



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

## DIRECT AND INDIRECT TAXATION (PAPER - 7)

### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	Charging of income of the previous year in the same year is not mandatory for:	Shipping business of non-resident	Persons leaving India	Association formed for a particular event	Discontinuation of business
2	AB was born in England, his parents were born in India in 1952. His grand parents were born in South Africa. AB shall be a:	Person of Indian origin	Foreign National	Artificial Person	Citizen of India
3	Income accruing in Japan and received there is taxable in India in the case of:	Resident and Ordinarily Resident only	Both Resident and Ordinarily Resident and Resident but not Ordinarily Resident	Both Resident and Non-resident	Non-resident
4	Out of the following which one is not a capital receipt?	Dividend on investment	Bonus Shares	Sale of know-how	Compensation received for vacating business place
5	Which of the following is Casual Income?	Dividend income	Winning from lotteries	Interest received	Pension received
6	Which of the following receipt is not included in the term 'Income' under the Income-tax Act, 1961?	Profits and gains of Business or Profession	Profit in lieu of salary	Dividend	Reimbursement of travelling expenses
7	A person is said to be a person of Indian origin if –	He or either of his parents were born in undivided India	He or either of his siblings were born in undivided India	He or either of his parents or either of his grandparents were born in undivided India	He was born in India
8	Income received in India in the previous year is taxable in the hands of –	Resident	Non-Resident	All assessee irrespective of residential status	Not Ordinarily resident
9	An individual is said to be resident in India if –	He has a house in India	He is in India in the previous year for a period of 182 days or more	He is in India for a period of 30 days or more during the previous year and for 365 or more days during 4 previous years immediately preceding the relevant previous year	His parents are Indian citizen
10	The incidence of taxation depends on the –	Residential status of the assessee	Accommodation of the assessee	Citizenship of the assessee	Marital status of the assessee



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11	Which of the following is an agriculture income?	Dividend paid by a company to its shareholders out of agricultural income	Share of Profit of a Partner from a firm engaged in an agriculture operation	Income from supply of water by an assessee from a tank in agriculture land	Interest received by a money lender in the form of agricultural produce
12	In case of an assessee engaged in the business of manufacturing of tea, his agricultural income is –	60% of total receipt of the business	60% of income of the business	Nil	40% of income of the business
13	Income from saplings shall be considered as _____ .	Agricultural Income	Business Income	Partly agricultural income and partly business income	Income from other sources
14	An individual (aged 28 Years) born in India left for first time for employment in France on 30.10.2023. His visit outside India is for the first time. His residential status for the assessment year 2024-25 will be –	Resident and ordinarily resident	Resident but not ordinarily resident	Non-resident	Residential Status is not applicable
15	Income of ₹ 3,00,000 is received in Sri Lanka by an ordinarily resident of India. But later on ₹ 50,000 is remitted to India –	₹ 3,00,000 will be taxable	₹ 3,50,000 will be taxable	It is not taxable at all	₹ 50,000 will be taxable
16	An individual is said to be a resident in India in the previous year (in which the Feb month has 29 days) if he is in India in that year for a period of _____.	182 days or more	183 days or more	70 days or more	150 days or more
17	Mr. X is engaged in growing and manufacturing tea in India. His income from this activity is ₹ 1,40,000. His agriculture income will be –	₹ 70,000	₹ 84,000	₹ 1,40,000	₹ 56,000
18	Which of the following is not taxable under head 'Salaries'?	Remuneration paid to the lecturer of a college for setting a question paper by a university.	Salary received by a member of the Parliament.	Commission received by an employee director of a company.	Both (1) and (2) above
19	If a domestic servant is engaged by the employer and salary is paid by him, the perquisite is:	Taxable in the hands of all employees	Not taxable in the hands of both specified and non-specified employers	Taxable in the hands of specified employees only	Taxable to the extent of ₹ 120 per person in the hands of all employees.
20	Which of the following is taxable under the head 'salaries'?	Salary received by a Member of State Legislature.	Commission received by an employee director of a company.	Family pension received	Both (1) and (2) above
21	Who among the following is a specified employee?	A director of a company	An employee drawing a salary of ₹ 15,000 p.m.	A person who is an owner of equity shares carrying 10% voting power in the employer company.	Both (1) and (2) above



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22	Net Annual Value of a self-occupied property treated as such is:	Fair Rent	Nil	Reasonable Expected Rent as reduced by municipal tax paid during the previous year.	None of the Above
23	A house property located outside India is:	Taxable in hands of all assessee	Taxable in hands of non resident assessee	Taxable in hands of resident and ordinarily resident assessee	Exempted from tax in India.
24	Following assessee(s) can considered a house property as self occupied:	Individual & HUF	All assessee	All assessee other than company	All assessee other than firm
25	Which of the following deductions is /are not allowed in case of a deemed to be let-out house?	New construction allowance	Repairs	Vacancy allowance	All of the above
26	Which of the following is not allowed as a deduction for computation of business Income?	Loss incurred due to theft in factory after working hours	Anticipated future losses	Loss caused by white ants	Loss due to accidental fire in stock-in-trade
27	The preliminary expenses that can be amortized under the Income Tax Act, 1961 has to be restricted to _____ of the cost of project.	3%	5%	8%	20%
28	Expenditure on promotion of family planning is an allowance as deduction u/s. 36(1)(ix) of the Income Tax Act, 1961 in case of:	Individual	Firm	HUF	Company
29	In case of loss, a partnership firm may claim deduction in respect of remuneration to partner to the extent of:	₹ 1,50,000/-	₹ 1,50,000/- or actual remuneration, whichever is lower	₹ 1,50,000/- or 90% of book profit, whichever is lower	Nil
30	U/s 54, capital gain will be allowed as exemption if the house property under transfer is held for:	Less than 12 months preceding the date of transfer	More than 12 months preceding the date of transfer	Less than 36 months preceding the date of transfer	More than 24 months preceding the date of transfer
31	Personal effect do not cover the followings:	Immovable property	Drawings	Jewellery	All of the above
32	Profit on sale of rural agricultural land is:	Not taxable as it is agricultural income	Not taxable under the head 'Capital gains' but under the head 'Income from Other Sources'	Not taxable as rural agricultural land is not considered as a capital asset	Taxable if it is compulsorily acquired.
33	Cost of acquisition of self-generated asset is nil, the exception is:	Goodwill	Route permit	Bonus shares acquired before 01-04-2001	Loom hours
34	While computing taxable interest on delayed compensation, a standard deduction is allowed @:	50%	30%	15%	Nil
35	The provision of sec.56(2)(x) is applicable on:	All assessee	Only on corporate assessee	On an individual only	On an individual and HUF only



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36	While computing income from other sources, deduction is not allowed to the assessee for:	Personal expenditure	Direct tax	Interest payable outside India without TDS	All of the above
37	Gift received by an individual in certain circumstances is not taxable, one of them is:	Any gift received from family friend	Any gift received on the occasion of any marriage in the family	Any gift received on the occasion of the marriage of the individual-assessee	All of the above
38	An individual purchased a painting on 01-11-2023 for ₹ 5,00,000 though fair market value of the asset is ₹ 5,25,000. Income taxable u/s 56(2)(x) is:	₹ 25,000 i.e., difference between market value and actual consideration	Nil as this is not gift	Nil as difference between market value and actual consideration does not exceed ₹ 50,000	The provision of sec. 56(2)(x) is not applicable for any transaction entered during P.Y. 2023-24
39	Uncommuted Pension received by a Government Employee is-	Exempt	Taxable	Partially Taxable	None of the above
40	Salary received by the Partner of a Firm is charged under the head	Salaries	Business Income	Other Sources	Its exempt from tax
41	Interest credited to Statutory Provident Fund shall be-	Fully Exempt	Exempt upto 12% p.a.	Fully Taxable	Exempt upto 9.5% p.a
42	Interest credited to Recognized Provident Fund is –	Fully Taxable	Fully Exempt	Exempt upto 12% of Salary	Exempt upto 9.5% p.a.
43	The basis of chargeability of income under the head income from house property is:	Rental value	Annual value	Value fixed by the government	None of the above
44	“A” borrowed ₹ 5,00,000 at 12% p.a on 01-04-2015 for construction of house property which was completed on 15-03-2024 and let out. The amount is still unpaid. The deduction on account of interest for the previous year 2023-24 shall be-	₹ 60,000	₹ 96,000	₹ 1,80,000	₹ 2,40,000
45	Sums received by an employer from Keyman Insurance Policy taken on the life of the employee shall be-	Exempt	Taxable under the head Business and Profession	Taxable under the head Other Sources	Taxable in the hand of the employee
46	The cost of acquisition of shares under Employees Stock Option Scheme shall be-	Fair Market Value of Shares on the date of offer	Fair Market Value of the shares on the date of exercise of option	Fair Market Value of share on the date of vesting of option.	Price at which it was offered to the employee.
47	Capital Gain, arising from compulsory acquisition of urban agricultural land, is:	Taxable	Exempt	Exempt if acquired by RBI or Central Government	None of the above
48	Where the entire block of the depreciable assets is transferred after 36 months, there will be-	Short-Term Capital Gain	Long-Term Capital Gain	Short- Term Capital Gain or Loss	Long- Term Capital Gain or Loss
49	Exemption under Section 54F shall not be allowed if the assessee, on the date of transfer, owns-	any Residential House	a Residential House which is let out	a House which is self occupied	more than one Residential House



