

Chapter-9 Clubbing of Income

- Q.1.** Income of a minor child suffering from any disability of the nature specified in sec. 80U is
- A. To be assessed in the hands of the minor child
 - B. To be clubbed with the income of that parent whose total income, before including minor's income, is higher
 - C. Completely exempt from tax
 - D. To be clubbed with the income of father
- Q.2.** Income arising to a minor married daughter is:
- A. To be assessed in the hands of the minor married daughter
 - B. To be clubbed with the income of that parent whose total income, before including minor's income, is higher
 - C. Completely exempt from tax
 - D. To be clubbed with the income of her husband
- Q.3.** Where a member of a HUF has converted or transferred his self-acquired property for inadequate consideration into joint family property, income arising therefrom is:
- A. Taxable as the income of the transferor-member
 - B. Taxable in the hands of the HUF
 - C. Taxable in the hands of the Karta of the HUF
 - D. Exempt from tax
- Q.4.** If the converted property is subsequently partitioned among the members of the family, the income derived from such converted property as is received by the spouse of the transferor will be taxable:
- A. As the income of the karta of the HUF
 - B. As the income of the spouse of the transferor
 - C. As the income of the HUF
 - D. As the income of the transferor-member
- Q.5.** Exemption of a certain amount (not exceeding the income clubbed) is available under section 10(32), where a minor's income is clubbed with the income of the parent. The maximum exemption available is:
- A. Upto ₹1,500 in respect of each minor child
 - B. Upto ₹ 1,500 in respect of each minor child maximum of two children
 - C. Upto ₹ 2,000 in respect of each minor child
 - D. Upto ₹2000 in respect of each minor child maximum of two children
- Q.6.** Mr. A gifts a sum of ₹ 1L to his brother's wife Mrs. B. Mr. B gifts a sum of ₹ 1,00,000 to Mrs. A. From the sum gifted to her, Mrs. B invests in a fixed deposit, income therefrom is ₹ 10,000. Aforesaid ₹ 10,000 will be included in the total income of
- A. Mr. A
 - B. Mrs. A
 - C. Mrs. B
 - D. Mr. B

Q.7. Scholarship received by a minor child is:

- A. To be assessed in the hands of the minor child
- B. To be clubbed with the income of that parent whose total income, before including minor's income, is higher
- C. Completely exempt from tax
- D. To be clubbed with the income of father

Q.8. Income of a minor child from a fixed deposit with a bank, made out of income earned from scholarship is:

- A. To be assessed in the hands of the minor child
- B. To be clubbed with the income of that parent whose total income, before including minor's income, is higher
- C. Completely exempt from tax
- D. To be clubbed with the income of father

Q.9. Mr. X transfers income of ₹ 51,000 from rent to his major son without transfer of house property. Rent of ₹ 51,000 is:

- A. Taxable in the hands of the transferor-father
- B. Taxable in the hands of the his son
- C. Taxable in the hands of the that parent whose total income is higher
- D. Exempt from tax

Q.10. Interest from a fixed deposit received by a minor married daughter is:

- A. To be assessed in the hands of the minor child
- B. To be clubbed with the income of that parent whose total income, before including minor's income, is higher
- C. Completely exempt from tax
- D. To be clubbed with the income of her husband

Q.11. Mr. Mittal has four minor children consisting of three daughters and one son. The annual income of all the children for AY 2024-25 were as follows

Particulars	₹
First daughter (Including Scholarship received ₹ 5,000)	10,000
Second Daughter	8,500
Third Daughter (Suffering from disability specified U/s 80U)	4,500
Son	40,000

Mr. Mittal gifted ₹ 2,00,000 to his minor son who invested the same in the business and derived income of ₹ 20,000 which is included above.

Compute the amount of income earned by minor children to be clubbed in the hands of Mr. Mittal

Q.12. Mr. Dhaval has an income from salary (computed) of ₹ 3,50,000 and his minor children's income are as under

Particulars	₹
Minor daughter has earned the following income:	

