

PART-A MCQ

- Q.1.** For Ay 2024-25 Mr. Hari a resident Indian earns income of Rs 10 lakhs from sale of rubber manufactured from latex obtained from rubber plants grown by him in India and Rs 15 lacs from the sale of rubber manufactured from latex obtained from rubber plants grown by him in Malaysia. What would be his business income chargeable to tax in India, assuming he has no other business?
- (a) Rs 350000
 - (b) Rs 400000
 - (c) Rs 875000
 - (d) Rs 1850000
- Q.2.** Ms. S has three farm buildings situated in the immediate vicinity of a rural agricultural land. In the PY2023-24 she earned Rs 3 lakhs from letting out her farm building 1 for storage of food grains, Rs 10 lakh from letting out her farm building 2 for storage of dairy products and Rs 15 lakh from letting out her farm building 3 for residential purposes of Mr. Y whose food grain produce is stored in farm building 1. What is the amount of agricultural income exempt from income-tax?
- (a) Nil
 - (b) ₹ 3,00,000
 - (c) ₹ 13,00,000
 - (d) ₹ 18,00,000
- Q.3.** The Gupta HUF in Maharashtra comprises of Mr. Harsh Gupta his wife Mrs Nidhi Gupta his son Mr. Deepak Gupta, his daughter in law Mrs. Deepti Gupta his daughter miss preeti Gupta and his unmarried brother Mr. Gautam Gupta. Which of the members of the Huf are eligible for coparcenary rights ?
- (a) Only Harsh gupta. Gautam gupta and Mr. Deepak gupta
 - (b) Only Harsh gupta. Gautam gupta and Mr. Deepak gupta amd Miss preeti gupta
 - (c) Only Harsh gupta. Gautam gupta and Mr. Deepak gupta Mrs nidhi gupta and Mrs. Deepti gupta
 - (d) All the members are co parceners
- Q.4.** Mr. Rajesh aged 53 yrs and his wife Mrs Sowmya aged 50 years are citizen of country X. they are living in Country X since birth. They are not liable to tax in Country X. both of them have keen interest in Indian Culture. Mr. Rajesh parents and grandparents were born in Country X. Mrs Sowmya visit India along with Mr. Rajesh for four months every year to be with her parents, who were born in Delhi and lived in Delhi. During their Stay in India, they organize cultural programme in Delhi. Income of Mr . Rajesh and his wife from Indian sources for PY 2023-24 is Rs 18 lacs and 16 lacs respectively.
- (a) Both are resident and ordinarily resident in India
 - (b) Both are non resident in India
 - (c) Mr. Rajesh is resident but not ordinarily resident in India and Mrs. Sowmya is non resident
 - (d) Mrs. Sowmya is resident but not ordinarily resident in India and Mr. Rajesh is resident and ordinarily resident in India
- Q.5.** Mr. Raman, aged 64 years, was not able to provide satisfactory explanation to the Assessing Officer for the investments of ₹ 7 lakhs not recorded in the books of accounts. What shall be the tax payable by him on the value of such investments considered to be deemed income as per section 69?
- (a) ₹ 2,18,400
 - (b) ₹ 55,000

- (c) ₹ 5,46,000
- (d) ₹ 54,600

- Q.6.** If Anirudh, a citizen of India, has stayed in India in the P.Y. 2023-24 for 181 days, and he is non-resident in 9 out of 10 years immediately preceding the current previous year and he has stayed in India for 365 days in all in the 4 years immediately preceding the current previous year and 420 days in all in the 7 years immediately preceding the current previous year, his residential status for the A.Y. 2024-25 would be -
- (a) Resident and ordinarily resident
 - (b) Resident but not ordinarily resident
 - (c) Non-resident
 - (d) Deemed resident but not ordinarily resident
- Q.7.** Mr. Ajay is found to be the owner of two gold chains of 50 gms each (market value of which is ₹ 1,45,000 each) during the financial year ending 31.3.2024 but he could offer satisfactory explanation to the Assessing Officer for ₹ 50,000 spent on acquiring these gold chains. As per section 115BBE, Mr. Ajay would be liable to pay tax of –
- (a) ₹ 1,87,200
 - (b) ₹ 2,26,200
 - (c) ₹ 1,49,760
 - (d) ₹ 1,80,960
- Q.8.** Mr. Ajay is a recently qualified doctor. He joined a reputed hospital in Delhi on 01.01.2024. He earned total income of ₹ 3,40,000 till 31.03.2024. His employer advised him to claim rebate u/s 87A while filing return of income for A.Y. 2024-25. He approached his father, a tax professional, to enquire regarding what is rebate u/s 87A of the Act. What would have his father told him?
- (i) An individual who is resident in India and whose total income does not exceed ₹ 5,00,000 is entitled to claim rebate under section 87A.
 - (ii) An individual who is resident in India and whose total income does not exceed ₹ 3,50,000 is entitled to claim rebate under section 87A.
 - (iii) Maximum rebate allowable under section 87A is ₹ 5,000.
 - (iv) Rebate under section 87A is available in the form of exemption from total income.
 - (v) Maximum rebate allowable under section 87A is ₹ 12,500.
 - (vi) Rebate under section 87A is available in the form of deduction from basic tax liability.
- Choose the correct option from the following:
- (a) (ii), (iii), (vi)
 - (b) (i), (v), (vi)
 - (c) (ii), (iii), (iv)
 - (d) (i), (iv), (v)
- Q.9.** Raman, a citizen of India, was employed in Hindustan Lever Ltd. He resigned on 27.09.2023. He received a salary of ₹ 40,000 p.m. from 1.4.2023 to 27.9.2023 from Hindustan Lever Ltd. Thereafter he left for Dubai for the first time on 1.10.2023 and got salary of rupee equivalent of ₹ 80,000 p.m. from 1.10.2023 to 31.3.2024 in Dubai. His salary for October to December was credited in his Dubai bank account and the salary for January to March was credited in his Mumbai account directly. He is liable to tax in respect of -
- (a) income received in India from Hindustan Lever Ltd;
 - (b) income received in India and in Dubai;
 - (c) income received in India from Hindustan Lever Ltd. and income directly credited in India;
 - (d) income received in Dubai

Q.10. Mr. Suhaan (aged 35 years), a non-resident earned dividend income of ₹ 12,50,000 from an Indian Company which was declared on 30.09.2023 and credited directly to its bank account on 05.10.2023 in France and ₹ 15,000 as interest in Saving A/c from State Bank of India for the previous year 2023-24. Assuming that he has no other income, what will be amount of income chargeable to tax in his hands in India for A.Y. 2024-25?