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50	Income under the head "Income from Other Sources" is taxable on –	Due Basis	Receipt Basis	On the basis of method of accounting regularly employed by the Assessee	None of the above.
51	Winning from Lotteries, Crossword Puzzles, Horse Races & Other Races, Card Game, etc. are casual income & hence-	fully exempt	exempt upto ` 5,000	fully taxable	None of above
52	Adi received ` 70,000 from his friend on the occasion of his birthday:	Entire amount of ` 70,000 is taxable	` 25,000 is taxable	The entire amount is exempt	None of the above
53	Commission received by a Director of the Company is charged under the head:	Salaries	Business Income	Other Sources	Its exempt from tax
54	Casual Income received by the Assessee is –	Fully Exempt	Exempt upto ` 5,000	Fully Taxable	None of the above.
55	Mr. X's minor daughter earned ₹ 50,000 from his special talent. This income will be clubbed with –	The income of Mr. X	The income of Mrs. X	Mr. X or Mrs. X, whoever's income is higher	It will not be clubbed
56	Income arising to a minor married daughter shall be –	assessed in the hands of minor married daughter	clubbed with the income of that parent whose total income is higher	Exempt from tax	clubbed with the income of her spouse
57	Unabsorbed business losses cannot be carried for more than -	7 assessment years	8 assessment years	10 assessment years	12 assessment years
58	Deduction u/s. 80JJA is available if the assessee:	Is engaged in scientific research	Sets up an industrial unit in a backward area	Is engaged in agriculture business	Is engaged in the business of collecting and processing biodegradable waste.
59	Maximum limit for deduction u/s 80TTA is:	₹ 50,000	₹ 10,000	₹ 40,000	₹ 25,000
60	Advance tax is required to be paid by all assessee only if estimated advance tax liability is:	₹ 5,000 or more	₹ 10,000 or more	More than zero	₹ 50,000 or more
61	TDS is not required to be deducted u/s 194A if the amount of interest on loan does not exceed:	₹ 5,000	₹ 2,500	₹ 7,500	₹ 20,000
62	On salary, tax is required to be deducted at the time of:	Payment or crediting the employee, whichever is earlier	Crediting the employee	Payment	Retirement of employee
63	Where assessment has not been completed, belated income tax return for assessment year 2024-25 can be filed upto:	31.12.2024	31.01.2025	31.03.2025	31.12.2025
64	When assessment has not been completed, revised return can be filed within _____ from the end of the relevant previous year.	9 months	6 months	12 months	2 years
65	Clubbing provisions under Sec. 64(1)(vi) are applicable where the asset is transferred by an individual for inadequate consideration to –	Daughter's Husband	Son's Wife	Major Son	Major Daughter



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66	As per Sec. 64(1A), income accruing to a minor shall be clubbed in the income of –	Father	Mother	Father or Mother at their option	Parent whose income before this clubbing is greater
67		for 8 years	for 4 years	indefinitely	None of the above
68	The maximum period for which Speculation Loss can be carried forward is:	4 Years	8 Years	Nil	Any number of years
69	Deduction u/s 80C in respect of LIP, contribution to provident fund etc., is allowed to –	any assessee	an individual	an individual or HUF	an individual of HUF who is resident in India
70	Deduction u/s 80D is allowed if the premium is paid to –	Life Insurance Corporation	General Insurance Corporation or any other Insurer approved by the IRDA	Life Insurance or General Insurance Corporation	None of above.
71	Rebate in Tax u/s 87A, is applicable to:	Companies	Individuals	HUF	Resident Individual
72	Deduction u/s 80JJAA in respect of employment of new workers shall be allowed to-	any assessee to who Sec.44AB applies	an Indian company	an Indian Company or a person other than Company resident in India	None of above
73	The maximum amount which can be donated in cash for claiming deduction under section 80G for the P.Y. 2023-24 is –	₹ 5,000	₹ 10,000	₹ 15,000	₹ 2,000
74	Where a member of a HUF has converted or transferred his self-acquired property for inadequate consideration into joint family property, income arising there from is taxable.	As the income of the Transferor Member	In the hand of the HUF	In the hands of Karta of HUF	Completely exempt from tax
75	Advance Tax shall be payable by any person in respect of current income is	₹ 50,000 or more	₹ 10,000 or more	₹ 1,00,000 or more	None of the above
76	Liability to deduct tax at source in case on income from interest on securities arises at the time of –	Payment of interest	Accrual of interest	Credit of interest to the account of the payee / interest payable account or payment thereof whichever is earlier	None of the above
77	Who is empowered to make law for matters containing in List II of Schedule VII of the Constitution of India?	State Government	Central Government	Both Central and State Government	None of the above
78	Power to make laws with respect to goods and services tax has been given by the Constitution vide Article:	279A	246A	246	365
79	Indirect tax is :	Regressive in nature	Progressive in nature	Both (1) & (2)	None of these
80	Which one of the following is not an example of indirect tax types?	GST	Customs Duty	Income tax	None of these
81	In case of indirect tax, impact and incidence of tax fall on:	One person	Different persons	State Government	None of these
82	Levy of indirect tax on goods and services may leads to:	Inflation	Deflation	Reflection	None of the above



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83	Levy and collection of Central indirect tax are dealt by:	CBIC	CBDT	NIC	UGS
84	In pre-GST regime, excise duty has been levied by ..... Government whereas VAT has been levied by ..... State Government on goods.	Central, State	State, Central	Central, Central	State, State
85	Cascading effect of tax means:	Tax on goods	Tax on services	Tax on Tax	None of these
86	Who is empowered to make law for matters containing in List I of Schedule VII of the Constitution of India?	State Government	Central Government	Both Central and State Government	None of the above
87	The items which will be taxable both under current central excise law and new GST even after the implementation of the GST Act:	Motor Spirit	Alcoholic Liquor for Human Consumption	Tobacco and Tobacco products	Natural Gas
88	Who is the chairman & Head of the GST Council Meeting?	Prime minister	President	Union Finance Minister	State Finance Minister nominated by GST Council
89	The IGST Act, 2017 extends to the:	Whole of India except the state of Jammu & Kashmir	Whole of India	Whole of India except the state of Jammu & Kashmir & Pondicherry	None of the above
90	Which of the following is the benefits of GST?	Creation of unified national market	Boost to 'Make in India' initiative	Reduction of compliance burden on taxpayers	Buoyancy to the Government Revenue
91	Which of the following taxes have been subsumed in GST?	Central sales tax	Central excise duty	VAT	All of the above
92	India has chosen _____ model of dual GST.	USA	UK	Canadian	Japan
93	Constitution Amendment Act, 2016 for GST was	80th	101st	122nd	None of these
94	The incidence of tax on tax is called	Tax Cascading	Tax Pyramidding	Tax evasion	Indirect tax
95	UTGST is applicable when:	Sold from Union territory	Goods are purchased by Central Government	Sold from one union territory to another union territory	There is interstate supply
96	Under which article of the Constitution of India, GST council has been constituted?	246	246A	279A	265
97	GSTN is:	51% government owned company with paid up capital of ₹ 10 crore	50% government owned company with paid up capital of ₹ 10 crore	100% government owned company with paid up capital of ₹ 10 crore	None of the above
98	The term supply includes:	Sale	Transfer	Barter	All of the above
99	Which of the following activities or transactions shall be treated neither as supply of goods nor a supply of services?	Sale of land and building	Lease of land	Rent of building	All of the above
100	Gifts not exceeding ..... in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.	₹ 50,000	₹ 25,000	₹ 30,000	None of the above



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101	A hotel provides a 4-D/3-N package with the facility of breakfast. This is a .....	Mixed supply	Composite supply	Both mixed and composite supply	None of the above
102	Which of the following is / are the essential elements of a mixed supply?	Supply is made by taxable person to a recipient	Supply consists of two or more individual supplies of goods or services or both or any combination thereof but it is not naturally bundled	Supply is made for a single price	All of the above
103	In case of import of goods, which type(s) of GST is applicable?	CGST	SGST	Both CGST and SGST	IGST
104	Reverse charge means the liability to pay tax by the ..... of supply of goods or services or both.	recipient	supplier	partly by the recipient and partly by the supplier	None of the above
105	Which of the following can be issued by Government to exempt goods and/or services on which tax is leviable in exceptional cases?	Exemption Notification	Special order	Other notifications	None of the above
106	Renting of precincts of a religious place meant for general public owned or managed by a charitable or religious trust u/s 12AA of the Income Tax Act 1961 shall be exempt if:	Renting of rooms where per day charges are less than ₹ 1,000	Renting of shops or other spaces for business or commerce where charges per month are less than ₹10,000	Renting of premises, community halls or open area, where charges per day are less than ₹ 10,000	All of the above
107	For which of the following goods, the manufacturer is not allowed to opt for composition scheme:	Pan masala	Ice cream	Topical and manufactured tobacco substitutes	All of the above
108	The time of supply of goods, where supplier is liable to pay tax under forward charge shall be:	The date of actual issue of invoice by the supplier	The last date on which he is required u/s 31(1) to issue the invoice with respect to the supply	The date on which the supplier receives the payment with respect to the supply	(a) or (b), whichever is earlier
109	The transaction value for computation of value of supply can be rejected if -	The buyer and seller are related and price is not the sole consideration	Products are sold at very low margins	Maximum retail price is greater than the transaction value	All of the above
110	In case goods disposed off by way of free sample	recipient can claim ITC	supplier can claim ITC	supplier can not claim ITC	ITC can be claimed if value is more than ₹ 1,000



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111	If the goods are received in installment then ITC can be availed	Proportionately on receipt of each installment	100% ITC can be taken on receipt of first installment	ITC can be taken on receipt of last installment	50% ITC can be taken on receipt of first installment and balance 50% on receipt of last installment
112	Person who is liable to be registered u/s 22 or 24 shall apply for registration in every such State or Union Territory in which he is so liable within:	30 days from the date on which he becomes liable to registration	15 days from the date on which he becomes liable to registration	7 days from the date on which he becomes liable to registration	None of the above
113	Tax invoice shall be prepared in _____ in case of supply of goods and in _____ in case of supply of services	Duplicate, Duplicate	Duplicate, Triplicate	Triplicate, Duplicate	Triplicate, Triplicate
114	Annual return is summary of:	GSTR 1	GSTR 3B	GSTR 4	All of the above
115	Payment of tax is required _____ filing return.	Before	After	Before or after	Before or at the time of
116	Aggregate turnover Limit for Opting Compounding Scheme is:	₹ 50 Lakh	₹ 60 Lakh	₹ 1 Crore	₹ 1.5 Crore
117	The calculation of the aggregate turnover to decide the Taxable Minimum Turnover will be based on:	State wise Turnover Basis	All India Turnover basis	State wise Turnover Excluding Export	All India Turnover Excluding Export
118	Certificate of registration is issued in which form?	GST REG-06	GST REG-02 9	GST REG-01	GST REG-10
119	Dealers who are not eligible for Compounding Scheme:	Exporters	Importers	Interstate Suppliers and those liable to remit tax on Rverse Charge basis	Manufacturing dealers
120	Various taxes have been subsumed in GST to make one nation one market for consumers . Out of following , determine which taxes have been subsumed in GST (i) basic customs duty levied under Customs Act, 1962, (ii) Taxes on lotteries ,(iii) Taxes on advertisements	(ii)	(ii) and (iii)	(iii)	(i),(ii) and (iii)
121	Which of the following is not considered as 'goods' under the CGST Act, 2017 (i)Ten-paisa coin having sale value of Rs 100 , (ii) Shares of unlisted Company, (iii) Lottery Tickets	(i)	(ii)	(ii) and (iii)	(i),(ii) and (iii)
122	If tobacco leaves procured from Agriculturist by a registered person , the applicability of RCM will be:	Reverse charge is applicable as this is a notified service	Reverse charge is applicable if ABC Travels is not registered	Joint charge is applicable	None of the above
123	For a registered person threshold limits of turnover in the preceding financial year for opting composition scheme shall not exceeds:	₹ 20 lakh	₹ 1.5 crore	₹ 75 lakh	None of the above
124	A supply that consists of two or even more services would be classified as the provision that describes the variables that are subject to a higher rate of taxation, is called:	Composite	Mixed	Both (a) and (b)	None of the above



