) Yes, Mr. A can claim set off of loss of ₹ 2 lakhs, out of ₹ 8 lakhs, from its income from house property during A.Y. 2024-25, if any, and the balance has to be carried forward to A.Y. 2024-25.
- (c) Yes, Mr. A can claim set off of loss of ₹ 2 lakhs, out of ₹ 8 lakhs, from its income from any head during A.Y. 2024-25 and the balance, if any, has to be carried forward to A.Y. 2025-26.
- (d) Yes, Mr. A can claim set off of loss of ₹ 8 lakhs during A.Y. 2024-25 from its income from house property, if any, and the balance has to be carried forward to A.Y. 2025-26.

Answer: Option (d)

86. Mr. Srivastav, aged 72 years, paid medical insurance premium of ₹ 52,000 by cheque and ₹ 4,000 by cash during May, 2023 under a Medical Insurance Scheme of the General Insurance Corporation. The above sum was paid for insurance of his own health. He would be entitled to a deduction under section 80D of a sum of -
- (a) ₹ 30,000
- (b) ₹ 50,000
- (c) ₹ 52,000
- (d) ₹ 56,000

Answer: Option (b)

87. Mr. Ramesh pays a rent of ₹ 5,000 per month. His total income is ₹ 2,80,000 (i.e., Gross Total Income as reduced by deductions under Chapter VI-A except section 80GG). He is also in receipt of HRA. He would be eligible for a deduction under section 80GG of an amount of -
- (a) ₹ 60,000
- (b) ₹ 32,000
- (c) ₹ 70,000
- (d) Nil

Answer: Option (d)

88. An individual has paid life insurance premium of ₹ 25,000 during the previous year for a policy of ₹ 1,00,000 taken on 1.4.2019. He shall-
- (a) not be allowed deduction u/s 80C
- (b) be allowed deduction of ₹ 20,000 u/s 80C
- (c) be allowed deduction of ₹ 25,000 under section 80C
- (d) be allowed deduction of ₹ 10,000 u/s 80C

Answer: Option (d)

89. In respect of loan of ₹ 40 lakhs sanctioned by SBI in April, 2021 for purchase of residential house intended for self-occupation, compute the interest deduction allowable under the provisions of the Act for A.Y. 2024-25, assuming that the disbursement was made on 1st June, 2021, the rate of interest is 8% p.a. and the loan sanctioned was 80% of the stamp duty value of the property.
- (a) ₹ 2,00,000 u/s 24 and ₹ 66,667 u/s 80EEA
- (b) ₹ 1,50,000 u/s 80EEA and ₹ 1,16,667 u/s 24
- (c) ₹ 2,00,000 u/s 24 and ₹ 50,000 u/s 80EEA
- (d) ₹ 2,00,000 u/s 24

Answer: Option (d) [SATC Hint: Section 80EEA is not available as SDV exceeds ₹ 45 Lakhs]

90. The maximum amount which can be donated in cash for claiming deduction under section 80G for the P.Y. 2023-24 is –
- (a) ₹ 5,000
 - (b) ₹ 10,000
 - (c) ₹ 1,000
 - (d) ₹ 2,000

Answer: Option (d)

91. Rajan, a resident Indian, has incurred ₹ 15,000 for medical treatment of his dependent brother, who is a person with severe disability and has deposited ₹ 20,000 with LIC for his maintenance. For A.Y. 2024-25, Rajan would be eligible for deduction under section 80DD of an amount equal to _____
- (a) ₹ 15,000
 - (b) ₹ 35,000
 - (c) ₹ 75,000
 - (d) ₹ 1,25,000

Answer: Option (d)

92. Mr. Anuj is a businessman whose total income (after allowing deduction under Chapter VI-A except under section 80GG) for A.Y. 2024-25 is ₹ 5,95,000. He does not own any house property and is staying in a rented accommodation in Patna for a monthly rent of ₹ 9,000. Deduction under section 80GG for A.Y. 2024-25 is -
- (a) ₹ 48,500
 - (b) ₹ 1,48,750
 - (c) ₹ 60,000
 - (d) ₹ 1,08,000

Answer: Option (a)

93. If Mr. Y's total income for A.Y. 2024-25 is ₹ 52 Lakhs, surcharge is payable at the rate of ____
- (a) 15%
 - (b) 12%
 - (c) 10%
 - (d) 2%

Answer: Option (c)

94. Unexhausted basic exemption limit of a resident individual can be adjusted against –
- (a) only LTCG taxable @20% u/s 112
 - (b) only STCG taxable @15% u/s 111A
 - (c) both (a) and (b)
 - (d) casual income taxable @30% u/s 115BB

Answer: Option (c)