- Q.18.** Mrs. X receives salary from ABC Ltd. Mr. X has substantial interest in ABC Ltd. Mrs. X possess professional qualification to be eligible for job. Salary so received by Mrs. X shall be assessed in hands of
 A. Mrs X B. Mr X C. Both of them D. Any of them
- Q.19.** When the income of the individual include ₹.20,000 as the income of the minor child in terms of section 64(1A), taxable income in this respect will be?
 A. Nil B. 20,000 C. 18,500 D. None of them
- Q.20.** Mrs. R receives salary of ₹. 1,00,000 from PQ Ltd., Mr. R receives salary of ₹. 1,50,000 from PQ Ltd. Both of them have substantial interest in company. Other Income of Mr. A and Mrs. A excluding such remuneration is ₹. 10,00,000 and ₹. 12,00,000 respectively. Taxable income of Mr. A and Mrs. A shall be
 A. 11,50,000; 13,50,000 B. 11,00,000; 13,50,000
 C. 15,50,000; 12,00,000 D. 10,00,000; 14,50,000
- Q.21.** Mr. Amit as on 1.10.2021 transferred shares without consideration to his fiancée, Ritika. They got married on 1.4.2022. Income from share for year the end shall be assessed in hands of
 A. Amit B. Ritika C. Any of above D. None of them
- Q.22.** Gold funds were transferred by Mr. Rahul to Mrs. Rahul under an agreement to live apart. Income from gold funds shall be assessed in the hands of
 A. Mr Rahul B. Mrs Rahul C. Any of above D. None of them
- Q.23.** To apply clubbing provisions under section 64(1)(iv), the relation of husband and wife must exist at the time of:
 A. Only at the time of transfer of asset
 B. Only at the time of accrual of income
 C. Both at the time of transfer of asset and accrual of income
 D. Shall be at the time of accrual, may be at the time of transfer
- Q.24.** Section 64(1)(iv) is applicable on all assets except
 A. House Property B. Share C. Gold D. None of them
- Q.25.** Abhi transferred shares of Indian companies to his wife. The shares were sold by his wife and earned Capital Gains. The capital gains so computed shall be clubbed in the hands of Abhi. Is it correct
 A. Correct B. Incorrect C. Clubbing not applicable D. None of them
- Q.26.** Gold worth ₹. 2,00,000 was gifted by Reema to her son's wife, Naveena. Gold was sold by Naveena for ₹. 5,00,000. Capital Gains shall be taxable in hands of
 A. Naveena B. Reema C. Equally in hands of a) and b) D. None
- Q.27.** Mr. Rajesh formed a trust for the benefit of his wife. The income of trust meant for the benefit of Mrs. Rajesh shall be assessed in the hands of:

A. Mrs Rajesh B. Mr Rajesh C. Any D. None

- Q.28.** Mrs. Sharma has invested ₹. 5,00,000 in firm. As on 1st April 2021, out of total investment of ₹. 5,00,000, ₹. 3,00,000 is on account of money given by her husband. During the previous year, she earned interest of ₹. 50,000 and profit of ₹. 50,000. Amount to be clubbed in the income of Mr. Sharma
A. 31,000 B. 30,000 C. Nil D. 50,000
- Q.29.** Assets were transferred by A to an AOP for deferred benefit of his son's wife. Amount of income from assets used for benefits of his daughter in law shall be clubbed in the hands of
A. A B. A's wife C. A's son's wife D. None
- Q.30.** Income received by minor married daughter shall be assessed in the hands of
A. Married Daughter B. Her husband C. Parents, whose income is higher D. None
- Q.31.** When marriage of parents subsist, Income of minor child shall be included in the income of:
A. Father
B. Mother
C. Parent, whose income (excluding such income) is higher
D. Parent, whose income (including such income) is higher
- Q.32.** ₹.1,00,000 earned by minor child from manual activity is invested in FDR. He earns ₹. 10,000 as interest from FDR during the previous year. ₹. 1,00,000 and ₹. 10,000 shall be assessed in the hands of
A. Minor, minor B. Minor, Parents C. Parents, Parents D. Parents, minor
- Q.33.** Securities worth ₹. 20,00,000 was transferred by Abhi, member of HUF to HUF. Interest income of ₹. 2,00,000 is earned on securities so transferred. Partition of HUF took place. $\frac{1}{4}$ of securities were transferred to Abhi, $\frac{1}{4}$ of securities were transferred to Abhi's wife. How much amount shall be taxable in the hands of Abhi
A. 20,000 B. 50,000 C. 1,00,000 D. None
- Q.34.** Securities DELETED worth ₹. 20,00,000 was transferred by Ravi, member of HUF to HUF. Interest income of ₹. 2,00,000 is earned on securities so transferred. Partition of HUF took place. $\frac{1}{4}$ of securities were transferred to Ravi, $\frac{1}{4}$ of securities were transferred to Ravi's wife and $\frac{1}{4}$ were transferred to his daughter in law. How much amount shall be taxable in the hands of Ravi
A. 2,00,000 B. 1,50,000 C. 1,00,000 D. None
- Q.35.** When an asset is transferred by member of HUF to HUF. Partition of HUF has taken place. $\frac{1}{4}$ of property is given to member, $\frac{1}{4}$ to his wife, $\frac{1}{4}$ to his minor child and rest to major son. What amount of income from property shall be clubbed with the income of member?
A. $\frac{1}{4}$ of income B. $\frac{1}{2}$ of income C. Whole of the income D. $\frac{3}{4}$ of income