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125	GST stands for Goods and Services Tax, and it is a tax system that covers a wide range of:	Goods	Services	Goods, companies and imports	Products, systems, and exports
126	Which of the following is the exclusions from the computation of aggregate turnover?	Value of taxable supplies	value of exempt supplies	Exports of goods or services or both	Value of inward supplies on which tax is paid on reverse charge basis
127	In case of Manufacturer (except Ice cream , pan masala, tobacco) for whom concessional rate applicable under composition scheme, the rate of tax is:	2.50%	0.50%	1%	No composition for manufacturer
128	Whether a registered person under composition scheme shall claim input tax credit?	yes	no	Input tax credit on inward supply of goods only can be claimed	Input tax credit on inward supply of service only can be claimed
129	What is time of supply of goods, in case of forward charge?	Date of issue of invoice	Due date of issue of invoice	Date of receipt of consideration by the supplier	Earlier of (a) & (b)
130	What is the time of supply of vouchers when the supply with respect to the voucher is identifiable?	Date of issue of voucher	Date of redemption of voucher	Earlier of (a) & (b)	(a) & (b) whichever is later
131	Which of the following shall not be included in value of supply?	GST	Interest	Late fee	Commission
132	The value of supply should include:	Any non-GST taxes, duties, cesses, fees charged separately by supplier	Interest, late fee or penalty for delayed payment of any consideration for any supply	Subsidies directly linked to the price except subsidies provided by the Central and State Government	All of the above
133	When can the transaction value be rejected for computation of value of supply?	When the buyer and seller are related and price is not the sole consideration	When the buyer and seller are unrelated or price is not the sole consideration	It can never be rejected	When the goods are sold at very low margins
134	What deductions are allowed from the transaction value?	Discounts offered to customers, subject to conditions	Packing Charges, subject to conditions	Amount paid by customer on behalf of the supplier, subject to conditions	Freight charges incurred by the supplier for CIF terms of supply, subject to conditions
135	Rule 30 of the CGST Rules inter alia provides value of supply of goods or services or both based on cost shall be .....% of cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services	100	10	110	120



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136	Where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued:	before/at the time of supply	6 months from the date of removal	Earlier of (a) or (b)	None of the above
137	Which of the following is not a supply under the CGST Act, 2017?	. Goods supplied free of cost by X & Sons to its agent for further supply to customer at ₹ 5,000 for which invoice will be issued by the agent in his own name.	Importation of accounting services (for business purposes) free of cost from a dependent father residing in US.	An expensive watch gifted to an employee for ₹ 50,000. No other gifts provided to such employee during the entire financial year.	A machinery disposed off free of cost on which input tax credit has been availed
138	The term 'casual taxable person' includes:	A person occasionally supplying goods or services or both in a State or a Union territory where he has no fixed place of business.	A person occasionally supplying goods or services or both in a State or a Union territory where he has fixed place of business	Both (a) and (b)	None of the above
139	Mr. X of Delhi is participating in Hitex Furniture Expo in Haryana where he has no fixed place of business and exhibiting his products. During the expo, the said products will be sold to the people attending and intending to purchase such products. In such scenario, Mr. X shall obtain which of the following registration under the CGST Act, 2017?	Non-resident taxable person registration	Casual taxable person registration	Regular taxpayer registration	No registration under GST required.
140	An exempt supply includes:	Supply of goods or services or both which attracts Nil rate of tax	Non-taxable supply	Supply of goods or services or both which are wholly exempt from tax under Section 11 of the CGST Act or under Section 6 of IGST Act	All of the above



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141	Which of the following service is notified by Government for ECO?	services by way of transportation of passengers by a radio-taxi, motor cab, maxi cab and motor cycle	services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through ECO is liable for registration under section 22(1) of the CGST	services by way of house-keeping, such as plumbing, carpentering etc., except where the person supplying such service through ECO is liable for registration under subsection 22(1) of the CGST Act	All of these
142	A hotel owner provided accommodation in Haryana, through an electronic commerce operator – Cool Trips. The hotel owner is not liable to get registered as per the provisions of section 22(1) of the CGST Act. Who is the person liable to pay GST in this case?	Hotel Owner	ECO	Customer	Both by Hotel owner & ECO
143	State the taxability of satellite launch services provided to both international and domestic customers by ANTRIX Corporation Limited (“ANTRIX”) which is a wholly owned Government of India Company under the administrative control of Department of Space (DOS).	Taxable	Not taxable	Exempt	None
144	Zero rated supply includes:	Export of goods and services	Supply of goods and services to a SEZ developer or SEZ Unit	Supply of goods and services by a SEZ developer or SEZ Unit	Both (1) and (2)
145	A registered taxable person is eligible to claim refund in respect of export of goods and services in the following cases:	Under bond, without payment of IGST and claim refund of unutilized input tax credit.	On payment of IGST and claim refund of IGST paid on such goods and services	None of the above	Both (1) and (2)



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## DIRECT AND INDIRECT TAXATION (PAPER - 7)

### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
146	If place of supply in Territorial water, then what will considered as Place of supply?	Actual location (territorial Water)	Principal Establishment of Supplier	Any establishment of supplier of his choice	coastal State or Union Territory where the nearest point of the appropriate baseline
147	What is the time of supply of service if the invoice is issued within 30 days from the date of provision of service?	Date of issue of invoice	Date on which the supplier receives payment	Date of provision of service	Earlier of (1) & (2)
148	What is the time of supply of service in case of reverse charge mechanism?	Date of payment as entered in the books of account of the recipient	Date immediately following 60 days from the date of issue of invoice	Date of invoice	Earlier of (1) & (2)
149	Value of services rendered is ` 1,00,000/-. Date of issue of invoice is 5th October 2023. Advance Received is ` 25,000/- on 20th September 2023. Balance amount received on 7th October 2023. What is the time of supply for ` 1,00,000?	5th October 2023 for ` 1,00,000/-	20th September 2023 for ` 1,00,000/-	20th September 2023- ` 25,000/- and 5th October 2023 for ` 75,000/-	20th September 2023 ` 25,000/- and 7th October 2023 for ` 75,000/-
150	Whether credit on inputs should be availed based on receipt of documents or receipt of goods	Receipt of goods	Receipt of Documents	Both	Either receipt of documents or Receipt of goods
151	The supply of goods to SEZ unit is treated as _____ in the hands of the supplier:	Exempt Supply – Reversal of credit	Deemed Taxable Supply – No reversal of credit	Zero Rated supply	Non-Taxable Supply – Outside the Scope of GST
152	On supply of OIDAR Services by a person located in taxable territory to a non-taxable online recipient. Who is liable to pay GST in this case?	Recipient	Supplier	Both	None
153	If location of supplier in Territorial water, then what will be considered as location of supplier?	Actual location (territorial Water)	Principal Establishment of Supplier	Any establishment of supplier of his choice	Coastal State or Union Territory where the nearest point of the appropriate baseline
154	The limit of exclusive economic zone of India is _____ from the nearest point of the baseline.	200 nautical miles	12 nautical miles	24 nautical miles	None of the above
155	Which of the following is a taxable event for imported goods?	Date on which the goods cross the customs barrier	Date of presentation of bill of entry	Date of entry into Indian territorial waters	Unloading of imported goods at the customs port
156	Basic custom duty on imported goods is levied at the rates specified in the:	First Schedule of the Customs Tariff Act, 1975	Second Schedule of the Customs Tariff Act, 1975	Customs Act	Customs Manual



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
157	For the purpose of computing IGST on imported goods, one of the following shall not be included in the value for computation:	GST Compensation Cess	Social Welfare Surcharge	Anti-dumping duty	None of the above
158	Where the insurance amount is not available, for ascertaining the assessable value for customs duty, the percentage of FOB value to be taken is:	1	1.125	1.5	None of the above
159	Where the transport charges is not available, for ascertaining the assessable value for customs duty, the percentage of FOB value to be taken is:	10%	20%	25%	None of the above
160	Transportation charges incurred by the importee for transporting goods from factory of the exporter to the port of exportation shall be included in the assessable value. Is this statement correct?	Yes	No	Yes, if such charges has been paid in foreign currency	None of the above
161	As per Section 2(31), person-in-charge means:	Vessel - Master	Train - Conductor (or) Guard	Vehicle – Driver	All of the above
162	Goods which are same in all respects, including physical quantity is known as:	Identical Goods	Similar Goods	Alike Goods	None of the above
163	Buying commission shall be included in the assessable value. Is this statement correct?	No	Yes	Yes, if buying commission is paid in foreign currency	None of the above
164	Any article which is imported into India shall, in addition, be liable to integrated tax at such rate, not exceeding _____ % as is leviable under section 5 of Integrated Goods and Services Tax Act, 2017 on a like article on its supply in India, on the value of the imported article as determined under subsection (8) or sub section 8(A).	20	30	40	50
165	Any article which is imported into India is also liable to a duty equal to the excise duty for the time being leviable on a like article if produced or manufactured in India. This duty is called as _____	Additional duty	Countervailing Duty	Special duty	None of the above
166	The maximum rate of additional duty is @ _____ %	5	4	3	2
167	If which of the following conditions are satisfied, the Central Government may provide for the enhancement of the import duty ?	The goods should be specified in the First Schedule	The Central Government is satisfied that circumstances exist, which render it necessary for the enhancement of import duties	Either 1 or 2	Both 1 & 2