95. Unexhausted basic exemption limit of a non-resident individual can be adjusted against –
- (a) only LTCG taxable @20% u/s 112
 - (b) only STCG taxable @15% u/s 111A
 - (c) both (a) and (b)
 - (d) neither (a) nor (b)

Answer: Option (d)

96. During the P.Y. 2023-24, Mr. Ranjit has short-term capital gains of ₹ 95 lakhs taxable under section 111A, long-term capital gains of ₹ 110 lakhs taxable under section 112A and business income of ₹ 90 lakhs. Which of the following statements is correct?
- Surcharge @25% is leviable on income-tax computed on total income of ₹ 2.95 crore, since total income exceeds ₹ 2 crore.
 - Surcharge @15% is leviable on income-tax computed on total income of ₹ 2.95 crore.
 - Surcharge @15% is leviable in respect of income-tax computed on capital gains of ₹ 2.05 crore; in respect of business income, surcharge is leviable @25% on income-tax, since total income exceeds ₹ 2 crore.
 - Surcharge @15% is leviable in respect of income-tax computed on capital gains of ₹ 2.05 crore; surcharge @10% is leviable on income-tax computed on business income, since the same exceeds ₹ 50 lakhs but is less than ₹ 1 crore.

Answer: Option (b)

97. Which of the following statements is not true with respect to A.Y. 2024-25?
- No exemption under section 80TTA would be available to resident senior citizens
 - Share of profit will not be exempt in the hands of partner, if firm claims exemption of income under section 10AA
 - Long term capital gains of ₹ 90,000 on STT paid listed equity shares would not be subject to income-tax under section 112A
 - Exemption under section 10(32) on income of minor child is allowed for more than two children also

Answer: Option (b)

98. Gross total income of Arpita for P.Y. 2023-24 is ₹ 6,00,000. She had taken a loan of ₹ 7,20,000 in the financial year 2019-20 from a bank for her husband who is pursuing MBA course from IIM, Kolkata. On 02.04.2023, she paid the First installment of loan of ₹ 45,000 and interest of ₹ 65,000. Compute her total income for A.Y. 2024-25. [Ignore Sec 115BAC]
- ₹ 6,00,000
 - ₹ 5,35,000
 - ₹ 4,90,000
 - ₹ 5,55,000

Answer: Option (b)

99. Mr. Uttam presents you following data related to his tax liability for A.Y. 2024-25:

Particulars	₹ in lakhs
Tax Liability as per regular provisions of Income-tax Act, 1961	15
Tax Liability as per section 115JC	12
AMT credit brought forward from A.Y. 2023-24	5

What shall be the tax liability of Mr. Uttam for A.Y. 2024-25?

- ₹ 12 lakhs
- ₹ 15 lakhs
- ₹ 10 lakhs
- ₹ 7 lakhs

Answer: Option (a)

100. Mr. Nekinsaan, aged 43 years, provides following income details for P.Y. 2023-24 as follows:

Particulars	₹ in lakhs
Capital Gains under section 112A	120
Capital Gains under section 111A	110
Other Income	520

What shall be the tax liability of Mr. Nekinsaan as per regular provisions (Ignore Sec 115BAC) of the Income-tax Act, 1961 for A.Y. 2024-25?

- (a) ₹ 260.06 lakhs
- (b) ₹ 253.68 lakhs
- (c) ₹ 256.52 lakhs
- (d) ₹ 253.56 lakhs

Answer: Option (d)

101. Continuing Q. 100, what shall be tax liability of Mr. Nekinsaan as per regular provisions of the Income-tax Act, 1961 for A.Y. 2024-25, if the Other Income is ₹ 480 lakhs?

- (a) ₹ 218.20 lakhs
- (b) ₹ 221.03 lakhs
- (c) ₹ 218.73 lakhs
- (d) ₹ 242.25 lakhs

Answer: Option (c)

102. Mr. Raj, aged 32 years, presents you the following data for A.Y. 2024-25:

Particulars	₹ in lakhs
Gross Receipts from Business conducted entirely through banking channels (opted for section 44AD)	70
Capital Gains under section 112A	5
Capital Gains under section 111A	3
Winnings from horse races	1

What would be the tax liability as per the regular provisions of the Income-tax of Mr. Raj for the A.Y. 2024-25? Ignore Sec 115BAC & TDS

- (a) ₹ 1,28,440
- (b) ₹ 1,05,560
- (c) ₹ 1,38,840
- (d) ₹ 1,45,080

Answer: Option (a)

103. Mr. A, whose total sales is ₹ 201 lakhs, declares profit of ₹ 10 lakhs for the F.Y. 2023-24. He is liable to pay advance tax -

- (a) in one instalment
- (b) in two instalments
- (c) in three instalments
- (d) in four instalments

Answer: Option (d)