- (a) ₹2,55,000
- (b) ₹12,65,000
- (c) ₹12,50,000
- (d) ₹12,55,000

Q.11. Aashish earns the following income during the P.Y. 2023-24:

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

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

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

Q.12. Mr. S is a person of Indian origin residing in Canada. During PY 2023-24 he visited India on several occasions and his period of stay in total amounted to 129 days during PY 2023-24 and his period of stay in India during PY 2022-23, PY 2021-22, PY 2020-21, and PY 2019-20 was 135, 115, 95, 125 respectively. He earned the following incomes during the PY 2023-24:

Sources	₹
Income received or deemed to be received in India	2,50,000
Income accruing or arising or which is deemed to accrue or arise in India	3,75,000
Income accruing or arising and received outside India from Business controlled From India	5,50,000
Income accruing or arising and received outside India from business controlled outside India	6,50,000

What is the residential status of Mr. S for AY 2024-25 and his income liable to tax in India?

- (a) NR, Rs 6,25,000 is liable to tax in India
- (b) ROR, Rs 18,25,000 is liable to tax in India
- (c) RNOR, Rs 11,75,000 is liable to tax in India
- (d) NR, Rs 11,75,000 is liable to tax in India

Q.13. Mr. Square, an Indian citizen, currently resides in Dubai. He came to India on a visit and his total stay in India during the F.Y. 2023-24 was 135 days. He is not liable to pay any tax in Dubai. Following is his details of stay in India in the preceding previous years:

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

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

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

Q.14. Mr. Karan completed his MBA in April 2023 and joined XYZ Ltd. from 1.5.2023. his basic salary is Rs 2,25,000pm. He is paid 12% of basic salary as DA forming part retirement benefits. He contributed 11% of his pay and DA towards recognized provident fund and the company contributes the same amount. Accumulated interest on provident fund as on 31.3.2023. is Rs 49,325. What would be the income chargeable to tax under the head salaries of Mr. Karan for the Ay 2024-25 if he does not opt for section 115BAC?

- (a) Rs 27,26,442
- (b) Rs 27,30,884
- (c) Rs 27,22,000
- (d) Rs 27,71,325

Q.15. Mr. Ramesh, a citizen of India, is employed in the Indian embassy in Australia. He is a non-resident for A.Y. 2024-25. He received salary and allowances in the Australia from the Government of India for the year ended 31.03.2024 for services rendered by him in Australia. In addition, he was allowed perquisites by the Government. Which of the following statements are correct?

- (a) Salary, allowances and perquisites received outside India are not taxable in the hands of Mr. Ramesh, since he is non- resident.
- (b) Salary, allowances and perquisites received outside India by Mr. Ramesh are taxable in India since they are deemed to accrue or arise in India.
- (c) Salary received by Mr. Ramesh is taxable in India but allowances and perquisites are exempt.
- (d) Salary received by Mr. Ramesh is exempt in India but allowances and perquisites are taxable.

Q.16. Mr. Nishant, a resident but not ordinarily resident for the previous year 2023-24 has received rent from property in Canada amounting to ₹ 1,00,000 during the P.Y. 2023-24 in a bank in Canada. During the financial year 2023-24, he remitted this amount to India through approved banking channels. Is such rent taxable in India, and if so, how much and in which year?

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

Q.17. Who among the following will qualify as non-resident for the previous year 2023-24?

- Mr. Joey, an Italian designer came on visit to India to explore Indian handloom on 03.09.2023 and left on 15.12.2023. For past four years, he visited India for fashion shows and stayed in India for 100 days each year.
- Mr. Sanjay born and settled in Canada, visits India each year for three months to meet his parents and grandparents, born in India in 1946, living in Mumbai. His Indian income is ₹ 15,20,000.
- Mr. Chang, a Korean scientist left India to his home country for fixed employment there. He stayed in India for study and research in medicines from 01.01.2018 till 01.07.2022.

Choose the correct answer:

- (a) Mr. Joey and Mr. Chang

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

Q.18. Which of the following income would be exempt in the hands of a Sikkimese Individual?

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

Q.19. Which of the following statements is/are true in respect of taxability of agricultural income under the Income-tax Act, 1961?

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

Choose the correct answer:

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

Q.20. XYZ Ltd. has two units, one unit at Special Economic Zone (SEZ) and other unit at Domestic Tariff Area (DTA). The unit in SEZ was set up and started manufacturing from 12.3.2014 and unit in DTA from 15.6.2017. Total turnover of XYZ Ltd. and Unit in DTA is ₹ 8,50,00,000 and ₹ 3,25,00,000, respectively. Export sales of unit in SEZ and DTA is ₹ 2,50,00,000 and ₹ 1,25,00,000, respectively and net profit of Unit in SEZ and DTA is ₹ 80,00,000 and ₹ 45,00,000, respectively. XYZ Ltd. would be eligible for deduction under section 10AA for P.Y. 2023-24 for-

- (a) ₹38,09,524
- (b) ₹19,04,762
- (c) ₹23,52,941
- (d) ₹11,76,471

Q.21. Income derived from farm building situated in the immediate vicinity of an agricultural land (not assessed to land revenue) would be treated as agricultural income if such land is situated in –

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

- Q.22.** Anirudh stays in New Delhi. His basic salary is ₹ 10,000 p.m., D.A. (60% of which forms part of pay) is ₹ 6,000 p.m., HRA is ₹ 5,000 p.m. and he is entitled to a commission of 1% on the turnover achieved by him. Anirudh pays a rent of ₹ 5,500 p.m. The turnover achieved by him during the current year is ₹ 12 lakhs. The amount of HRA exempt under section 10(13A) is –
- ₹ 48,480
 - ₹ 45,600
 - ₹ 49,680
 - ₹ 46,800
- Q.23.** During AY 2024-25 Mr. Kabir has a loss of Rs 6 lakhs under the head Income from house property, loss of Rs 5 lakhs from business of profession and income of Rs 3 lakhs from long term capital gains. He filed his return of income for AY 2024-25 on 31.12.2024. determine the total income of Mr. Kabir for AY 2024-25 and the amount of loss which can be carried forward in a manner most beneficial to him?
- Total income Nil, loss of Rs 4 lakh from house property and loss of Rs 4 lakh from business or profession
 - Total income Rs 1 Lakh, loss of Rs 4 lakh from house property
 - Total Income Nil, No loss is allowed to be carried forward
 - Total income Nil, loss of Rs 6 lakh from HP
- Q.24.** Anand is provided with furniture to the value of ₹ 70,000 along with house from February, 2024. The actual hire charges paid by his employer for hire of furniture is ₹ 5,000 p.a. The value of furniture to be included along with value of unfurnished house for A.Y.2024-25 is-
- ₹ 5,000
 - ₹ 7,000
 - ₹ 10,500
 - ₹ 14,000
- Q.25.** Mr. Kashyap received basic salary of ₹ 20,000 p.m. from his employer. He also received children education allowance of ₹ 3,000 for three children and transport allowance of ₹ 1,800 p.m. Assume he is not opting to pay tax under section 115BAC. The amount of salary chargeable to tax for P.Y. 2023-24 is -
- ₹ 2,62,600
 - ₹ 2,12,600
 - ₹ 2,11,600
 - ₹ 2,12,200
- Q.26.** Mr. Jagat is an employee in accounts department of Bharat Ltd., a cellular company operating in the regions of eastern India. It is engaged in manufacturing of cellular devices. During F.Y. 2023-24, following transactions were undertaken by Mr. Jagat:
- He attended a seminar on “Perquisite Valuation”. Seminar fees of ₹ 12,500 was paid by Bharat Ltd.
 - Tuition fees of Mr. Himanshu (son of Mr. Jagat) paid to private coaching classes (not having any tie-up with Bharat Ltd.) was reimbursed by Bharat Ltd. Amount of fees was ₹ 25,000.
 - Ms. Sapna (daughter of Mr. Jagat) studies in DPS Public School (owned and maintained by Bharat Ltd.). Tuition fees paid for Ms. Sapna was ₹ 750 per month by Mr. Jagat. Cost of education in similar institution is ₹ 5,250 per month.
- What shall be the amount which is chargeable to tax under the head “Salaries” in hands of Mr. Jagat for A.Y. 2024-25?
- ₹ 25,000
 - ₹ 37,500
 - ₹ 66,500