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
168	Central Government can impose the safeguard duty if it is satisfied that:	Any article is imported into India in increased quantities	Such increased importation is causing or threatening to cause serious injury to domestic industry	Either 1 or 2	Both 1 & 2
169	The total period of levy of safeguard duty is restricted to years:	5	10	6	7
170	An appeal filed under section 9B shall be accompanied by a fee of _____	10,000	15,000	50,000	25,000
171	As per section 14 of customs act, 1962, transaction value shall also include in addition to the price, any amount paid or payable for costs and services, including _____	commissions and brokerage	engineering	royalties and licence fees	all of the above
172	As per section 14 of customs act, 1962, transaction value shall also include in addition to the price, any amount paid or payable for costs and services, including _____	costs of transportation to the place of importation	insurance	design work	all of the above
173	For imported goods, the conversion in value shall be done with reference to the rate of exchange prevalent on the date of filing of _____.	bill of entry under section 46	shipping bill (vessel or aircraft) under section 50	bill of export (vehicle) under section 50.	either 2 or 3
174	For the purpose of customs valuation, "rate of exchange" means the rate of exchange notified by _____ shall be taken into account.	the Foreign Exchange Dealers' Association of India	CBIC	the Reserve Bank of India	none of the above
175	Sub-section (2) of section 14 provides that the Board may fix for any class of imported goods or export goods, having regard to the trend of value of such or like goods by notification in the Official Gazette if it is satisfied that it is necessary to do so. It is:	market value	MRP	transaction value	tariff value
176	The term "similar goods" means imported goods:	which although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions	produced in the country in which the goods being valued were produced	produced by the same person who produced the goods being valued	all of the above
177	The loading, unloading and handling charges associated with the delivery of the imported goods at the place of importation shall be _____	1% of customs FOB value	cost of transport	cost of insurance	0



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
178	Where the goods are sent back as such to the foreign country owing to which of the following reasons it is considered as re-exportation?	Goods not conforming to the specification of the order	Goods not permitted to be imported into the country on account of trade restriction	Goods after being imported are temporarily retained in the country and later taken out of the country. In other words, the very objective of the importation was limited to temporary retention in India	All the above
179	Under Section 74(1) when goods capable of being easily identified, which have been imported into India and upon which any duty has been paid on importation _____ % of duty be paid back.	50	100	98	48
180	As per notification, no drawback of import duty will be allowed in respect of which of the following goods, if they have been used after their importation in India?	Wearing Apparel	Tea Chests	Exposed cinematograph films passed by Board of Film Censors in India	All the above
181	CBIC has clarified that safeguard duties, anti-dumping duties and countervailing duties are rebatable as drawback in terms of section _____ of the Customs Act	74	75	76	77
182	For the purpose of levying tax on income other than agricultural income, Union List contained entry	82	92C	92D	None of the Above
183	Following is not a head of income:	Income from House Property	Salaries	Income from Interest on securities	None of the Above
184	Income tax is a	Indirect Tax	Entertainment Tax	Direct Tax	None of the Above
185	Mr. X, partner of M/s XYZ, is assessable as	Firm	HUF	An Individual	None of the Above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
186	An Indian citizen leaving India during the previous year for employment purpose is said to be resident if	He has a house in India	He is in India in the previous year for a period of 182 days or more	He is in India for a period of 60 days or more during the previous year and for 365 or more days during 4 previous years immediately preceding the relevant previous year	His parents are Indian citizen.
187	Remuneration to partner of a firm engaged in the business of growing and manufacturing rubber in India is:	Partly agricultural income and partly non-agricultural income	Agricultural income	Non-Agricultural income	None of the above
188	In case of an individual or HUF, agricultural income is	Exempted	Exempted but included in the total income for the rate purpose	Fully taxable provided it is earned from India	Taxable at flat rate of 10%
189	A person can have same residential status in :	more than one country	one country	only two country	three country
190	Rebate u/s 87A Applicable to:	Resident Individual	Resident HUF	Resident company	Resident AOP/BOI
191	Residential Status is to be determined for	Previous year	assessment year	financial year	accounting year
192	Income which accrue or arise outside India but are received directly into India are taxable in the case of	Resident only	Both Ordinary Resident and not Ordinary Resident	Non-Resident	All Assesseees
193	A Resident in India cannot become resident in any other country for the same previous year	TRUE	FALSE	Both	None of the above
194	The onus of responsibility to prove the residential status of a person lies with	Assessee	Government	Income tax department	Court
195	Total Income of a person is determined on the basis of his	Residential status in India	Citizenship in India	Residential Status and Citizenship in India	None of the Above
196	Receipt of amount on maturity of LIC Policy is	Capital Receipt	Casual Receipts	Revenue Receipt	None of the Above
197	Surcharge on Income Tax is payable by	Foreign Company	Individual and HUF	A Domestic Company	All of the above
198	Person u/s 2(31) does not Include	Minor	Local Authority	Unsound Person	None of the Above
199	A example of Casual Income is	Intrest Income	Winnings from lotteries	Pension Income	Divident Income
200	The way of tax liability by taking full advantage provided by the Act is	Tax Management	Tax avoidance	Tax Planning	Tax evasion



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## DIRECT AND INDIRECT TAXATION (PAPER - 7)

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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
201	The circular issued by by CBDT are binding on	Assessee	Income Tax Authorities	Both the above	Assessee and court
202	Commision received by Director of the company charged under the head	Salaries	Business Income	Other Sources	Its exempt from tax
203	Salary received by partner of firm is charged under the head	Salaries	Business Income	Other Sources	Its exempt from tax
204	Which of the following is available for Foreign Citizen u/s 10(6)?	Remmunaration of Foreign Diplomats	Remmunaration of employee of Foreign enterprise	Salary of a crewmember of foreign ship	All of the above
205	Incomes that do not form part of the Total Income are called	Exempted Income	Deductions	Excluded Income	None of the Above
206	What is the standard deduction allowed for salaried employees / pensioners for AY 2025-26?	₹ 50,000	₹ 75,000	₹ 60,000	₹ 25,000
207	Mr. Y , aged 48 an Indian Resident employed 20 employees established in SEZ during the previous year 2024-2025. Out of 20 employees ,12 were employed on 1st May 2024 monthly emoluments of ₹18000 and remaining were employed on 1st August 2024 on monthly emoulments ₹12000. All the employees participated in recognised provident fund and they are paid their emoluments directly to their bank accounts.What will be the deduction u/s 80JJAA. As per section 115BAC for the assessment year 2025-26.	10,08,000	12,96,000	9,43,200	8,20,800
208	CBC Co-operative society is deriving the following income during the previous year 2024-25 his Income from house property (computed) ₹750000, Income from marketing of agriculture produce grown by the members ₹ 800000,Income from collective disposal of labour of its members ₹1800000 income from processing aid of power is ₹ 2700000,Income from other business activities 520000,Interest on fixed deposit ₹400000.You are Required to find out Income from Profits and gain from Business and Profession.	6570000	5820000	6970000	6220000
209	Riti purchased a land at a cost of ₹10 lakhs in the F.Y. 1982-83 and held the same as her capital Asset till 31stMarch ,2010.She started her real estate business on 1st april,2010 and converted the said land into Stock-in Trade on the same date,when the fair market value of the land was ₹180Lakhs. FMV of land as on 1/4/2001 is ₹9 lacs for the p.y 2024-25. CII: F.Y: 2001-02-100, 2010-11-167, 2024-25-363. What will be the capital gain to be chargeble to tax?	₹ 1,63,30,000	₹ 1,64,97,000	₹ 1,43,70,000	₹ 1,74,01,198



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
210	Mr. Kumar resident of India got interest certificate from ICICI bank, he paid ₹170000 as interest and ₹95000 towards principal repayment of housing loan borrowed for the above residential building in the year 2015. What will be the deduction under section 80C.	₹ 95,000	₹ 1,70,000	₹ 75,000	₹ 1,50,000
211	AMC company has an Unrealised rent of ₹420000 pertaining to F.Y 2021-22 & 2022-23 recovered during the year in respect of commercial property owned by the company, which was sold by the company on 26.03.2024. compute income from house property u/s 115BAC.	420000	126000	₹ 2,94,000	Nil
212	Employer's contribution to Recognised Provident Fund shall be:	Fully Exempt	Exempt upto 12% p.a	Fully Taxable	Exempt upto 9.5%
213	Interest on Employer's Contribution credited to unrecognised Provident fund is :	Fully Taxable	Fully Exempt	Exempt upto 8.5% p.a	Neither exempt nor taxable in the year of accrual
214	Which of the following is NOT eligible for Section 44AD of Presumptive Taxation Scheme?	A resident individual running a small retail shop	A partnership firm (other than LLP) running a grocery business	A person engaged in plying, hiring, or leasing goods carriage	A HUF running a small trading business
215	The percentage of turnover of Presumptive income under Section 44AD is deemed to be:	10% of turnover/gross receipts	8% of turnover/gross receipts (6% for digital receipts)	12% of turnover	15% of turnover
216	Which of the following persons cannot opt for Section 44AD of presumptive Taxation Scheme?	Resident Individual	HUF	Partnership Firm (other than LLP)	LLP
217	Which of the following persons cannot opt for Section 44ADA presumptive Taxation Scheme?	HUF	Partnership Firm (other than LLP)	LLP	Resident Individual
218	What is the gross receipts of profession in the previous year for Section 44ADA presumptive Taxation Scheme?	Less than 50 Lakhs	More than 50Lakhs	Less than 75 Lakhs (if 95%+digital transaction)	More than 75 Lakhs (if 95%+digital transaction)
219	Section 44AE is applicable to those resident assessee who owns trucks in any time during the PY, for the applicability of presumptive taxation scheme how many trucks does the owner has to own:	Less than 10 trucks	more Than 10 Trucks	less than 9 Trucks	Less than 5 Trucks
220	MR. Jay holds shares carrying 55% voting in QPR Ltd. Mrs. Ansika, wife of Mr. Jay is working as computer software Engineer in QPR Ltd. at a salary of 45,000 p.m. she is, however, not qualified for the job. The other income of Mr. Jay & Mrs. Ansika are ₹6,30,000 & ₹ 2,20,000 respectively. What is the Gross Total Income of Jay and Ansika for the A. Y. 2025-26. Assessee has opted out from default tax regime u/s 115BAC.	11,70,000	11,20,000	13,40,000	7,10,000



