

# Chapter ~5 Income From House Property

- Q.1.** Vacant site lease rent is taxable as -  
A. Income from house property  
B. Business income or income from house property, as the case may be  
C. Income from other sources or business income, as the case may be  
D. Income from other sources or income from house property, as the case may be
- Q.2.** Treatment of unrealized rent for determining income from house property-  
A. To be deducted from expected rent  
B. To be deducted from actual rent  
C. To be deducted under section 24 from annual value  
D. To be deducted from both expected rent and actual rent
- Q.3.** Municipal taxes to be deducted from GAV should be:  
A. Paid by the tenant during the previous year  
B. Paid by the owner during the previous year  
C. Accrued during the previous year  
D. Paid during the previous year either by tenant or owner
- Q.4.** Deduction under section 24(a) is  
A. 1/3<sup>rd</sup> of NAV  
B. repairs actually incurred by the owner  
C. 30% of NAV  
D. Interest on borrowed capital
- Q.5.** Interest on borrowed capital accrued up to the end of the previous year prior to the year of completion of construction is:  
A. allowed as a deduction in the year of completion of construction  
B. allowed in 5 equal annual instalments from the year of completion of construction  
C. allowed in the respective year in which the interest accrues  
D. Not allowed
- Q.6.** The ceiling limit of deduction under section 24(b) in respect of interest on loan taken on 1.4.2021 for repairs of a self-occupied house is:  
A. ₹ 30,000 p.a.    B. ₹ 1,50,000 p.a    C. ₹ 2,00,000 p.a    D. No limit
- Q.7.** Where an assessee has two house properties for self-occupation, the benefit of nil annual value will be available in respect of:  
A. Both the properties  
B. The property which has been acquired/ constructed first  
C. Any one of the properties, at the option of the assessee  
D. Any one of the properties and once option is exercised cannot be changed in subsequent years
- Q.8.** Leena received ₹ 30,000 as arrears of rent during the P.Y. 2023-24. The amount taxable (after deduction) under section 25A would be  
A. 30,000    B. 21,000    C. 20,000    D. 15,000

**Q.9.** Vidya received ₹ 90,000 in May, 2022 towards recovery of unrealized rent, which was deducted from actual rent during the P.Y. 2019-20 for determining annual value. Legal expense incurred in relation to unrealized rent is ₹ 20,000. The amount taxable under section 25A for A.Y. 2024-25 would be  
 A. ₹ 70,000    B. ₹ 63,000    C. ₹ 60,000    D. ₹ 49,000

**Q.10.** Ganesh and Rajesh are co-owners of a self-occupied property. They own 50% share each. The interest paid by each co-owner during the previous year on loan (taken for acquisition of property during the year 2005) is ₹ 2,05,000. The amount of allowable deduction in respect of each co-owner is  
 A. ₹ 2,05,000    B. ₹ 1,02,500    C. ₹ 2,00,000    D. ₹ 1,00,000

**Q.11.** Mr. Krishna owns a residential house in Delhi. The house is having two identical units. First unit of the house is self-occupied by Mr. Krishna and another unit is rented for ₹ 12,000 p.m. The rented unit was vacant for three months during the year. The particulars of the house for previous year 2023-24 are as under-

Standard rent	₹ 2,20,000 p.a.
Municipal valuation	₹ 2,44,000 p.a.
Fair rent	₹ 2,35,000 p.a.
Municipal tax paid by Mr. Krishna	12% of <u>municipal valuation</u>
Light and water charges	₹ 800 p.m.
Interest on borrowed capital	₹ 2,000 p.m.
Insurance charges	₹ 3,500 p.a.
Painting expenses	₹ 16,000 p.a.
Compute income from HP of Mr. Krishna for the A.Y. 2024-25.	