104. Mr. X, a resident, is due to receive ₹ 4.50 lakhs on 31.3.2024, towards maturity proceeds of LIC policy taken on 1.4.2020, for which the sum assured is ₹ 4 lakhs and the annual premium is ₹ 1,25,000. Mr. Z, a resident, is due to receive ₹ 95,000 on 1.10.2023 towards maturity proceeds of LIC policy taken on 1.10.2014 for which the sum assured is ₹ 90,000 and the annual premium is ₹ 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

Answer: Option (b) [SATC Hint: Section 194DA (TDS)]

105. An amount of ₹ 40,000 was paid to Mr. X on 1.7.2023 towards fees for professional services without deduction of tax at source. Subsequently, another payment of ₹ 50,000 was due to Mr. X on 01.03.2024, from which tax @ 10% (amounting to ₹ 9,000) on the entire amount of ₹ 90,000 was deducted and the net amount was paid on the same day to Mr. X. However, this tax of ₹ 9,000 was deposited only on 22.6.2024. The interest chargeable under section 201(1A) would be:
- (a) ₹ 585
 - (b) ₹ 860
 - (c) ₹ 1,215
 - (d) ₹ 390

Answer: Option (b) $[4000 \times 1\% \times 8 \text{ months} + 9000 \times 1.5\% \times 4 \text{ Months}]$ {Page 19.56/DT Volume II}

106. 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) only under section 44AD
 - (b) under section 44AD and 44ADA
 - (c) under section 44AD and 44AE
 - (d) under section 44AD, 44ADA and 44AE

Answer: Option (b)

107. Mr. Ramesh, Mr. Mahesh and Mr. Suresh, jointly owned a flat in Mathura, which was let out to Dr. Rajesh from 01.04.2023. The annual rent paid by Dr. Rajesh for the flat was ₹ 5,40,000, credited equally to each of their account. Mr. Rajesh approached his tax consultant to seek clarity in relation to deduction of tax on payment of the rent. He informed his consultant that he occupied such flat for his personal accommodation and his receipts from his profession during the previous year 2022-23 was ₹ 58 lakhs. As tax consultant, choose the correct answer –
- (a) No tax at source is required to be deducted since the rental payments are towards flat occupied for personal purpose
 - (b) Tax is required to be deducted at source since the rent payment exceeds ₹ 2,40,000 and Dr. Rajesh is an individual having gross receipts from profession exceeding ₹ 50 lakh in the preceding financial year.
 - (c) No tax is required to be deducted at source since the rent credited to each co-owner is less than ₹ 2,40,000
 - (d) No tax is required to be deducted at source since Dr. Rajesh's gross receipts during the preceding financial year were less than ₹ 1 crore

Answer: Option (c)

108. Mr. P is a professional who is responsible for paying a sum of ₹ 2,00,000 as rent for use of building to Mr. Harshit, a resident, for the month of February, 2024. The gross receipts of Mr. P are as under:
- From 01.04.2022 to 31.03.2023: ₹ 55,00,000
From 01.04.2023 to 28.02.2024: ₹ 45,00,000
- Whether Mr. P is responsible for deducting any tax at source from the rent of ₹ 2,00,000 payable to Mr. Harshit?
- (a) Tax at source is required to be deducted u/s 194-I at the rate of 10%.
 - (b) Tax at source is required to be deducted u/s 194-IB at the rate of 5%.
 - (c) Tax at source is required to be deducted u/s 194-IB at the rate of 10%.
 - (d) No tax is required to be deducted at source.

Answer: Option (d)

109. Mr. A has two bank accounts maintained with ICICI Bank and HDFC Bank. From 01.09.2023 till 31.03.2024, Mr. A withdrew the following amounts as cash from both the said accounts;

HDFC Bank: ₹ 50 Lakh ICICI Bank: ₹ 120 Lakh

What shall be the amount of tax to be deducted at source u/s 194N by HDFC Bank and ICICI Bank, respectively, while making payment in cash to Mr. A assuming Mr. A has filed his return of income for P.Y. 2020-21, P.Y. 2021-22 and P.Y. 2022-23 respectively?

- (a) ₹ 1,00,000 and ₹ 2,40,000
- (b) Nil and ₹ 40,000
- (c) ₹ 60,000 and ₹ 1,00,000
- (d) ₹ 50,000 and ₹ 1,20,000

Answer: Option (b)

110. [Important] Which of the following details/evidences are required to be furnished by an employee to his/her employer in respect of deduction of interest under the head "Income from house property", when the employer is estimating the total income of the employee for the purpose of tax deduction at source u/s 192?