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### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
221	Mr. Viru a resident Individual, having Income from salaries (computed) ₹65,000 , loss from house property ₹ 25,000 and Income from non-speculative business is ₹ 24,000 .Yor are required to find out total income chargeable to tax for the A.Y. 2025-26 under section 115BAC.	90,000	56,000	40,000	66,000
222	Mr. shantanu has short term capital gain on sale of shares of ₹ 180,000 and short term capital loss of A.Y. 2024-25 ₹ 45,000, Long term capital gain ₹90,000 Brought forward Long-term capital loss of A.Y. 2023-24 ₹ 92,000.what is the capital gain taxable in the hands of Mr. shantanu for the A.Y. 2025-26?	₹ 3,17,000	₹ 1,33,000	₹ 2,25,000	₹ 1,35,000
223	Mr.Deepankar has an loss from activity of owning and maintaining the race horses and income from textile business ₹ 80,000 and 98,000 respectively,brought forward textile business loss ₹ 40,000.What will be the total income in the hands of Mr. Deepankar for the A.Y. 2025-26?	₹ 1,38,000	₹ 58,000	₹ 68,000	₹ 2,18,000
224	Mr.S has taken three loan for educational purpose on 1st april ,2024 in which 1st loan for MBA of ₹6,00,000 annual repayment of loan is ₹1,20,000 and annual repayment of interest is ₹ 25,000 and 2nd loan taken for S's son for doing M.Tech. and the loan amount is ₹3,00,000 annual repayment of loan is ₹ 50,000 and annual repayment of interest is ₹ 10,000.What is the amount deductible u/s 80E for the A.Y.2025-26 shifting out of the default tax regime u/s 115BAC(1A).	₹ 35,000	₹ 1,70,000	₹ 9,00,000	₹ 7,30,000
225	Mr.R Wins from lottery,crossword puzzle ₹ 20,000 what will be the percentage rate of TDS to be charged under section 194B:	10%	15%	30%	1%
226	What is the percentage of tax to be charged on long term capital gain on some specified cases under section 112A when transfer took place on 10/08/2024 :	10%	12.50%	30%	15%
227	What will be the period of holding for the treatment of Bonus shares:	Date of allotment of bonus shares to date of transfer	Date of allotment of bonus shares to date of renouncement	Date of transfer to date of resale	Date of allotment to date of new purchase
228	What will be the treatment for share of profit in partnership firm:	Taxable	Exempt	Deduction Allowed	Taxable (to the extent of deduction allowed to the firm)
229	Mr. subrata started a business on 1/11/2024 with preliminary expenses of ₹ 7,50,000 and cost of the project is ₹90,00,000. What is the allowable expenditure for the A.Y. 2025-26.	₹ 90,000	₹ 1,50,000	₹ 60,000	₹ 10,50,000
230	What will be the percentage of depreciation to be charged under section 32 for residential building ?	5%	15%	25%	30%



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
231	Mr.Rammaya received cash gift of ₹ 51,000 from his friends on the occasion of his 50th birthday. None of his friends are relatives. The amount liable to tax in the hands of Rammaya would be:	51,000	Nil	51,000	5000
232	Zenat & co. is a partnership firm whose turnover for the previous year 2024-25 was ₹230 lakhs.The due date of filling the return of income of the firm is:	31st july,2025	31st October,2025	30th November,2025	31st March,2026
233	Senior Citizen is not liable for advance tax, if he does not get any income from:	Securities & Interest	Profit and gain from business or profession	Capital gains	All of the above
234	Loss from speculation business can be set-off against:	Income from house property	Income from salaries	Income from speculation business only	any head of income
235	The municipal value of a property is ₹3,25,000; fair rent is ₹2,11,000;standard rent is ₹2,00,00 and the actual rent is ₹3,55,000 .The gross annual value of the property would be:	₹ 3,25,000	₹ 2,00,000	₹ 3,55,000	₹ 2,11,000
236	If a payee eligible for commission exceeding ₹20,000 does not furnish his PAN to the payer,tax deductible at source at:	30%	5%	20%	Nil
237	Where an assessee fails to pay advance tax or defers the payment of advance tax on specified date,he shall be liable to pay interest under section:	234B	234C	Both 234B and 234C	none
238	Any payment from agniveer corpus Fund to a person enrolled under the Agnipath scheme or to the nominee shall be:	Exempt	taxable	Deduction Allowed	Not taxable
239	What will be the treatment for the death of member of armed forces on their operational duties:	Amount received by legal heirs fully exempt	taxable	Deduction Allowed	Not taxable
240	P has taken a house on rent and sublets the same to Q.Income from such house property shall be taxable under the head:	Income from house property	Income from house property or income from other sources as decided by R	Income from other sources	None of the above
241	GST was introduced in India with effect from:	1.1.2017	1.4.2017	1.1.2018	1.7.2017
242	As a result of constitution amendment for GST a Separate List --- has been inserted in the constitution.	Article 246A	Article 146B	Article 122 C	Article 101B
243	SGST is applicable when	Goods are sold within a state	Goods are sold from one GST dealer to a customer	Goods are sold by a GST dealer to another GST dealer	Inter-state supply
244	Goods and service tax is --	Supply based	Consumption based	Both supply and consumption based	None of these



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
245	Under GST law SAC refers to --	Systematic Accounting Code	Service Accounting Code	System administration code	Scientific accounting code
246	On supply of OIDAR Services by a person located in taxable territory to a non-taxable online recipient. Who is liable to pay GST in this case?	Recipient	Supplier	Both	None
247	Zero rated supply includes:	Export of goods and services	Supply of goods and services to a SEZ developer or SEZ Unit	Supply of goods and services by a SEZ developer or SEZ Unit	Both (1) and (2)
248	The highest GST rate applicable now is ---	100%	18%	28%	50%
249	Any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business is	Input	Output	Merit goods	White goods
250	Two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other	Mixed supply	Composite supply	Common supply	Continuous supply
251	Liability to pay tax by the recipient of supply of goods or services is called	Output tax	Reverse charge	Input tax	None of these
252	Defination of Input includes capital goods.	Yes	No	Certain Capital Goods only	None of the above
253	To claim ITC on capital Goods is it mandatory to capitalise the capital goods in books of accounts	Yes	No	Optional	None of the above
254	Under Reverse charge Mechanisum the time of supply as per CGST Act,2017 shall be-	the date of receipt of goods	the date of payment as entered in the books of recipient or the date payment is debited in his bank account whichever is earlier	the date immediately following 30 days from the date of issue of invoice or any other documents	earliest of the option (1) or (2) or(3)
255	If the recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of:	180 days from the date of issue of invoice by the supplier	180 days from the date of payment to the supplier	90 days from the date of issue of invoice by the supplier	60 days from the date of payment to the supplier
256	supply in course of export or supply from Domestic Tariff Area to special Economic Zone Unit/Developer are regarded as-	Zero rated supply	Exempted or Nil rated Supply	Both option (1) and (2)	None of the Above
257	GSTIN stands for:	Goods and services Taxper Identification Number	Goods and Services Troll Identification Number	Goods and Sevices Trade Information Number	Goods and Services Troll Information Number
258	Mr. X has done following transaction :sales of goods is ₹ 98,00,000 ,commission charged on foreign currency ₹ 15,000,sale of shares and securities ₹ 51,00,000. what will be the GST payable?	98,15,000	1,49,15,000	1,49,00,000	51,15,000



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
259	Mr. K of India imported certain taxable services from Mr. R of U.S.A. on 5.9.2025. Invoice is also issued by Mr. R on the same date, If payment is made by Mr. K on 5.10.2025 .Determine Time of Supply of Mr. K being the recipient of service liable to pay GST u/s. 5(3) of the IGST Act,2017.	5.11.2025	8.10.2025	1.10.2025	5.9.2025
260	Determine the value of supply of Surya. Surya charged ₹60,000 for a supplier of Television to Kanak .He has received Subsidy directly linked to supply and received from a charitable Trust engaged in promotion of Television of ₹18,000	60,000	78,000	42,000	18,000
261	The amount available in electronic credit ledger cannot be used for payment of which of the following:	Intrest	Penalty	Fees	All of the above
262	Date of receipt of payment means:	Date of entry in the books	Date of payment credited into bank account	Earlier of option (1) & (2)	Date of filling of return
263	Customs duty in India is levied under which of the following legislations?	Customs Act, 1962	Customs Tariff Act, 1975	Both (1) and (2)	Foreign Trade (Development & Regulation) Act, 1992
264	The safeguard duty imposed shall be in force for the period of -- from the date of its imposition and can be extended with the total period of levy not exceeding----	4 years,10 years	3 years,5years	5years,5years	none of the above
265	Basic custom duty on exported goods is levied at the rates specified in the:	First Schedule of the Customs Tariff Act, 1975	Second Schedule of the Customs Tariff Act, 1975	Customs Act	Customs Manual
266	Customs Duty is not leviable in certain cases except:	Pilfered Goods	Relinquishment of title on the goods	Remission of duty on destroyed goods	Export of goods
267	The value of imported goods shall be the ----	Transaction value	FOB	Custom Duty	Deductive value



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## DIRECT AND INDIRECT TAXATION (PAPER - 7)