**Q.12.** Gross Annual Value of a self-occupied property is \_\_\_\_\_.  
 A. Fair Rent    B. Nil    C. Expected Rent    D. None of Above

**Q.13.** Mr Rajesh owns a residential house, let out for a monthly rent of ₹ 15,000. The fair rental value of the property for the let-out period is ₹ 1,50,000. The house was self-occupied by him from 1st January, 2023 to 31st March, 2024. He has taken a loan from bank of ₹ 20 lacs for the construction of the property, and has repaid ₹ 1,05,000 (including interest ₹ 40,000) during the year.  
 Compute Rajesh's income from house property for the AY 2024-25.

**Q.14.** Abhi is the owner of a house, the details of which are given below: Municipal value ₹. 30,000, Actual rent ₹ 32,000, Fair rent ₹. 36,000 Standard rent ₹. 40,000. The gross annual value would be \_\_\_\_\_.  
 A. ₹ 36,000    B. ₹ 35,000    C. ₹ 30,000    D. ₹ 40,000

**Q.15.** Sunil purchased a house for letting residential purpose after taking a loan in January, 2017. During the previous year 2023-24, he paid interest on loan ₹. 1,67,000. While computing income from house property, the deduction is allowable to the extent of  
 A. ₹ 30,000    B. ₹ 1,00,000    C. ₹ 1,67,000    D. ₹ 1,50,000

**Q.16.** Expected rent shall be higher of the  
 A. MV & SR    B. FR & Actual rent received    C. SR & FR    D. MV & FR

**Q.17.** Municipal Value ₹. 14,000, Fair rent ₹. 14,500, Standard Rent ₹. 14200, Actual rent as property let out throughout the previous year ₹. 16800. Unrealised rent of the PY ₹. 7,000. The annual value of the house property shall be  
A. ₹ 9,800    B. ₹ 14,200    C. ₹ 7,200    D. ₹ 7,500

**FILL IN THE BLANKS:**

**Q.18.** Rent received by original tenant from sub-tenant is taxable under the head \_\_\_\_\_.

**Q.19.** The net annual value of house let-out is ₹. 1,00,000 and actual amount spent by the assessee on repairs and insurance premium is ₹. 20,000, the amount of deduction allowed under section 24(a) shall be ₹. \_\_\_\_\_

**Q.20.** Rent from house property let-out by an assessee to his employees when such letting is incidental to his main business, will be chargeable to tax under the head \_\_\_\_\_

**Q.21.** When annual value of two-self occupied house is nil, the assessee will be entitled to the standard deduction @ \_\_\_\_\_

**Q.22.** R gifted his house property to his wife in 2009. Mrs. has let out the house property @ ₹ 5,000 p.m. The Income from such house property will be taxable in the hands of:

A. Mrs. R

B. R. However, income will be first computed as Mrs. R's income and thereafter clubbed in the income of R

C. R as he will be treated as deemed owner of the house property and liable to tax

**Q.23.** R gifted the house property to his minor son which was let out @ ₹5,000 p.m. Income from such house property shall be taxable in the hands of:

A. Minor son

B. R, However, it will be first computed as minor's income & thereafter clubbed in the income of R

C. R as he will be deemed owner of such house property & liable to tax

**Q.24.** R transferred his house property to his wife under an agreement to live apart Income from such House Property shall be taxable in the hands of:

A. R as deemed owner

B. R, However, it will be first computed as Mrs. R income & thereafter clubbed in the hands of R provided the income of the father is higher than the income of the her mother

C. Mrs. R

**Q.25.** R has taken a house property on lease for 15 years from G and let out the same to S. Income from such house to R shall be taxable as:

A. income under the head other sources

B. income from house property as R is the deemed owner

**Q.26.** What shall be the answer if R had taken it on lease for 10 years

**Q.27.** R gifted his house property to his married minor daughter. The income from such house property shall be taxable in the hands of:

A. R as deemed owner

- B. R, However, it will be first computed as Mrs. R income & thereafter clubbed in the hands of R provided the income of the father is higher than the income of the her mother  
C. income of married minor daughter