(d) ₹ 79,000

- Q.27.** Vidya received ₹ 90,000 in May, 2021 towards recovery of unrealised 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) ₹ 90,000
 - (d) ₹ 49,000
- Q.28.** Ganesh and Rajesh are co-owners of a self-occupied property. They own 50% share each. The interest paid by each co-owner during the previous year on loan (taken for acquisition of property during the year 2004) is ₹ 2,05,000. The amount of allowable deduction in respect of each co-owner is –
- (a) ₹ 2,05,000
 - (b) ₹ 1,02,500
 - (c) ₹ 2,00,000
 - (d) ₹ 1,00,000
- Q.29.** Mr. Raghav has three houses for self-occupation. What would be the tax treatment for A.Y.2024-25 in respect of income from house property?
- (a) One house, at the option of Mr. Raghav, would be treated as self-occupied. The other two houses would be deemed to be let out.
 - (b) Two houses, at the option of Mr. Raghav, would be treated as self-occupied. The other house would be deemed to be let out.
 - (c) One house, at the option of Assessing Officer, would be treated as self-occupied. The other two houses would be deemed to be let out.
 - (d) Two houses, at the option of Assessing Officer, would be treated as self-occupied. The other house would be deemed to be let out.
- Q.30.** An electricity company charging depreciation on straight line method on each asset separately, sells one of its machinery in April, 2023 at ₹ 1,20,000. The WDV of the machinery at the beginning of the year is ₹ 1,35,000. No new machinery was purchased during the year. The shortfall of ₹ 15,000 is treated as -
- (a) Terminal depreciation
 - (b) Short-term capital loss
 - (c) Normal depreciation.
 - (d) Any of the above, at the option of the assessee
- Q.31.** Mr. X acquires an asset in the year 2017-18 for the use for scientific research for ₹ 2,75,000. He claimed deduction under section 35(1)(iv) in the previous year 2017-18. The asset was brought into use for the business of Mr. X in the P.Y.2023-24, after the research was completed. The actual cost of the asset to be included in the block of assets is -
- (a) Nil
 - (b) Market value of the asset on the date of transfer to business
 - (c) ₹ 2,75,000 less notional depreciation under section 32 upto the date of transfer.
 - (d) Actual cost of the asset i.e., ₹ 2,75,000
- Q.32.** Mr. X, a retailer acquired furniture on 10th May 2023 for ₹ 10,000 in cash and on 15th May 2023, for ₹ 15,000 and ₹ 20,000 by a bearer cheque and account payee cheque, respectively. Depreciation allowable for A.Y. 2024-25 would be –
- (a) ₹ 2,000
 - (b) ₹ 3,000

(c) ₹ 3,500

(d) ₹ 4,500

Q.33. In PY 2023-24 Mr. A has transferred the following asset

Asset transferred	Full value of consideration	Indexed cost of acquisition	Transfer date
Residential house property	8 crores	6 crores	25.11.2023
Jewellery	3 crores	2 crores	5.1.2024

Mr. A bought a new residential house property on 1.4.2021 for Rs 1 crore and on 28.2.2024 deposited Rs 3 crores from capital gains deposit account scheme. On 30.7.2024. Mr. A has withdrawn 3 crore from capital gains deposit account and acquired a residential house property worth Rs 2.5 crores. What would be capital gain in hands of Mr. A for AY 2024-25 if expenses in connection with transfer of jewellery were Rs 2,00,000?

(a) Rs 80,50,000

(b) Rs 81,55,705

(c) Rs 98,00,000

(d) Rs 48,00,000

Q.34. M/s ABC, an eligible assessee, following mercantile system of accounting, carrying on eligible business under section 44AD provides the following details:

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

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

(a) ₹ 10.4 lakh

(b) ₹ 7.0 lakh

(c) ₹ 5.5 lakh

(d) ₹ 9.4 lakh

Q.35. Mr. Shahid, a wholesale supplier of dyes, provides you with the details of the following cash payments he made throughout the year –

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

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

(a) ₹18,500

(b) ₹28,500

(c) Nil

(d) 13,500

Q.36. For an assessee, who is a salaried employee who invests in equity shares, what is the benefit available in respect of securities transaction tax paid by him on sale and acquisition of 100 listed shares of X Ltd. which has been held by him for 14 months before sale?

- (a) Rebate under section 88E is allowable in respect of securities transaction tax paid
- (b) Securities transaction tax paid is treated as expenses of transfer and deducted from sale consideration.
- (c) Capital gains without deducting STT paid is taxable at a concessional rate of 10% on such capital gains exceeding ₹ 1 lakh
- (d) Capital gains without deducting STT paid is taxable at concessional rate of 15%.

Q.37. Under section 54EC, capital gains on transfer of land or building or both are exempted if invested in the bonds issued by NHAI & RECL or other notified bond-

- (a) within a period of 6 months after the date of such transfer
- (b) within a period of 6 months from the end of the relevant previous year
- (c) within a period of 6 months from the end of the previous year or the due date for filing the return of income under section 139(1), whichever is earlier
- (d) At any time before the end of the relevant previous year.

Q.38. Belated return for the AY. 2024-25 can be made upto-

- (a) 31st December 2024
- (b) Date of Assessment
- (c) Whichever is earlier
- (d) Whichever is later

Q.39. Mr Vikas took a loan of Rs 15 lakhs @10% p.a on 1.4.2021 for construction of residential house for self occupation. The construction of the house began in June 2021 and was completed on 30.6.2023. he has not repaid any amount of loan so far The amount of interest deduction u/s 24(b) for AY 2024-25 is

- (a) Rs 1,50,000
- (b) Rs 1,80,000
- (c) Rs 2,00,000
- (d) Rs 2,10,000

Q.40. Mr. X aged, 61 years, received dividend of ₹ 12,00,000 from ABC Ltd. in P.Y. 2023-24. Interest on loan taken for the purpose of investment in ABC Ltd., is ₹ 3,00,000. Income included in the hands of Mr. X for P.Y. 2023-24 would be –

- (a) ₹ 12,00,000
- (b) ₹ 9,60,000
- (c) ₹ 9,00,000
- (d) ₹ 2,00,000

Q.41. Mr. Mayank has received a sum of ₹ 75,000 on 24.10.2023 from his friend on the occasion of his marriage anniversary. What would be the taxability of the said sum in the hands of Mr. Mayank?