### ANSWERS TO MCQ BANK

SL NO	QUESTIONS	CORRECT ANSWER	ANSWER CODE
1	Charging of income of the previous year in the same year is not mandatory for:	Discontinuation of business	4
2	AB was born in England, his parents were born in India in 1952. His grand parents were born in South Africa. AB shall be a:	Foreign National	2
3	Income accruing in Japan and received there is taxable in India in the case of:	Resident and Ordinarily Resident only	1
4	Out of the following which one is not a capital receipt?	Dividend on investment	1
5	Which of the following is Casual Income?	Winning from lotteries	2
6	Which of the following receipt is not included in the term 'Income' under the Income-tax Act, 1961?	Reimbursement of travelling expenses	4
7	A person is said to be a person of Indian origin if –	He or either of his parents or either of his grandparents were born in undivided India	3
8	Income received in India in the previous year is taxable in the hands of –	All assessee irrespective of residential status	3
9	An individual is said to be resident in India if –	He is in India in the previous year for a period of 182 days or more	2
10	The incidence of taxation depends on the –	Residential status of the assessee	1
11	Which of the following is an agriculture income?	Share of Profit of a Partner from a firm engaged in an agriculture operation	2
12	In case of an assessee engaged in the business of manufacturing of tea, his agricultural income is –	Nil	3
13	Income from saplings shall be considered as _____ .	Agricultural Income	1
14	An individual (aged 28 Years) born in India left for first time for employment in France on 30.10.2023. His visit outside India is for the first time. His residential status for the assessment year 2024-25 will be –	Resident and ordinarily resident	1
15	Income of ₹ 3,00,000 is received in Sri Lanka by an ordinarily resident of India. But later on ₹ 50,000 is remitted to India –	₹ 3,00,000 will be taxable	1
16	An individual is said to be a resident in India in the previous year (in which the Feb month has 29 days) if he is in India in that year for a period of _____ .	182 days or more	1
17	Mr. X is engaged in growing and manufacturing tea in India. His income from this activity is ₹ 1,40,000. His agriculture income will be –	₹ 84,000	2
18	Which of the following is not taxable under head 'Salaries'?	Both (1) and (2) above	4
19	If a domestic servant is engaged by the employer and salary is paid by him, the perquisite is:	Taxable in the hands of specified employees only	3
20	Which of the following is taxable under the head 'salaries'?	Commission received by an employee director of a company.	2
21	Who among the following is a specified employee?	Both (1) and (2) above	4
22	Net Annual Value of a self-occupied property treated as such is:	Nil	2
23	A house property located outside India is:	Taxable in hands of resident and ordinarily resident assessee	3
24	Following assessee(s) can considered a house property as self occupied:	Individual & HUF	1
25	Which of the following deductions is /are not allowed in case of a deemed to be let-out house?	All of the above	4
26	Which of the following is not allowed as a deduction for computation of business Income?	Anticipated future losses	2
27	The preliminary expenses that can be amortized under the Income Tax Act, 1961 has to be restricted to _____ of the cost of project.	5%	2
28	Expenditure on promotion of family planning is an allowance as deduction u/s. 36(1)(ix) of the Income Tax Act, 1961 in case of:	Company	4
29	In case of loss, a partnership firm may claim deduction in respect of remuneration to partner to the extent of:	₹ 1,50,000/- or actual remuneration, whichever is lower	2
30	U/s 54, capital gain will be allowed as exemption if the house property under transfer is held for:	More than 24 months preceding the date of transfer	4
31	Personal effect do not cover the followings:	All of the above	4
32	Profit on sale of rural agricultural land is:	Not taxable as rural agricultural land is not considered as a capital asset	3
33	Cost of acquisition of self-generated asset is nil, the exception is:	Bonus shares acquired before 01-04-2001	3



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34	While computing taxable interest on delayed compensation, a standard deduction is allowed @:	50%	1
35	The provision of sec.56(2)(x) is applicable on:	All assessee	1
36	While computing income from other sources, deduction is not allowed to the assessee for:	All of the above	4
37	Gift received by an individual in certain circumstances is not taxable, one of them is:	Any gift received on the occasion of the marriage of the individual-assessee	3
38	An individual purchased a painting on 01-11-2023 for ₹ 5,00,000 though fair market value of the asset is ₹ 5,25,000. Income taxable u/s 56(2)(x) is:	Nil as difference between market value and actual consideration does not exceed ₹ 50,000	3
39	Uncommuted Pension received by a Government Employee is-	Taxable	2
40	Salary received by the Partner of a Firm is charged under the head	Business Income	2
41	Interest credited to Statutory Provident Fund shall be-	Fully Exempt	1
42	Interest credited to Recognized Provident Fund is –	Exempt upto 9.5% p.a.	4
43	The basis of chargeability of income under the head income from house property is:	Annual value	2
44	“A” borrowed ₹ 5,00,000 at 12% p.a on 01-04-2015 for construction of house property which was completed on 15-03-2024 and let out. The amount is still unpaid. The deduction on account of interest for the previous year 2023-24 shall be-	₹ 96,000	2
45	Sums received by an employer from Keyman Insurance Policy taken on the life of the employee shall be-	Taxable under the head Business and Profession	2
46	The cost of acquisition of shares under Employees Stock Option Scheme shall be-	Fair Market Value of the shares on the date of exercise of option	2
47	Capital Gain, arising from compulsory acquisition of urban agricultural land, is:	Exempt	2
48	Where the entire block of the depreciable assets is transferred after 36 months, there will be-	Short- Term Capital Gain or Loss	3
49	Exemption under Section 54F shall not be allowed if the assessee, on the date of transfer, owns-	more than one Residential House	4
50	Income under the head “Income from Other Sources” is taxable on –	On the basis of method of accounting regularly employed by the Assessee	3
51	Winning from Lotteries, Crossword Puzzles, Horse Races & Other Races, Card Game, etc. are casual income & hence-	fully taxable	3
52	Adi received ₹ 70,000 from his friend on the occasion of his birthday:	Entire amount of ₹ 70,000 is taxable	1
53	Commission received by a Director of the Company is charged under the head:	Salaries	1
54	Casual Income received by the Assessee is –	Fully Taxable	3
55	Mr. X’s minor daughter earned ₹ 50,000 from his special talent. This income will be clubbed with –	It will not be clubbed	4
56	Income arising to a minor married daughter shall be –	clubbed with the income of that parent whose total income is higher	2
57	Unabsorbed business losses cannot be carried for more than -	8 assessment years	2
58	Deduction u/s. 80JJA is available if the assessee:	Is engaged in the business of collecting and processing biodegradable waste.	4
59	Maximum limit for deduction u/s 80TTA is:	₹ 10,000	2
60	Advance tax is required to be paid by all assessee only if estimated advance tax liability is:	₹ 10,000 or more	2
61	TDS is not required to be deducted u/s 194A if the amount of interest on loan does not exceed:	₹ 5,000	1
62	On salary, tax is required to be deducted at the time of:	Payment	3
63	Where assessment has not been completed, belated income tax return for assessment year 2024-25 can be filed upto:	31.12.2024	1
64	When assessment has not been completed, revised return can be filed within _____ from the end of the relevant previous year.	9 months	1
65	Clubbing provisions under Sec. 64(1)(vi) are applicable where the asset is transferred by an individual for inadequate consideration to –	Son’s Wife	2
66	As per Sec. 64(1A), income accruing to a minor shall be clubbed in the income of –	Parent whose income before this clubbing is greater	4
67	Loss on account of owing & maintaining the race horses can be carried forward	for 4 years	2
68	The maximum period for which Speculation Loss can be carried forward is:	4 Years	1



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69	Deduction u/s 80C in respect of LIP, contribution to provident fund etc., is allowed to –	an individual or HUF	3
70	Deduction u/s 80D is allowed if the premium is paid to –	General Insurance Corporation or any other Insurer approved by the IRDA	2
71	Rebate in Tax u/s 87A, is applicable to:	Resident Individual	4
72	Deduction u/s 80JJAA in respect of employment of new workers shall be allowed to-	any assessee to who Sec.44AB applies	1
73	The maximum amount which can be donated in cash for claiming deduction under section 80G for the P.Y. 2023-24 is –	₹ 2,000	4
74	Where a member of a HUF has converted or transferred his self-acquired property for inadequate consideration into joint family property, income arising there from is taxable.	As the income of the Transferor Member	1
75	Advance Tax shall be payable by any person in respect of current income is	₹ 10,000 or more	2
76	Liability to deduct tax at source in case on income from interest on securities arises at the time of –	Credit of interest to the account of the payee / interest payable account or payment thereof whichever is earlier	3
77	Who is empowered to make law for matters containing in List II of Schedule VII of the Constitution of India?	State Government	1
78	Power to make laws with respect to goods and services tax has been given by the Constitution vide Article:	246A	2
79	Indirect tax is :	Regressive in nature	1
80	Which one of the following is not an example of indirect tax types?	Income tax	3
81	In case of indirect tax, impact and incidence of tax fall on:	Different persons	2
82	Levy of indirect tax on goods and services may leads to:	Inflation	1
83	Levy and collection of Central indirect tax are dealt by:	CBIC	1
84	In pre-GST regime, excise duty has been levied by ..... Government whereas VAT has been levied by ..... State Government on goods.	Central, State	1
85	Cascading effect of tax means:	Tax on Tax	3
86	Who is empowered to make law for matters containing in List I of Schedule VII of the Constitution of India?	Central Government	2
87	The items which will be taxable both under current central excise law and new GST even after the implementation of the GST Act:	Tobacco and Tobacco products	3
88	Who is the chairman & Head of the GST Council Meeting?	Union Finance Minister	3
89	The IGST Act,2017 extends to the:	Whole of India	2
90	Which of the following is the benefits of GST?	Reduction of compliance burden on taxpayers	3
91	Which of the following taxes have been subsumed in GST?	All of the above	4
92	India has chosen _____ model of dual GST.	Canadian	3
93	Constitution Amendment Act, 2016 for GST was	101st	2
94	The incidence of tax on tax is called	Tax Cascading	1
95	UTGST is applicable when:	There is interstate supply	4
96	Under which article of the Constitution of India, GST council has been constituted?	279A	3
97	GSTN is:	51% government owned company with paid up capital of ₹ 10 crore	1
98	The term supply includes:	All of the above	4
99	Which of the following activities or transactions shall be treated neither as supply of goods nor a supply of services?	Sale of land and building	1
100	Gifts not exceeding ..... in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.	₹ 50,000	1
101	A hotel provides a 4-D/3-N package with the facility of breakfast. This is a .....	Composite supply	2
102	Which of the following is / are the essential elements of a mixed supply?	All of the above	4
103	In case of import of goods, which type(s) of GST is applicable?	IGST	4
104	Reverse charge means the liability to pay tax by the ..... of supply of goods or services or both.	recipient	1
105	Which of the following can be issued by Government to exempt goods and/or services on which tax is leviable in exceptional cases?	Special order	2