- Q.28.** R gifted his house property to his married minor daughter. The income from such house property shall be taxable in the hands of:  
A. Co-operative society B. R as Deemed Owner
- Q.29.** M is owner of superstructure although the land was taken by him on lease. The income from such house property shall be taxable under the head:  
A. IFOS B. Income from house property
- Q.30.** S has taken a house on rent and sublet the same to G. Income from such house property shall be taxable under the head:  
A. Income from House Property B. IFOS
- Q.31.** Municipal valuation of the house is ₹ 1,00,000 whereas the fair rent of house property is ₹ 1,20,000 and standard rent is ₹ 1,10,000: actual rent received or receivable is ₹ 1,40,000: municipal taxes paid 10%. The annual value in the case shall be  
A. ₹ 90,000 B. ₹ 1,00,000 C. ₹ 1,30,000
- Q.32.** Municipal valuation of the house ₹ 1,20,000, Fair rent is ₹ 1,40,000, standard rent is ₹ 1,30,000 whereas actual rent received or receivable is ₹ 1,25,000 municipal taxes paid are 40,000 . The annual value in this case shall be  
A. ₹ 1,00,000 B. ₹ 85,000 C. ₹ 90,000
- Q.33.** A has two house properties. Both are self-occupied. The annual value:  
A. of both houses shall be Nil B. 1 house shall be Nil C. No House shall be NIL
- Q.34.** Tick the deduction which shall be allowed in the case of one self- occupied house property whose annual value is nil:  
a) **30% of net annual value**  
b) **Insurance premium**  
c) **Ground net**  
d) **Lease out**  
e) **Interest on money borrowed fully amount**  
f) **Interest on money borrowed ₹30,000**  
g) **Annual charges**  
h) **Interest on money borrowed ₹ 30,000 or ₹ 2L as the case may be**
- Q.35.** Tick, from under mentioned, the cases where annual value can be negative:  
a) **let out property**  
b) **one self-occupied house property**  
c) **deemed let out property**  
d) **one property which could not be occupied due to employment elsewhere**  
e) **partly let out & partly self-occupied property**
- Q.36.** If Annual Value of the house property let is negative then tick the deduction which shall be allowed u/s 24:  
A. All deduction B. No deduction C. Deduction of interest on money borrowed

- Q.37.** In case of deemed let out property, tick the deduction which shall be allowed u/s 24:
- Repairs and collection charges**
  - Insurance premium**
  - Ground rent / lease rent**
  - Annual charges**
  - Interest on money borrowed**
  - Vacancy allowance**
  - Standard deduction of 30%**
- Q.38.** Tick the cases where the income from house property can be negative due to deduction u/s 24:
- Let out property**
  - Self-occupied property**
  - Deemed let out property**
  - Partly let out property self-occupied**
  - One property which could not be occupied due to employment elsewhere**
- Q.39.** Municipal tax is deducted from:
- Gross Annual Value
  - Net Annual Value
- Q.40.** In case the property is owned by co-owners and it is let, income from such property shall be computed:
- Separately for each co-owner
  - It will be first computed ignoring the co-ownership and then distributed amongst co-owners
- Q.41.** In case the property is owned by co-owners & it is self-occupied by all co-owners. The annual value of:
- Such house property be Nil
  - For each co-owner shall be Nil
- Q.42.** In the above case interest on money borrowed shall be allowed:
- To the extent of ₹ 30,000 / ₹ 2L as the case may be
  - To each owner to the extent of ₹ 30,000 / ₹ 2L as the case may be
- Q.43.** In case of Let out property interest on borrowed capital allowed is:
- Unlimited
  - Limited
- Q.44.** Annual Value of the house property let is negative then tick the deduction which shall be allowed u/s 24:
- 22
  - 23
  - 24
  - 25
- Q.45.** A house property whose fair rent is ₹ 1, 20,000 is neither let out nor did self-occupy throughout the previous year. Its annual value shall be:
- ₹ 1,20,000
  - Nil
- Q.46.** Unrealized rent is a deduction from:
- Gross Annual Value
  - Net Annual Value
  - Actual rent
- Q.47.** An assessee has borrowed money for purchase of a house & interest is payable outside India. Such interest shall -