- (a) Entire ₹ 75,000 is chargeable to tax.
- (b) Entire ₹ 75,000 is exempt from tax
- (c) Only ₹ 25,000 is chargeable to tax
- (d) Only 50% i.e., ₹ 37,500 is chargeable to tax

Q.42. A building was acquired on 1.4.1995 for Rs 20 lacs and sold for RS 80 lacs on 1.06.2022. the FMV on 1.4.2001 was Rs 25 lacs and SDV is Rs 22 lacs determine capital gain on sale of such building for AY 2024-25? CII for FY 2001-02 is 100 and 2023-24 is 381

- (a) Rs 7,18,000
- (b) Rs 13,80,000
- (c) Rs 60,00,000
- (d) (Rs 2,75,000)

- Q.43.** Mr. Aarav gifted a house property valued at ₹ 50 lakhs to his wife, Geetha, who in turn has gifted the same to her daughter-in-law Deepa. The house was let out at ₹ 25,000 per month throughout the P.Y.2023-24. Compute income from house property for A.Y.2024-25. In whose hands is the income from house property chargeable to tax?
- (a) ₹ 3,00,000 in the hands of Mr. Aarav
 - (b) ₹ 2,10,000 in the hands of Mr. Aarav
 - (c) ₹ 2,10,000 in the hands of Geetha
 - (d) ₹ 2,10,000 in the hands of Deepa
- Q.44.** Ram owns 500, 15% debentures of Reliance Industries Ltd. of ₹ 500 each. Annual interest of ₹ 37,500 was declared on these debentures for P.Y. 2023-24. He transfers interest income to his friend Shyam, without transferring the ownership of these debentures. While filing return of income for A.Y. 2024-25, Shyam showed ₹ 37,500 as his income from debentures. As tax advisor of Shyam, do you agree with the tax treatment done by Shyam in his return of income?
- (a) Yes, since interest income was transferred to Shyam therefore, after transfer it becomes his income.
 - (b) No, since Ram has not transferred debentures to Shyam, interest income on the debentures is not taxable income of Shyam.
 - (c) Yes, if debentures are not transferred, interest income on debentures can be declared by anyone, Ram or Shyam, as taxable income depending upon their discretion.
 - (d) No, since Shyam should have shown the income as interest income received from Mr. Ram and not as interest income earned on debentures.
- Q.45.** Mrs. Shivani, wife of Mr. Anurag, is a partner in a firm. Her capital contribution of ₹ 5 lakhs to the firm as on 1.4.2023 included ₹ 3.5 lakhs contributed out of gift received from Anurag. The firm paid interest on capital of ₹ 50,000 and share of profit of ₹ 60,000 during the F.Y.2022-23. The entire interest has been allowed as deduction in the hands of the firm. Which of the following statements is correct?
- (a) Share of profit is exempt but interest on capital is taxable in the hands of Mrs. Shivani.
 - (b) Share of profit is exempt but interest of ₹ 39,286 is includible in the income of Mr. Anurag and interest of ₹ 10,714 is includible in the income of Mrs. Shivani.
 - (c) Share of profit is exempt but interest of ₹ 35,000 is includible in the income of Mr. Anurag and interest of ₹ 15,000 is includible in the income of Mrs. Shivani.
 - (d) Share of profit to the extent of ₹ 42,000 and interest on capital to the extent of ₹ 35,000 is includible in the hands of Mr. Anurag.
- Q.46.** Mr. Arvind gifted a house property to his wife, Ms. Meena and a flat to his daughter-in law, Ms. Seetha. Both the properties were let out. Which of the following statements is correct?
- (a) Income from both properties is to be included in the hands of Mr. Arvind by virtue of section 64.
 - (b) Income from property gifted to wife alone is to be included in Mr. Arvind's hands by virtue of section 64.
 - (c) Mr. Arvind is the deemed owner of house property gifted to Ms. Meena and Ms. Seetha.
 - (d) Mr. Arvind is the deemed owner of property gifted to Ms. Meena. Income from property gifted to Ms. Seetha would be included in his hands by virtue of section 64.
- Q.47.** On 20.10.2023, Pihu (minor child) gets a gift of ₹ 20,00,000 from her father's friend. On the same day, the amount is deposited as fixed deposit in Pihu's bank account. On the said deposit, interest of ₹ 13,000 was earned during the P.Y. 2023-24. In whose hands the income of Pihu shall be taxable? Also, compute the amount of income that shall be taxable.
- (a) Income of ₹ 20,11,500 shall be taxable in the hands of Pihu's father.
 - (b) Income of ₹ 20,13,000 shall be taxable in the hands of Pihu's father.

- (c) Income of ₹ 20,11,500 shall be taxable in the hands of Pihu's father or mother, whose income before this clubbing is higher.
- (d) Income of ₹ 20,13,000 shall be taxable in the hands of Pihu's father or mother, whose income before this clubbing is higher.

Q.48. Mr. A incurred short-term capital loss of ₹ 10,000 on sale of shares through the National Stock Exchange. Such loss -?

- (a) can be set-off only against short-term capital gains
- (b) can be set-off against both short-term capital gains and long-term capital gains.
- (c) can be set-off against any head of income.
- (d) not allowed to be set-off.

Q.49. According to section 80, no loss which has not been determined in pursuance of a return filed in accordance with the provisions of section 139(3), shall be carried forward. The exceptions to this are -

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

Q.50. Brought forward loss from house property of ₹ 3,10,000 of A.Y. 2021- 22 is allowed to be set-off against income from house property of A.Y. 2024-25 of ₹ 5,00,000 to the extent of –

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

Q.51. Mr. Rohan incurred loss of ₹ 3 lakh in the P.Y. 2023-24 in retail trade business. Against which of the following income during the same year, can he set-off such loss?

- (a) profit of ₹ 1 lakh from wholesale cloth business
- (b) long-term capital gains of ₹ 1.50 lakhs on sale of land
- (c) speculative business income of ₹ 40,000
- (d) All of the above

Q.52. Virat runs a business of manufacturing of shoes since the P.Y. 2021- 22. During the P.Y. 2021-22 and P.Y. 2022-23, Virat had incurred business losses. For P.Y. 2023-24, he earned business profit (computed) of ₹ 3 lakhs. Considering he may/may not have sufficient business income to set off his earlier losses, which of the following order of set off shall be considered:

(He does not have income from any other source)

- (a) First adjustment for loss of P.Y. 2021-22, then loss for P.Y. 2022-23 and then unabsorbed depreciation, if any.
- (b) First adjustment for loss of P.Y. 2022-23, then loss for P.Y. 2021-22 and then unabsorbed depreciation, if any.
- (c) First adjustment for unabsorbed depreciation, then loss of P.Y. 2019-20 and then loss for P.Y. 2019-20, if any.
- (d) First adjustment for unabsorbed depreciation, then loss of P.Y. 2019-20 and then loss for P.Y. 2020-21, if any.