- Q.53.** Where an individual transfers the house property to his wife without adequate consideration, then income from such house property shall be subject to the provisions of:
- Section 64(1) (iv) i.e. Income from such house property shall be clubbed in the hands of the transferor
 - Section 27 i.e. The transferor shall be the deemed owner of such house property and taxable under section 22
 - None of these
- Q.54.** Clubbing provisions under section 64 (1) (vi) are applicable where the asset is transferred by an individual without an adequate consideration to
- Daughter's husband
 - Son's wife
 - Major son
 - Major daughter
- Q.55.** R gifts ₹ 5, 00,000 to his wife who invested to same in the partnership business. Mrs. R receives ₹ 2, 05,000 as her share of profits from such firm. In this case amount to be clubbed in the income of R shall be:
- ₹ 2,05,000
 - ₹ 15,000 after giving maximum exemption of ₹ 1,90,000 to Mrs. R
 - Nil as share of profit from firm is exempt
- Q.56.** R has gifted ₹10, 00,000 to his wife on 1-4-2016. The wife invested the above sum as capital contribution to the firm where she is a partner and earned interest every year. The total capital of Mrs. R as on 1-4-2019 including 3 years interest was ₹ 15,00,000. During the year she earned ₹ 2, 70,000 as interest on such capital balance. The income to be clubbed in the hands of R shall be
- 2,70,000
 - 1,80,000
 - Nil
 - 90,000
- Q.57.** 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
 - A parent whose income before this clubbing is greater
- Q.58.** If the marriage of the parents does not subsist, the income of the minor child shall be clubbed in the income of
- Father
 - Parents who maintain the child
 - Father or Mother whose income is higher
- Q.59.** When income of minor child is clubbed in the income of the parents concerned such parents will be allowed exemption of
- ₹ 1500
 - ₹ 1500 per minor child
 - To extent of actual income clubbed or ₹ 1500 per minor child whichever is less
- Q.60.** Where a house property is transferred by an individual to his or her minor child other than a married minor daughter without an adequate consideration, income from such house property shall be subject to provisions of:

- A. Section 64(1A) i.e. Minor income to be clubbed in the income of the parents whose income other than such income is greater
- B. Section 27i.e. The transferor shall be the deemed owner of such house property and taxable under section 22
- C. None of these

Q.61. Any income of a minor child who is a person with disability shall be:

- A. Clubbed with the income of the parent whose income other than such income is greater
- B. Taxable in the hands of the minor through his guardian / legal representative
- C. Exempt

Q.62. Income of a minor child from the application of his talent / skill or from his manual work shall be:

- A. Clubbed with the income of the parent whose income other than such income is greater
- B. Taxable in the hands of the minor
- C. Exempt

Q.63. Income of a minor married daughter shall:

- A. Be clubbed in the income of her husband
- B. Be clubbed in the income of the parent whose income other than such income is greater
- C. Not be clubbed and taxable in her hands

Q.64. If any income has to be clubbed under section 64, it will be clubbed under the

- A. Head income from other sources
- B. Relevant head to which it belongs
- C. None of these

Answers:

1.A	2.B	3.A	4.D	5.A	6.A
7.A	8.B	9.A	10.B	11.49000	12.353500
13.Dhaval 778500; Hetal 460000	14.A	15.A	16.A	17. A	18.A
19.C	20. D	21.B	22.B	23.C	24.A
25.A	26.B	27.B	28.B	29.A	30.C
31.C	32.B	33.C	34.B	35.B	36.C
37.A	38.A	39.B	40.C	41.D	42.B
43.D	44.A	45.A	46.A	47.C	48.C
49.B	50.C	51.C	52.A	53.B	54.B
55.C	56.B	57.D	58.B	59.C	60.B
61.B	62.B	63.B	64.B		

