

gstguntur.com

Offences & Penalties – CS Executive Tax Laws MCQs – GST Guntur

6–8 minutes

Students should practice Offences & Penalties – [CS Executive Tax Laws MCQ](#) Questions with Answers based on the latest syllabus.

Question 1.

As per section 234F of the Income-tax Act, 1961 maximum fee for failure to file the return of income before the 31st day of December of the assessment year is

- (A) ₹ 1,000
- (B) ₹ 10,000
- (C) ₹ 5,000
- (D) ₹ 2,000 [Dec. 2015]

Answer:

- (C) ₹ 5,000

Question 2.

The maximum penalty leviable for failure to get accounts audited or to furnish report u/s 44AB is

- (A) ₹ 75,000
- (B) ₹ 1,00,000
- (C) ₹ 1,50,000
- (D) ₹ 3,00,000 [Dec. 2015]

Answer:

- (C) ₹ 1,50,000

Question 3.

Penalty for failure to collect tax at source, as a percentage of tax to be collected is –

- (A) 25%
- (B) 100%
- (C) 75%
- (D) 50% [Dec. 2016]

Answer:

Question 4.

When an assessee fails to furnish any information relating to a specified domestic transaction, the quantum of penalty as a percentage of the value of the transaction would be

- (A) 2%
- (B) 1%
- (C) 5%
- (D) 3% [Dec. 2016]

Answer:

- (A) 2%

Question 5.

As per Section 271 A, failures to keep, maintain or retain books of account would attract a penalty of –

- (A) ₹ 10,000
- (B) ₹ 1,00,000
- (C) ₹ 2,000
- (D) ₹ 25,000 [Dec. 2016]

Answer:

- (D) ₹ 25,000

Question 6.

Mr. Raj did not appear before the Assessing Officer in response to a notice issued under section 143(2). He repeatedly absented from appearing before the Assessing Officer.

How much could be the quantum of penalty the Assessing Officer could levy on Mr. Rajan for the failure?

- (A) ₹ 2,000
- (B) ₹ 5,000
- (C) ₹ 10,000
- (D) ₹ 20,000 June 2017]

Answer:

- (C) ₹ 10,000

Question 7.

Penalty for failure to furnish report under section 92E is:

- (A) ₹ 25,000
- (B) 2% of the value of international transactions
- (C) ₹ 1,00,000
- (D) ₹ 1,50,000 [June 2017]

Answer:

- (C) ₹ 1,00,000

Question 8.

Padmaja Traders a partnership firm with a turnover of ₹ 140 lakhs omitted to get the books of account audited under section 44AB.

The amount of penalty leviable for failure to get the accounts audited under section 4AB is:

- (A) ₹ 10,000
- (B) ₹ 70,000
- (C) ₹ 1,50,000
- (D) ₹ 20,000 [Dec. 2017]

Answer:

(B) ₹ 70,000

Question 9.

The amount specified in the notice of demand must be paid within days otherwise the assessee would be treated as assessee in default.

- (A) 10
- (B) 15
- (C) 30
- (D) 60 [Dec. 2017]

Answer:

(C) 30

Question 10.

Finance Act, 2017 has inserted the provision for charging of fees for delay in furnishing the return of income and as per this section, be the amount of fee payable for the return declaring income of ₹ 25 lakh to be filled by 'X' on 28th January 2021 instead of the due date of filing of return u/s 139(1) for A.Y. 2021-22:

- (A) ₹ 1,000
- (B) ₹ 5,000
- (C) ₹ 10,000
- (D) ₹ 3,000 [June 2018]

Hint:

Fee for default in furnishing return of income [Section 234F]: Where a person required to furnish a return of income u / s 139, fails to do so within the time prescribed time, he shall pay, by way of fee, a sum of (a) ₹ 5,000, if the return is furnished on or before the 31st day of December of the assessment year;

(b) ₹ 10,000 in any other case.

However, if the total income of the person does not exceed ₹ 5,00,000, the fee payable shall not exceed ₹ 1,000.

Answer:

(C) ₹ 10,000

Question 11.

ABC Limited has filed its return of income for A.Y. 2021-22 as per section 139(1) but had failed to make the payment of tax on the returned income as per section 140A.

The return so filed by ABC Limited shall be treated as:

- (A) A defective return u/s 139(9)
- (B) A valid return
- (C) A non-est return
- (D) None of the above [June 2018]

Answer:

(B) A valid return

Question 12.

The Assessing Officer, while scrutinizing the return of an assessee, finds under-reporting of income for the reason of misreporting of facts

of such income.

He can levy penalty on such under-reported income resulting from misreporting of income up to tax payable on such under-reported or misreported income.

- (A) 50%
- (B) 100%
- (C) 200%
- (D) 300% [June 2018]

Answer:

- (C) 200%

Question 13.

The maximum penalty leviable for underreporting of income which results from misreporting of income by the assessee is:

- (A) Two hundred percent of the tax payable
- (B) One hundred percent of the tax payable
- (C) Fifty percent of the tax payable
- (D) Three hundred percent of the tax payable [Dec. 2018]

Answer:

- (A) Two hundred percent of the tax payable

Question 14.

Kadam sold vacant land for ₹ 15 lakh on 20th March 2021. The indexed cost of acquisition of the land is ₹ 12,00,000. He received ₹ 3 lakh being part of the sales consideration in cash and the balance through the Electronic Clearance System (ECS).

The AO can levy a penalty in such case on Kadam of an amount of:

- (A) ₹ 12,00,000
- (B) NIL
- (C) ₹ 15,00,000
- (D) ₹ 3,00,000 [June 2019]

Answer:

- (D) ₹ 3,00,000

Question 15.

The total income of Ram is ₹ 4,90,000 and the due date of filing the return of income for A.Y. 2021-22 is 31st July 2021. The return by Ram shall be filed on 20th September 2021.

The late fee payable for late filing of return of income shall be:

- (A) ₹ 1,000
- (B) ₹ 5,000
- (C) ₹ 10,000
- (D) No late fee up to an income of ₹ 5 lakh [June 2019]

Answer:

- (A) ₹ 1,000

Question 16.

The maximum amount of penalty for failure to get accounts audited required as per section 44AB of the Act from an accountant is:

- (A) ₹ 1,50,000
- (B) ₹ 1,00,000
- (C) ₹ 50,000
- (D) b% of turnover or gross receipts of the business or profession or ₹ 50,000. [June 2019]

Answer:

- (A) ₹ 1,50,000

Question 17.

As per section 9A, an eligible offshore investment fund shall furnish within 90 days from the end of the financial year, a statement containing information relating to fulfillment of specified conditions and such other information or documents as may be prescribed. A penalty of to be levied, if the investment fund failed to comply with the requirements as per section 271 FAB.

- (A) ₹ 1,00,000
- (B) ₹ 500 per day
- (C) ₹ 5,00,000
- (D) ₹ 10,00,000 [Dec. 2019]

Answer:

- (C) ₹ 5,00,000

Question 18.

The Assessing Officer while scrutinizing the return of an assessee finds under-reporting of income for the reason of misreporting of facts of such income and thus levied penalty on such under-reported income resulting from misreporting of income. The penalty to be imposed by the A.O. shall be at the rate of tax payable on such misreported income.

- (A) 50%
- (B) 100%
- (C) 200%
- (D) 300% [Dec. 2019]

Answer:

- (C) 200%