Q.53. Mr. Ravi incurred loss of ₹ 4 lakh in the P.Y.2023-24 in leather business. Against which of the following incomes earned during the same year, can he set-off such loss?

- (i) Profit of ₹ 1 lakh from apparel business

(ii) Long-term capital gains of ₹ 2 lakhs on sale of jewellery

(iii) Salary income of ₹ 1 lakh

Choose the correct answer:

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

Q.54. Mr. A has a loss of ₹ 8 lakhs under the head “Income from house property” which could not be set off against any other head of income as per the provisions of section 71. The due date for filing return of income u/s 139(1) in case of Mr. A has already expired and Mr. A forgot to file his return of income within the said due date. However, Mr. A filed his belated return of income for A.Y.2024-25. Now, while filing return of income for A.Y.2024-25, Mr. A wishes to set off the said loss against income from house property for the P.Y. 2023-24. Determine whether Mr. A can claim the said set off.

- (a) No, Mr. A cannot claim set off of loss of ₹ 8 lakhs during A.Y. 2024-25 as he failed to file his return of income u/s 139(1) for A.Y. 2021-22.
- (b) Yes, Mr. A can claim set off of loss of ₹ 2 lakhs, out of ₹ 8 lakhs, from its income from house property during A.Y. 2024- 25, if any, and the balance has to be carried forward
- (c) Yes, Mr. A can claim set off of loss of ₹ 2 lakhs, out of ₹ 8 lakhs, from its income from any head during A.Y. 2024-25 and the balance, if any, has to be carried forward.
- (d) Yes, Mr. A can claim set off of loss of ₹ 8 lakhs during A.Y. 2024-25 from its income from house property, if any, and the balance has to be carried forward

Q.55. The details of income/loss of Mr. Kumar for P.Y. 2023-24 are as follows:

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

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

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

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

- (a) ₹ 30,000
- (b) ₹ 50,000
- (c) ₹ 52,000
- (d) ₹ 56,000

Q.57. Mr. Ramesh pays a rent of ₹ 5,000 per month. His total income is ₹ 2,80,000 (i.e., Gross Total Income as reduced by deductions under Chapter VI-A except section 80GG). He is also in receipt of HRA. He would be eligible for a deduction under section 80GG of an amount of-

- (a) ₹ 60,000
- (b) ₹ 32,000
- (c) ₹ 70,000
- (d) Nil

- Q.58.** An individual has paid life insurance premium of ₹ 25,000 during the previous year for a policy of ₹ 1,00,000 taken on 1.4.2018. He shall-
- (a) not be allowed deduction u/s 80C
 - (b) be allowed deduction of ₹ 20,000 u/s 80C
 - (c) be allowed deduction of ₹ 25,000 under section 80C
 - (d) be allowed deduction of ₹ 10,000 u/s 80C
- Q.59.** In respect of loan of ₹ 40 lakhs sanctioned by SBI in April, 2023 for purchase of residential house intended for self-occupation, compute the interest deduction allowable under the provisions of the Act for A.Y.2024-25, assuming that the disbursement was made on 1st June, 2023, the rate of interest is 8% p.a. and the loan sanctioned was 80% of the stamp duty value of the property.
- (a) ₹ 2,00,000 u/s 24 and ₹ 66,667 u/s 80EEA
 - (b) ₹ 1,50,000 u/s 80EEA and ₹ 1,16,667 u/s 24
 - (c) ₹ 2,00,000 u/s 24 and ₹ 50,000 u/s 80EEA
 - (d) ₹ 2,00,000 u/s 24
- Q.60.** The maximum amount which can be donated in cash for claiming deduction under section 80G for the P.Y. 2023-24 is –
- (a) ₹ 5,000
 - (b) ₹ 10,000
 - (c) ₹ 1,000
 - (d) ₹ 2,000
- Q.61.** Rajan, a resident Indian, has incurred ₹ 15,000 for medical treatment of his dependent brother, who is a person with severe disability and has deposited ₹ 20,000 with LIC for his maintenance. For A.Y.2024-25, Rajan would be eligible for deduction under section 80DD of an amount equal to –
- (a) ₹ 15,000
 - (b) ₹ 35,000
 - (c) ₹ 75,000
 - (d) ₹ 1,25,000
- Q.62.** Mr. Shiva made a donation of ₹ 50,000 to PM Cares Fund and ₹ 20,000 to Rajiv Gandhi Foundation by cheque. He made a cash donation of ₹ 10,000 to a public charitable trust. The deduction allowable to him under section 80G for A.Y.2024-25 is -
- (a) ₹ 80,000
 - (b) ₹ 70,000
 - (c) ₹ 60,000
 - (d) ₹ 35,000
- Q.63.** Mr. Ritvik has purchased his first house in Gwalior for self-occupation on 5.4.2022 for ₹ 45 lakhs (stamp duty value being the same) with bank loan sanctioned on 30.3.2023 and disbursed on 3.4.2023. He paid interest of ₹ 3.8 lakhs during the P.Y.2023-24. What is the tax treatment of interest paid by him?
- (a) Interest of ₹ 2 lakhs allowable u/s 24
 - (b) Interest of ₹ 2 lakhs allowable u/s 24 and ₹1.8 lakhs allowable u/s 80EEA
 - (c) Interest of ₹ 2 lakhs allowable u/s 24 and ₹1.5 lakhs allowable u/s 80EEA
 - (d) Interest of ₹ 1.5 lakhs allowable u/s 24 and ₹1.5 lakhs allowable u/s 80EEA