- (i) Amount of Interest payable or paid
- (ii) Rate of interest payable or paid
- (iii) Name of the lender
- (iv) Address of the lender
- (v) PAN or Aadhaar number as the case may be, of the lender
- (vi) TAN of the lender

Choose the correct answer:

- (a) (i), (iii), (v)
- (b) (i), (iii), (iv), (v)
- (c) (ii), (iv), (v), (vi)
- (d) (i), (ii)

Answer: Option (b) [Page 19.4 of DT Volume II (21st Edition) SATC Book]

111. Mr. X paid fees for professional services of ₹ 40,000 to Mr. Y, who is engaged only in the business of operation of call centre, on 15.7.2023. Tax is to be deducted by Mr. X at the rate of –

- (a) 1%
- (b) 10%
- (c) 2%
- (d) 5%

Answer: Option (c) [SATC Hint: Section 194J]

112. An interior decorator has opted for presumptive taxation scheme under section 44ADA for A.Y. 2024-25 -

- (a) He is liable to pay advance tax on or before 15.3.2024
- (b) He is not liable to advance tax
- (c) He is liable to pay advance tax in three instalments i.e., on or before 15.9.2023, 15.12.2023 and 15.3.2024
- (d) He is liable to pay advance tax in four instalments i.e., on or before 15.6.2023, 15.9.2023, 15.12.2023 and 15.3.2024

Answer: Option (a)

113. [Important] A 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

Answer: Option (d)

114. Mr. X, a resident Indian, wins ₹ 10,000 in a lottery. Which of the statement is true?
- (a) Tax is deductible u/s 194B@30%
 - (b) Tax is deductible u/s 194B@30.9%
 - (c) No tax is deductible at source
 - (d) None of the above

Answer: Option (c)

115. [Important] An individual client has consulted you on the matter of PAN. He is carrying on the business of sale & purchase of electronic appliances. His turnover is ₹ 3,00,000 and the profit is ₹ 75,000 for the P.Y. 2023-24. He has asked you to provide him threshold of turnover, if any, exceeding which he has to apply for PAN.
- (a) More than ₹ 2,00,000
 - (b) More than ₹ 2,50,000
 - (c) More than ₹ 3,00,000
 - (d) More than ₹ 5,00,000

Answer: Option (d)

116. Mr. Z, a salaried individual, has a total income of ₹ 8 lakhs for A.Y. 2024-25. He furnishes his return of income for A.Y. 2024-25 on 28th August, 2024. He is liable to pay fee of–
- (a) ₹ 1,000 under section 234F
 - (b) ₹ 5,000 under section 234F
 - (c) ₹ 10,000 under section 234F
 - (d) Not liable to pay any fee

Answer: Option (b)

117. Which of the following returns can be revised under section 139(5)?
- (i) A return of income filed u/s 139(1)
 - (ii) A belated return of income filed u/s 139(4)
 - (iii) A return of loss filed u/s 139(3)

Choose the correct answer:

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

Answer: Option (d)

118. Mr. Pawan is engaged in the business of roasting and grinding coffee beans. During F.Y. 2023-24, his total income is ₹ 4.5 lakhs. Mr. Pawan filed his return of income for A.Y. 2024-25 on 3rd Dec, 2024. What shall be the fee payable for default in furnishing in return of income for A.Y. 2024-25? [SATC Hint: Section 234F]
- (a) ₹ 5,000
 - (b) Not exceeding ₹ 1,000
 - (c) ₹ 10,000
 - (d) No fees payable as total income is below ₹ 5,00,000

Answer: Option (b)

119. 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. 2024-25 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 ₹ 9,500 from tax payable on her total income of ₹ 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 permitted to be maintained by RBI.
- (Notes compiled by Suraj Agrawal Sir)

Answer: Option (b)

120. Mr. A has taken two ULIPs. ULIP "X" is issued on 1.1.2021 and ULIP "Y" on 1.5.2021. The sum assured of ULIP "X" and ULIP "Y" is ₹ 30 lakhs and ₹ 40 lakhs, respectively. The annual premium paid by Mr. A during the P.Y. 2023-24 is ₹ 3 lakhs and ₹ 4 lakhs, respectively. What would be the taxability of the consideration received by Mr. A on maturity of both the ULIPs?
- (a) Consideration received on the maturity of ULIP "X" would be exempt u/s 10(10D) while the profits and gains from receipt of consideration on the maturity of ULIP "Y" would be taxable.
 - (b) Consideration received on the maturity of ULIP "Y" would be exempt u/s 10(10D) while the profits and gains from receipt of consideration on the maturity of ULIP "X" would be taxable.
 - (c) Consideration received on the maturity of both ULIP "X" and ULIP "Y" would be exempt u/s 10(10D)
 - (d) The profits and gains from receipt of consideration on the maturity of both ULIP "X" and ULIP "Y" would be taxable.

Answer: Option (a)

[Page 9.6 & 9.7 of DT Volume I (21st Edition) SATC Book - Premium exceeds 250,000 in case of ULIP "Y" & it is issued on or after 01.02.2021]