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106	Renting of precincts of a religious place meant for general public owned or managed by a charitable or religious trust u/s 12AA of the Income Tax Act 1961 shall be exempt if:	All of the above	4
107	For which of the following goods, the manufacturer is not allowed to opt for composition scheme:	All of the above	4
108	The time of supply of goods, where supplier is liable to pay tax under forward charge shall be:	(a) or (b), whichever is earlier	4
109	The transaction value for computation of value of supply can be rejected if -	The buyer and seller are related and price is not the sole consideration	1
110	In case goods disposed off by way of free sample	supplier can not claim ITC	3
111	If the goods are received in installment then ITC can be availed	ITC can be taken on receipt of last installment	3
112	Person who is liable to be registered u/s 22 or 24 shall apply for registration in every such State or Union Territory in which he is so liable within:	30 days from the date on which he becomes liable to registration	1
113	Tax invoice shall be prepared in _____ in case of supply of goods and in _____ in case of supply of services	Triplicate, Duplicate	3
114	Annual return is summary of:	All of the above	4
115	Payment of tax is required _____ filing return.	Before or at the time of	4
116	Aggregate turnover Limit for Opting Compounding Scheme is:	₹ 1.5 Crore	4
117	The calculation of the aggregate turnover to decide the Taxable Minimum Turnover will be based on:	All India Turnover basis	2
118	Certificate of registration is issued in which form?	GST REG-06	1
119	Dealers who are not eligible for Compounding Scheme:	Interstate Suppliers and those liable to remit tax on Reverse Charge basis	3
120	Various taxes have been subsumed in GST to make one nation one market for consumers . Out of following , determine which taxes have been subsumed in GST (i) basic customs duty levied under Customs Act, 1962, (ii) Taxes on lotteries ,(iii) Environment tax	(ii) and (iii)	2
121	Which of the following is not considered as 'goods' under the CGST Act, 2017 (i) Ten-paisa coin having sale value of Rs 100 , (ii) Shares of unlisted Company, (iii) Lottery Tickets	(ii)	2
122	If tobacco leaves procured from Agriculturist by a registered person , the applicability of RCM will be:	Reverse charge is applicable as this is a notified service	1
123	For a registered person threshold limits of turnover in the preceding financial year for opting composition scheme shall not exceeds:	₹ 1.5 crore	2
124	A supply that consists of two or even more services would be classified as the provision that describes the variables that are subject to a higher rate of taxation, is called:	Mixed	2
125	GST stands for Goods and Services Tax, and it is a tax system that covers a wide range of:	Goods, companies and imports	3
126	Which of the following is the exclusions from the computation of aggregate turnover?	Value of inward supplies on which tax is paid on reverse charge basis	4
127	In case of Manufacturer (except Ice cream , pan masala, tobacco) for whom concessional rate applicable under composition scheme, the rate of tax is:	1%	3
128	Whether a registered person under composition scheme shall claim input tax credit?	no	2
129	What is time of supply of goods, in case of forward charge?	Earlier of (a) & (b)	4
130	What is the time of supply of vouchers when the supply with respect to the voucher is identifiable?	Date of issue of voucher	1
131	Which of the following shall not be included in value of supply?	GST	1
132	The value of supply should include:	All of the above	4
133	When can the transaction value be rejected for computation of value of supply?	When the buyer and seller are related and price is not the sole consideration	1
134	What deductions are allowed from the transaction value?	Discounts offered to customers, subject to conditions	1
135	Rule 30 of the CGST Rules inter alia provides value of supply of goods or services or both based on cost shall be .....% of cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services	110	3



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136	Where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued:	Earlier of (a) or (b)	3
137	Which of the following is not a supply under the CGST Act, 2017?	An expensive watch gifted to an employee for ₹ 50,000. No other gifts provided to such employee during the entire financial year.	3
138	The term 'casual taxable person' includes:	A person occasionally supplying goods or services or both in a State or a Union territory where he has no fixed place of business.	1
139	Mr. X of Delhi is participating in Hitex Furniture Expo in Haryana where he has no fixed place of business and exhibiting his products. During the expo, the said products will be sold to the people attending and intending to purchase such products. In such scenario, Mr. X shall obtain which of the following registration under the CGST Act, 2017?	Casual taxable person registration	2
140	An exempt supply includes:	All of the above	4
141	Which of the following service is notified by Government for ECO?	All of these	4
142	A hotel owner provided accommodation in Haryana, through an electronic commerce operator – Cool Trips. The hotel owner is not liable to get registered as per the provisions of section 22(1) of the CGST Act. Who is the person liable to pay GST in this case?	ECO	2
143	State the taxability of satellite launch services provided to both international and domestic customers by ANTRIX Corporation Limited ("ANTRIX") which is a wholly owned Government of India Company under the administrative control of Department of Space (DOS).	Taxable	1
144	Zero rated supply includes:	Both (1) and (2)	4
145	A registered taxable person is eligible to claim refund in respect of export of goods and services in the following cases:	Both (1) and (2)	4
146	If place of supply in Territorial water, then what will considered as Place of supply?	coastal State or Union Territory where the nearest point of the appropriate baseline	4
147	What is the time of supply of service if the invoice is issued within 30 days from the date of provision of service?	Earlier of (1) & (2)	4
148	What is the time of supply of service in case of reverse charge mechanism?	Earlier of (1) & (2)	4
149	Value of services rendered is ` 1,00,000/. Date of issue of invoice is 5th October 2023. Advance Received is ` 25,000/- on 20th September 2023. Balance amount received on 7th October 2023. What is the time of supply for ` 1,00,000?	20th September 2023- ` 25,000/- and 5th October 2023 for ` 75,000/-	3
150	Whether credit on inputs should be availed based on receipt of documents or receipt of goods	Both	3
151	The supply of goods to SEZ unit is treated as _____ in the hands of the supplier:	Zero Rated supply	3
152	On supply of OIDAR Services by a person located in taxable territory to a non-taxable online recipient. Who is liable to pay GST in this case?	Supplier	2
153	If location of supplier in Territorial water, then what will be considered as location of supplier?	Coastal State or Union Territory where the nearest point of the appropriate baseline	4
154	The limit of exclusive economic zone of India is _____ from the nearest point of the baseline.	200 nautical miles	1
155	Which of the following is a taxable event for imported goods?	Date on which the goods cross the customs barrier	1
156	Basic custom duty on imported goods is levied at the rates specified in the:	First Schedule of the Customs Tariff Act, 1975	1
157	For the purpose of computing IGST on imported goods, one of the following shall not be included in the value for computation:	GST Compensation Cess	1
158	Where the insurance amount is not available, for ascertaining the assessable value for customs duty, the percentage of FOB value to be taken is:	1.125	2
159	Where the transport charges is not available, for ascertaining the assessable value for customs duty, the percentage of FOB value to be taken is:	20%	2



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160	Transportation charges incurred by the importee for transporting goods from factory of the exporter to the port of exportation shall be included in the assessable value. Is this statement correct?	Yes	1
161	As per Section 2(31), person-in-charge means:	All of the above	4
162	Goods which are same in all respects, including physical quantity is known as:	Identical Goods	1
163	Buying commission shall be included in the assessable value. Is this statement correct?	No	1
164	Any article which is imported into India shall, in addition, be liable to integrated tax at such rate, not exceeding _____ % as is leviable under section 5 of Integrated Goods and Services Tax Act, 2017 on a like article on its supply in India, on the value of the imported article as determined under subsection (8) or sub section 8(A).	40	3
165	Any article which is imported into India is also liable to a duty equal to the excise duty for the time being leviable on a like article if produced or manufactured in India. This duty is called as _____	Additional duty	1
166	The maximum rate of additional duty is @ _____ %	4	2
167	If which of the following conditions are satisfied, the Central Government may provide for the enhancement of the import duty ?	Both 1 & 2	4
168	Central Government can impose the safeguard duty if it is satisfied that:	Both 1 & 2	4
169	The total period of levy of safeguard duty is restricted to years:	10	2
170	An appeal filed under section 9B shall be accompanied by a fee of _____	15,000	2
171	As per section 14 of customs act, 1962, transaction value shall also include in addition to the price, any amount paid or payable for costs and services, including _____	all of the above	4
172	As per section 14 of customs act, 1962, transaction value shall also include in addition to the price, any amount paid or payable for costs and services, including _____	all of the above	4
173	For imported goods, the conversion in value shall be done with reference to the rate of exchange prevalent on the date of filing of _____.	bill of entry under section 46	1
174	For the purpose of customs valuation, "rate of exchange" means the rate of exchange notified by _____ shall be taken into account.	CBIC	2
175	Sub-section (2) of section 14 provides that the Board may fix for any class of imported goods or export goods, having regard to the trend of value of such or like goods by notification in the Official Gazette if it is satisfied that it is necessary to do so. It is:	tariff value	4
176	The term "similar goods" means imported goods:	all of the above	4
177	The loading, unloading and handling charges associated with the delivery of the imported goods at the place of importation shall be _____	0	4
178	Where the goods are sent back as such to the foreign country owing to which of the following reasons it is considered as re-exportation?	All the above	4
179	Under Section 74(1) when goods capable of being easily identified, which have been imported into India and upon which any duty has been paid on importation _____ % of duty be paid back.	98	3
180	As per notification, no drawback of import duty will be allowed in respect of which of the following goods, if they have been used after their importation in India?	All the above	4



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181	CBIC has clarified that safeguard duties, anti-dumping duties and countervailing duties are rebatable as drawback in terms of section _____ of the Customs Act	75	2
182	For the purpose of levying tax on income other than agricultural income, Union List contained entry	92C	2
183	Following is not a head of income:	Income from Interest on securities	3
184	Income tax is a	Direct Tax	3
185	Mr. X, partner of M/s XYZ, is assessable as	An Individual	3
186	An Indian citizen leaving India during the previous year for employment purpose is said to be resident if	He is in India in the previous year for a period of 182 days or more	2
187	Remuneration to partner of a firm engaged in the business of growing and manufacturing rubber in India is:	Partly agricultural income and partly non-agricultural income	1
188	In case of an individual or HUF, agricultural income is	Exempted but included in the total income for the rate purpose	2
189	A person can have same residential status in :	more than one country	1
190	Rebate u/s 87A Applicable to:	Resident Individual	1
191	Residential Status is to be determined for	Previous year	1
192	Income which accrue or arise outside India but are received directly into India are taxable in the case of	All Assesseees	4
193	A Resident in India cannot become resident in any other country for the same previous year	FALSE	2
194	The onus of responsibility to prove the residential status of a person lies with	Income tax department	3
195	Total Income of a person is determined on the basis of his	Residential status in India	1
196	Receipt of amount on maturity of LIC Policy is	Capital Receipt	1
197	Surcharge on Income Tax is payable by	All of the above	4
198	Person u/s 2(31) does not Include	Unsound person	3
199	A example of Casual Income is	Intrest Income	1
200	The way of tax liability by taking full advantage providec by the Act is	Tax Planning	3
201	The circular issued by by CBDT are binding on	Both the above	3
202	Commission received by Director of the company charged under the head	Salaries	1
203	Salary received by partner of firm is charged under the head	Business Income	2
204	Which of the following is available for Foreign Citizen u/s 10(6)?	All of the above	4
205	Incomes that do not form part of the Total Income are called	Exempted Income	1
206	What is the standard deduction allowed for salaried employees / pensioners for AY 2025-26?	₹ 75,000	2
207	Mr. Y , aged 48 an Indian Resident employed 20 employees established in SEZ during the previous year 2024-2025. Out of 20 employees ,12 were employed on 1st May 2024 monthly emoluments of ₹18000 and remaining were employed on 1st August 2024 on monthly emoulments ₹12000. All the employees participated in recognised provident fund and they are paid their emoluments directly to their bank accounts.What will be the deduction u/s 80JJAA. As per section 115BAC for the assessment year 2025-26.	9,43,200	3
208	CBC Co-operative society is deriving the following income during the previous year 2024-25 his Income from house property (computed) ₹750000, Income from marketing of agriculture produce grown by the members ₹ 800000,Income from collective disposal of labour of its members ₹1800000 income from processing aid of power is ₹ 2700000,Income from other business activities 520000,Interest on fixed deposit ₹400000.You are Required to find out Income from Profits and gain from Business and Profession.	5820000	2