- A. Be allowed as deduction
- B. Not be allowed on deduction
- C. Be allowed as deduction if the tax is deducted at source

**STATE WHETHER TRUE OR FALSE:**

- Q.48.** W gifted the house property to his wife in 2023. Mrs. W let out the house property @ ₹7,000 p.m. Income from such house property shall be taxable in the hands of Mrs. W
- Q.49.** P transferred his house property to his wife with an agreement to live apart. Income from such house property shall be taxable in the hands of Mrs. P
- Q.50.** A has two house properties. Both are self-occupied. The annual value of both houses shall be Nil
- Q.51.** Municipal taxes is a deduction from Net Annual Value
- Q.52.** An assessee was allowed deduction of unrealized rent to the extent of ₹ 40,000 in the past although the total unrealized rent was ₹60,000. He is able to recover from the tenant ₹ 45,000 during the previous year on account of such unrealized rent. He shall be liable to tax to the extent of ₹ 45,000
- Q.53.** Gross Annual value of the house property cannot exceed standard rent
- Q.54.** Deduction of municipal taxes shall be limited to gross annual value of the house property
- Q.55.** Net Annual value of one self-occupied house property can be negative due to deduction of municipal paid by the owner
- Q.56.** Income from one self-occupied property cannot be negative
- Q.57.** In case of let out property, the deduction on account of interest on the money borrowed for the purpose of construction of such house property cannot exceeds ₹ 1,50,000

**FILL IN THE BLANKS:**

- Q.58.** R gifted the house property which was let out @ ₹ 9,000 p.m. to his minor daughter Income from such house property shall be taxable in the hands of
- Q.59.** Municipal valuation of the house is ₹ 2,40,000, fair rent is ₹ 2,90,000, standard rent is ₹ 2,50,000 whereas annual rent received ₹ 2,40,000: municipal taxes paid are 40,000. The annual value in this case shall be \_\_\_
- Q.60.** Fair rent value of house is ₹ 1,50,000, standard rent ₹ 1,20,000, Annual rent ₹ 1,30,000. Municipal taxes paid for 6 years in advance ₹ 1,50,000. The annual value shall be \_\_\_
- Q.61.** In case the property is owned by co-owners and it is self-occupied by all co-owners. The annual value of such house property shall be \_\_\_
- Q.62.** Co-owners Income of HP is taxable as per sec. \_\_\_

- Q.63.** Interest on capital borrowed for repairs of self-occupied house property is deductible to the maximum extent of \_\_\_\_
- Q.64.** Arrears of rent shall be deemed to be income of the previous year in which such rent is \_\_\_\_\_ after deducting \_\_\_\_\_ of such amount
- Q.65.** Income is taxable under the head , house property only when the assessee is the \_\_\_\_\_ of such house property
- Q.66.** Municipal taxes are deductible from the gross annual value only when these are \_\_\_\_\_ during the \_\_\_\_\_
- Q.67.** Municipal tax paid outside India is\_\_\_\_
- Q.68.** Interest on Fresh Loan to Taken to repay original Loan is \_\_\_\_\_

**Answers:**

1. C	2. B	3. B	4. C	5. B	6. A
7. A	8. B	9. B	10. C	11.41,352	12. B
13.1L	14. A	15.C	16. D	17. B	18. Other sources
19.30,000	20. PGBP	21. NIL	22. C	23. C	24. C
25.B	26. A	27.B	28. B	29. B	30. B
31.C	32. C	33.A	34. H	35. A, C, E	36. C
37.E, G	38. A, B, C, D, E	39.A	40. B	41. A	42. B
43. A	44. A	45.A	46. C	47. C	48.F
49. T	50. T	51.F	52.F	53.F	54.F
55. F	56. F	57.F	58.R	59.210000	60.(-)20000
61. Nil for Each owner	62. 26	63.30,000	64.recived; 30%	65.Owner	66.Paid; PY
67. Allowed	68. Allowed				

**SPACE FOR NOTES**