- Q.64.** Mr. Anuj is a businessman whose total income (after allowing deduction under Chapter VI-A except under section 80GG) for A.Y. 2024-25 is ₹ 5,95,000. He does not own any house property and is staying in a rented accommodation in Patna for a monthly rent of ₹ 9,000. Deduction under section 80GG for A.Y. 2024-25 is -
- ₹ 48,500
 - ₹ 1,48,750
 - ₹ 60,000
 - ₹ 1,08,000
- Q.65.** If Mr. Y's total income for A.Y. 2024-25 is ₹ 52 Lakhs, surcharge is payable at the rate of -
- 15%
 - 12%
 - 10%
 - 2%
- Q.66.** Unexhausted basic exemption limit of a resident individual can be adjusted against –
- only LTCG taxable @20% u/s 112
 - only STCG taxable @15% u/s 111A
 - both (a) and (b)
 - casual income taxable @30% u/s 115BB
- Q.67.** Unexhausted basic exemption limit of a non-resident individual can be adjusted against –
- only LTCG taxable @20% u/s 112
 - only STCG taxable @15% u/s 111A
 - both (a) and (b)
 - neither (a) nor (b)
- Q.68.** During the P.Y.2023-24, Mr. Ranjit has short-term capital gains of ₹ 95 lakhs taxable under section 111A, long-term capital gains of ₹ 110 lakhs taxable under section 112A and business income of ₹ 90 lakhs. Which of the following statements is correct?
- Surcharge @25% is leviable on income-tax computed on total income of ₹ 2.95 crore, since total income exceeds ₹ 2 crore.
 - Surcharge @15% is leviable on income-tax computed on total income of ₹ 2.95 crore.
 - Surcharge @15% is leviable in respect of income-tax computed on capital gains of ₹ 2.05 crore; in respect of business income, surcharge is leviable@25% on income-tax, since total income exceeds ₹ 2 crore.
 - Surcharge@15% is leviable in respect of income-tax computed on capital gains of ₹ 2.05 crore; surcharge@10% is leviable on income-tax computed on business income, since the same exceeds ₹ 50 lakhs but is less than ₹ 1 crore.
- Q.69.** Which of the following statements is not true with respect to A.Y. 2024-25?
- No exemption under section 80TTA would be available to resident senior citizens
 - Share of profit will not be exempt in the hands of partner, if firm claims exemption of income under section 10AA
 - Long term capital gains of ₹ 90,000 on STT paid listed equity shares would not be subject to income-tax under section 112A
 - Exemption under section 10(32) on income of minor child is allowed for more than two children also
- Q.70.** Gross total income of Arpita for P.Y. 2023-24 is ₹ 6,00,000. She had taken a loan of ₹ 7,20,000 in the financial year 2020-21 from a bank for her husband who is pursuing MBA course from IIM, Kolkata. On 02.04.2021, she paid the first installment of loan of ₹ 45,000 and interest of ₹ 65,000. Compute her total income for A.Y. 2024-25.

- (a) ₹ 6,00,000
- (b) ₹ 5,35,000
- (c) ₹ 4,90,000
- (d) ₹ 5,55,000

Q.71. Mr. Uttam presents you following data related to his tax liability for A.Y. 2024-25:

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

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

- (a) ₹ 12 lakhs
- (b) ₹ 15 lakhs
- (c) ₹ 10 lakhs
- (d) ₹ 7 lakhs

Q.72. Mr. Vikas received a gold ring worth Rs 60,000 on the occasion of his daughter wedding from his best friend Mr. Vishnu. Mr. Vishnu also gifted a gold chain to Kavya daughter of Mr. Vikas worth Rs 80000 on the said occasion. Would such gifts be taxable in hands of Mr. Vikas and Ms Kavya ?

- (a) Yes, the gift of gold chain and gold ring is taxable in the hands of Mr. Vikas and Mr. Kavya respectively
- (b) Such gifts are not taxable in the hands of Vikas nor in hands of Ms. Kavya
- (c) Value of gold ring is taxable in the hands of Mr. Vikas but value of gold chain is not taxable in hands if Ms. Kavya
- (d) Value of gold chain is taxable in the hands of Ms kavya but the value of gold ring is not taxable in the hands of Mr. Vikas

Q.73. Pankaj gifted an amount of Rs 3 lakh to his wife, Pinky and Rs 2 lakh to his daughter, Rinky aged 20 years on 1st April 2019. Both pinky and rinky invested the amounts on the same day in government of India 11% taxable bonds. The interest accrues yearly and is reinvested in the same bonds. Determine what will be the amount taxable in hands on Pinky for AY 2024-25

- (a) Rs 4473
- (b) Rs 12132
- (c) Rs 33000
- (d) Rs 36630

Q.74. Mr. Bandu, aged 37 years, provides following details for P.Y. 2023-24 as follows:

Particulars	₹ in lakhs
Textile Business Income	22
Speculative Business Income	(4)
Textile Business Loss b/f from P.Y. 2020-21	(5)
Business income of spouse included in the income of Mr. Bandu as per section 64(1)(iv)	2
Deductions available under Chapter VI-A	3
TDS	1
TCS	0.5
Advance tax paid	1.3

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

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

Q.75. Mr. Raj, aged 32 years, presents you the following data for A.Y. 2024- 25:

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

What would be the tax liability as per the regular provisions of the Income-tax of Mr. Raj for the A.Y.2024-25?

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

Q.76. Mr. A, whose total sales is ₹ 201 lakhs, declares profit of ₹ 10 lakhs for the F.Y. 2023-24. He is liable to pay advance tax -

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

Q.77. Mr. Raj (a non-resident and aged 65 years) is a retired person, earning rental income of ₹ 40,000 per month from a property located in Delhi. He is residing in Canada. Apart from rental income, he does not have any other source of income. Is he liable to pay advance tax in India?

- (a) Yes, he is liable to pay advance tax in India as he is a non- resident and his tax liability in India exceeds ₹ 10,000.
- (b) No, he is not liable to pay advance tax in India as his tax liability in India is less than ₹ 10,000.
- (c) No, he is not liable to pay advance tax in India as he has no income chargeable under the head "Profits and gains of business or profession" and he is of the age of 65 years.
- (d) Both (b) and (c)

Q.78. Mr. X, a resident, is due to receive ₹ 4.50 lakhs on 31.3.2024, towards maturity proceeds of LIC policy taken on 1.4.2019, for which the sum assured is ₹ 4 lakhs and the annual premium is ₹ 1,25,000. Mr. Z, a resident, is due to receive ₹ 95,000 on 1.10.2023 towards maturity proceeds of LIC policy taken on 1.10.2013 for which the sum assured is ₹ 90,000 and the annual premium is ₹ 10,000.

- (a) Tax is required to be deducted on income comprised in maturity proceeds payable to Mr. X and Mr. Z
- (b) Tax is required to be deducted on income comprised in maturity proceeds payable to Mr. X
- (c) Tax is required to be deducted on income comprised in maturity proceeds payable to Mr. Z

(d) No tax is required to be deducted on income comprised in maturity proceeds payable to either Mr. X or Mr. Z

Q.79. An amount of ₹ 40,000 was paid to Mr. X on 1.7.2023 towards fees for professional services without deduction of tax at source. Subsequently, another payment of ₹ 50,000 was due to Mr. X on 01.03.2024, from which tax @ 7.5% (amounting to ₹ 6,750) on the entire amount of ₹ 90,000 was deducted and the net amount was paid on the same day to Mr. X. However, this tax of ₹ 6,750 was deposited only on 22.6.2024. The interest chargeable under section 201(1A) would be:

- (a) ₹ 585
- (b) ₹ 645
- (c) ₹ 1,215
- (d) ₹ 390

Q.80. The benefit of payment of advance tax in one installment on or before 15th March is available to assessee computing profits on presumptive basis –