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209	Riti purchased a land at a cost of ₹10 lakhs in the F.Y. 1982-83 and held the same as her capital Asset till 31st March, 2010. She started her real estate business on 1st April, 2010 and converted the said land into Stock-in Trade on the same date, when the fair market value of the land was ₹180 Lakhs. FMV of land as on 1/4/2001 is ₹9 lacs for the p.y 2024-25. CII: F.Y: 2001-02-100, 2010-11-167, 2024-25-363. What will be the capital gain to be chargeable to tax?	₹ 1,63,30,000	1
210	Mr. Kumar resident of India got interest certificate from ICICI bank, he paid ₹170000 as interest and ₹95000 towards principal repayment of housing loan borrowed for the above residential building in the year 2015. What will be the deduction under section 80C.	₹ 95,000	1
211	AMC company has an Unrealised rent of ₹420000 pertaining to F.Y 2021-22 & 2022-23 recovered during the year in respect of commercial property owned by the company, which was sold by the company on 26.03.2024. compute income from house property u/s 115BAC.	₹ 2,94,000	3
212	Employer's contribution to Recognised Provident Fund shall be:	Exempt upto 12% p.a	2
213	Interest on Employer's Contribution credited to unrecognised Provident fund is :	Neither exempt nor taxable in the year of accrual	4
214	Which of the following is NOT eligible for Section 44AD of Presumptive Taxation Scheme?	A person engaged in plying, hiring, or leasing goods carriage	3
215	The percentage of turnover of Presumptive income under Section 44AD is deemed to be:	8% of turnover/gross receipts (6% for digital receipts)	2
216	Which of the following persons cannot opt for Section 44AD of presumptive Taxation Scheme?	LLP	4
217	Which of the following persons cannot opt for Section 44ADA presumptive Taxation Scheme?	LLP	3
218	What is the gross receipts of profession in the previous year for Section 44ADA presumptive Taxation Scheme?	Less than 75 Lakhs (if 95%+digital transaction)	3
219	Section 44AE is applicable to those resident assessee who owns trucks in any time during the PY, for the applicability of presumptive taxation scheme how many trucks does the owner has to own:	Less than 10 trucks	1
220	MR. Jay holds shares carrying 55% voting in QPR Ltd. Mrs. Ansika, wife of Mr. Jay is working as computer software Engineer in QPR Ltd. at a salary of 45,000 p.m. she is, however, not qualified for the job. The other income of Mr. Jay & Mrs. Ansika are ₹6,30,000 & ₹ 2,20,000 respectively. What is the Gross Total Income of Jay and Ansika for the A.Y. 2025-26. Assessee has opted out from default tax regime u/s 115BAC.	11,20,000	2
221	Mr. Viru a resident Individual, having Income from salaries (computed) ₹65,000, loss from house property ₹ 25,000 and Income from non-speculative business is ₹ 24,000. You are required to find out total income chargeable to tax for the A.Y. 2025-26 under section 115BAC.	40,000	3
222	Mr. Shantanu has short term capital gain on sale of shares of ₹ 180,000 and short term capital loss of A.Y. 2024-25 ₹ 45,000, Long term capital gain ₹90,000 Brought forward Long-term capital loss of A.Y. 2023-24 ₹ 92,000. What is the capital gain taxable in the hands of Mr. Shantanu for the A.Y. 2025-26?	₹ 1,35,000	4
223	Mr. Deepankar has an loss from activity of owning and maintaining the race horses and income from textile business ₹ 80,000 and 98,000 respectively, brought forward textile business loss ₹ 40,000. What will be the total income in the hands of Mr. Deepankar for the A.Y. 2025-26?	₹ 58,000	2



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

## DIRECT AND INDIRECT TAXATION (PAPER - 7)

### ANSWERS TO MCQ BANK

224	Mr.S has taken three loan for educational purpose on 1st april ,2024 in which 1st loan for MBA of ₹6,00,000 annual repayment of loan is ₹1,20,000 and annual repayment of interest is ₹ 25,000 and 2nd loan taken for S's son for doing M.Tech. and the loan amount is ₹3,00,000 annual repayment of loan is ₹ 50,000 and annual repayment of interest is ₹ 10,000.What is the amount deductible u/s 80E for the A.Y.2025-26 shifting out of the default tax regime u/s 115BAC(1A).	₹ 35,000	1
225	Mr.R Wins from lottery,crossword puzzle ₹ 20,000 what will be the percentage rate of TDS to be charged under section 194B:	30%	3
226	What is the percentage of tax to be charged on long term capital gain on some specified cases under section 112A when transfer took place on 10/08/2024 :	12.50%	2
227	What will be the period of holding for the treatment of Bonus shares:	Date of allotment of bonus shares to date of transfer	1
228	What will be the treatment for share of profit in partnership firm:	Exempt	2
229	Mr. subrata started a business on 1/11/2024 with preliminary expenses of ₹ 7,50,000 and cost of the project is ₹90,00,000. What is the allowable expenditure for the A.Y. 2025-26.	₹ 90,000	1
230	What will be the percentage of depreciation to be charged under section 32 for residential building ?	5%	1
231	Mr.Rammaya received cash gift of ₹ 51,000 from his friends on the occasion of his 50th birthday. None of his friends are relatives. The amount liable to tax in the hands of Rammaya would be:	51,000	1
232	Zenat & co. is a partnership firm whose turnover for the previous year 2024-25 was ₹230 lakhs.The due date of filling the return of income of the firm is:	31st October,2025	2
233	Senior Citizen is not liable for advance tax, if he does not get any income from:	Profit and gain from business or profession	2
234	Loss from speculation business can be set-off against:	Income from speculation business only	3
235	The municipal value of a property is ₹3,25,000; fair rent is ₹2,11,000;standard rent is ₹2,00,00 and the actual rent is ₹3,55,000 .The gross annual value of the property would be:	₹ 3,55,000	3
236	If a payee eligible for commission exceeding ₹20,000 does not furnish his PAN to the payer,tax deductible at source at:	20%	3
237	Where an assessee fails to pay advance tax or defers the payment of advance tax on specified date,he shall be liable to pay interest under section:	Both 234B and 234C	3
238	Any payment from agniveer corpus Fund to a person enrolled under the Agnipath scheme or to the nominee shall be:	Exempt	1
239	What will be the treatment for the death of member of armed forces on theirs operational duties:	Amount received by legal heirs fully exempt	1
240	P has taken a house on rent and sublets the same to Q.Income from such house property shall be taxable under the head:	Income from other sources	3
241	GST was introduced in India with effect from:	1.7.2017	4
242	As a result of constitution amendment for GST a Separate List --- has been inserted in the constitution.	Article 246A	1
243	SGST is applicable when	Goods are sold within a state	1
244	Goods and service tax is --	Consumption based	2
245	Under GST law SAC refers to --	Service Accounting Code	2
246	On supply of OIDAR Services by a person located in taxable territory to a non-taxable online recipient. Who is liable to pay GST in this case?	Supplier	2
247	Zero rated supply includes:	Both (1) and (2)	4
248	The highest GST rate applicable now is ---	28%	3
249	Any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business is	Input	1



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250	Two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other	Mixed supply	1
251	Liability to pay tax by the recipient of supply of goods or services is called	Reverse charge	2
252	Defination of Input includes capital goods.	No	2
253	To claim ITC on capital Goods is it mandatory to capitalise the capital goods in books of accounts	Yes	1
254	Under Reverse charge Mechanisum the time of supply as per CGST Act,2017 shall be-	earliest of the option (1) or (2) or(3)	4
255	If the recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of:	180 days from the date of issue of invoice by the supplier	1
256	supply in course of export or supply from Domestic Tariff Area to special Economic Zone Unit/Developer are regarded as-	Zero rated supply	1
257	GSTIN stands for:	Goods and services Taxper Identification Number	1
258	Mr. X has done following transaction :sales of goods is ₹ 98,00,000 ,commission charged on foreign currency ₹ 15,000,sale of shares and securities ₹ 51,00,000. what will be the GST payable?	98,15,000	1
259	Mr. K of India imported certain taxable services from Mr. R of U.S.A. on 5.9.2025.Invoice is also issued by Mr.R on the same date, If payment is made by Mr. K on 5.10.2025 .Determine Time of Supply of Mr. K being the recipient of service liable to pay GST u/s. 5(3) of the IGST Act,2017.	1.10.2025	3
260	Determine the value of supply of Surya. Surya charged ₹60,000 for a supplier of Television to Kanak .He has received Subsidy directly linked to supply and received from a charitable Trust engaged in promotion of Television of ₹18,000	78,000	2
261	The amount available in electronic credit ledger cannot be used for payment of which of the following:	All of the above	4
262	Date of receipt of payment means:	Earlier of option (1) & (2)	3
263	Customs duty in India is levied under which of the following legislations?	Both (a) and (b)	3
264	The safeguard duty imposed shall be in force for the period of -- from the date of its imposition and can be extended with the total period of levy not exceeding---	4 years,10 years	1
265	Basic custom duty on exported goods is levied at the rates specified in the:	Second Schedule of the Customs Tariff Act, 1975	2
266	Customs Duty is not leviabale in certain cases except:	Export of goods	4
267	The value of imported goods shall be the ----	Transaction value	1