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

Q.81. Mr. Ramesh, Mr. Mahesh and Mr. Suresh, jointly owned a flat in Mathura, which was let out to Dr. Rajesh from 01.04.2023. The annual rent paid by Dr. Rajesh for the flat was ₹ 5,40,000, credited equally to each of their account. Mr. Rajesh approached his tax consultant to seek clarity in relation to deduction of tax on payment of the rent. He informed his consultant that he occupied such flat for his personal accommodation and his receipts from his profession during the previous year 2023-24 was ₹ 58 lakhs. As tax consultant, choose the correct answer –

- (a) No tax at source is required to be deducted since the rental payments are towards flat occupied for personal purpose
- (b) Tax is required to be deducted at source since the rent payment exceeds ₹ 2,40,000 and Dr. Rajesh is an individual having gross receipts from profession exceeding ₹ 50 lakh in the preceding financial year.
- (c) No tax is required to be deducted at source since the rent credited to each co-owner is less than ₹ 2,40,000
- (d) No tax is required to be deducted at source since Dr. Rajesh's gross receipts during the preceding financial year were less than ₹ 1 crore

Q.82. Mr. Nihar maintains a Savings A/c and a Current A/c in Mera Bank Ltd. The details of withdrawals on various dates during the previous year 2023-24 are as follows:

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

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

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

Q.83. Mr. Jha, an employee of FX Ltd, attained 60 years of age on 15.05.2023. He is resident in India during F.Y. 2023-24 and earned salary income of ₹ 5 lakhs (computed). During the year, he earned ₹7 lakhs from winning of lotteries. What shall be his advance tax liability for A.Y. 2024-25 if all tax deductible at source has been duly deducted and remitted to the credit of Central Government on time? Assume he does not opt to pay tax under section 115BAC.

- (a) ₹ 2,20,000 + Cess ₹ 8,800 = ₹ 2,28,800, being the tax payable on total income of ₹ 12 lakhs
- (b) ₹ 2,10,000 + Cess ₹ 8,400 = ₹ 2,18,400, being the tax payable on lottery income of ₹ 7 lakhs
- (c) ₹ 10,000 + Cess ₹ 8,400 = ₹ 18,400, being the net tax payable on salary income, since tax would have been deducted at source from lottery income.
- (d) Nil

Q.84. Mr. P is a professional who is responsible for paying a sum of ₹ 2,00,000 as rent for use of building to Mr. Harshit, a resident, for the month of February, 2024. The gross receipts of Mr. P are as under:

From 01.04.2022 to 31.03.2023: ₹ 55,00,000

From 01.04.2023 to 28.02.2024: ₹ 45,00,000

Whether Mr. P is responsible for deducting any tax at source from the rent of ₹ 2,00,000 payable to Mr. Harshit?

- (a) Tax at source is required to be deducted u/s 194-I at the rate of 7.5%.
- (b) Tax at source is required to be deducted u/s 194-IB at the rate of 3.75%.
- (c) Tax at source is required to be deducted u/s 194-IB at the rate of 7.5%.
- (d) No tax is required to be deducted at source.

Q.85. Mr. A has two bank accounts maintained with ICICI Bank and HDFC Bank. From 01.09.2023 till 31.03.2024, Mr. A withdrew the following amounts as cash from both the said accounts;

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

What shall be the amount of tax to be deducted at source u/s 194N by HDFC Bank and ICICI Bank, respectively, while making payment in cash to Mr. A assuming Mr. A has filed his return of income for P.Y. 2021-22, P.Y. 2022-23 and P.Y. 2023-22 respectively?

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

Q.86. Mr. Ram acquired a house property at Chennai from Mr. Satyam, a resident, for a consideration of ₹ 85 lakhs, on 23.8.2023. On the same day, Mr. Ram made two separate transactions, thereby acquiring an urban plot in Gwalior from Mr. Vipun, a resident, for a sum of ₹ 50 lakhs and rural agricultural land from Mr. Danish, a resident, for a consideration of ₹ 75 lakhs. Which of the following statements are correct assuming that in the consideration amounts as aforementioned all the charges incidental to transfer of the immovable property are included?

- (a) No tax deduction at source is required in respect of any of the three payments.
- (b) TDS @1% is attracted on all the three payments.
- (c) TDS @0.75% on ₹ 85 lakhs and ₹ 50 lakhs are attracted. No TDS on payment of ₹ 75 lakhs for acquisition of rural agricultural land
- (d) TDS @0.75% on ₹ 85 lakhs is attracted. No TDS on payments of ₹ 50 lakhs and ₹ 75 lakhs.

Q.87. Which of the following details/evidences are required to be furnished by an employee to his/her employer in respect of deduction of interest under the head "Income from house property", when the employer is estimating the total income of the employee for the purpose of tax deduction at source u/s 192?

- (i) Amount of Interest payable or paid
- (ii) Rate of interest payable or paid
- (iii) Name of the lender
- (iv) Address of the lender
- (v) PAN or Aadhaar number as the case may be, of the lender
- (vi) TAN of the lender Choose the correct answer:
 - (a) (i), (iii), (v)
 - (b) (i), (iii), (iv), (v)
 - (c) (ii), (iv), (v), (vi)
 - (d) (i), (ii)

Q.88. XYZ Pvt Ltd. provides a car (below 1.6 ltr cc) along with a driver to Mr. Sanjay, employee of XYZ Pvt. Ltd, partly for official and partly for personal purpose. The expenses incurred by the company are: running and maintenance expenses Rs 32,000 and drivers salary rs 36,000. The taxable value of car facility for AY 2024-25 will be

- (a) Rs 21,600
- (b) Rs 10,800
- (c) Rs 32,400
- (d) Rs 39,600

Q.89. An interior decorator has opted for presumptive taxation scheme under section 44ADA for A.Y. 2024-25. -

- (a) He is liable to pay advance tax on or before 15.3.2024
- (b) He is not liable to advance tax
- (c) He is liable to pay advance tax in three instalments i.e., on or before 15.9.2023, 15.12.2023 and 15.3.2024
- (d) He is liable to pay advance tax in four instalments i.e., on or before 15.6.2020, 15.9.2021, 15.12.2021 and 15.3.2022

Q.90. A firm pays salary and interest on capital to its resident partners. The salary and interest paid fall within the limits specified in section 40(b). Which of the following statements is true?

- (a) Tax has to be deducted u/s 192 on salary and u/s 194A on interest
- (b) Tax has to be deducted u/s 192 on salary but no tax needs to be deducted on interest
- (c) No tax has to be deducted on salary but tax has to be deducted u/s 194A on interest
- (d) No tax has to be deducted at source on either salary or interest

Q.91. Mr. X, a resident Indian, wins ₹ 10,000 in a lottery. Which of the statement is true?

- (a) Tax is deductible u/s 194B @ 30%
- (b) Tax is deductible u/s 194B @ 30.9%
- (c) No tax is deductible at source
- (d) None of the above

Q.92. In which of the following transactions, quoting of PAN is mandatory by the person entering into the said transaction?

- (i) Opening a Basic savings bank deposit account with a bank
- (ii) Applying to a bank for issue of a credit card.
- (iii) Payment of ₹ 40,000 to mutual fund for purchase of its units
- (iv) Cash deposit with a post office of ₹ 1,00,000 during a day.
- (v) A fixed deposit of ₹ 30,000 with a NBFC registered with RBI aggregating the total deposits to ₹ 3,50,000 for the F.Y upto to the date of this deposit made.
- (vi) Sale of shares of an unlisted company for an amount of ₹ 60,000

Choose the correct answer:

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

Q.93. An individual client has consulted you on the matter of PAN. He is carrying on the business of sale & purchase of electronic appliances. His turnover is ₹ 3,00,000 and the profit is ₹ 75,000 for the P.Y. 2023-24. He has asked you to provide him threshold of turnover, if any, exceeding which he has to apply for PAN.

- (a) More than ₹ 2,00,000
- (b) More than ₹ 2,50,000
- (c) More than ₹ 3,00,000
- (d) More than ₹ 5,00,000

Q.94. Mr. Z, a salaried individual, has a total income of ₹ 8 lakhs for A.Y. 2024-25. He furnishes his return of income for A.Y. 2024-25 on 28th August, 2024. He is liable to pay fee of—

- (a) upto ₹ 1,000 under section 234F
- (b) ₹ 5,000 under section 234F
- (c) ₹ 10,000 under section 234F
- (d) Not liable to pay any fee

Q.95. Arun's gross total income of P.Y. 2023-24 is ₹ 2,45,000. He deposits ₹ 45,000 in PPF. He pays electricity bills aggregating to ₹ 1.20 lakhs in the P.Y.2023-24. Which of the statements is correct?

- (a) Arun is not required to file his return of income u/s 139(1) for P.Y. 2023-24, since his total income before giving effect to deduction under section 80C does not exceed the basic exemption limit.
- (b) Arun is not required to file his return of income u/s 139(1) for P.Y. 2023-24, since his electricity bills do not exceed ₹ 2,00,000 for the P.Y.2023-24.
- (c) Arun is not required to file his return of income u/s 139(1) for P.Y. 2023-24, since neither his total income before giving effect to deduction under section 80C exceeds the basic exemption limit nor his electricity bills exceed ₹ 2 lakh for the P.Y.2023-24.
- (d) Arun is required to file his return of income u/s 139(1) for P.Y. 2023-24, since his electricity bills exceed ₹ 1 lakh for the P.Y.2023-24.

Q.96. Which of the following returns can be revised under section 139(5)?

- (i) A return of income filed u/s 139(1)
- (ii) A belated return of income filed u/s 139(4)
- (iii) A return of loss filed u/s 139(3) Choose the correct answer:
 - (a) Only (i)
 - (b) Only (i) and (ii)
 - (c) Only (i) and (iii)
 - (d) (i), (ii) and (iii)

- Q.97.** Mr. V transferred 600 unlisted shares of XYZ Ltd to ABC LTD on 15.12.2023 for Rs 3,50,000 when its FMV was Rs 5,15,000. The indexed cost of acquisition of shares for Mr. Vikas was computed at Rs 425000. Determine the income chargeable to tax in the hands of Mr. V and ABC Ltd in respect of above transaction
- Rs 9000 chargeable to tax in the hands of Mr. V as long term capital gains and nothing is taxable in the hands of ABC Ltd
 - Rs 75000 chargeable to tax in the hands of Mr. V as long term capital gains and nothing is taxable in the hands of ABC Ltd
 - Rs 90000 chargeable to tax in the hands of Mr. V as long term capital gains and Rs 165000 is taxable under the head IFOS in the hands of ABC Ltd
 - Rs 75000 chargeable to tax in the hands of Mr. V as long term capital gains and Rs 165000 is taxable under the head IFOS in the hands of ABC Ltd
- Q.98.** Mr. Pawan is engaged in the business of roasting and grinding coffee beans. During F.Y. 2023-24, his total income is ₹ 4.5 lakhs. Mr. Pawan filed his return of income for A.Y. 2024-25 on 3rd March, 2025. What shall be the fee payable for default in furnishing in return of income for A.Y. 2024-25?
- ₹ 5,000
 - Not exceeding ₹ 1,000
 - ₹ 10,000
 - No fees payable as total income is below ₹ 5,00,000
- Q.99.** Mr. Vishal and Mr. Guha sold their residential house property in Pune for Rs 3 crores and Rs 4 crores respectively in January 2024. The house property was purchased by them 25 months back. The indexed cost of acquisition is Rs 1 crore and Rs 1.75 crore respectively. Mr. Vishal purchased two residential flats, one in Delhi and one in Agra for Rs 70 lacs and Rs 80 lacs respectively in April 2024. On the same day Mr Guha also purchased 2 residential flats one in Mumbai and one in Pune for Rs 80 lacs and Rs 75 lacs. Both of them invested in the bonds of NHAI in March 2024 and Rs 30 lacs in bonds of RECL in April. What is the income taxable under the head capital gain for Ay 2024-25 in the hands of Mr. Vishal and Mr. Guha?
- Rs 70 lacs and Rs 95 lacs
 - Rs 60 lacs and Rs 85 lacs
 - Nil and Rs 95 lakhs
 - Nil and Rs 20 lakhs
- Q.100.** Mr. Dinesh, a resident in India, has gross total income of ₹ 2,30,000 comprising of interest on saving A/c and rental income during the previous year 2023-24. He incurred expenditure of ₹ 2,00,000 for his son for a study tour to Europe. Whether he is required to file return of income for the assessment year 2024-25? If yes, what is the due date?
- Yes, 31st July of A.Y
 - Yes, 30th September of A.Y
 - Yes, 31st October of A.Y
 - No, he is not required to file return of income

Answer Keys

Question No.	Answer
1	(d) Rs 1850000
2	(b)
3	(b)
4	(d)

5	(c)	₹ 5,46,000
6	(b)	Resident but not ordinarily resident
7	(a)	₹ 1,87,200
8	(b)	(i), (v), (vi)
9	(b)	income received in India and in Dubai
10	(d)	₹ 12,55,000
11	(a)	₹ 7,00,000
12	(a)	NR, Rs 625000
13	(c)	Non-resident
14	(a)	27,23,442
15	(c)	Salary received by Mr. Ramesh is taxable in India but allowances and perquisites are exempt
16	(d)	
17	(b)	Mr. Sanjay
18	(d)	All the above
19	(c)	(i) and (iv)
20	(b)	₹ 19,04,762
21	(a)	an area at a distance of 3 kms from the local limits of a municipality and has a population of 80,000 as per last census
22	(a)	₹ 48,480
23	(d)	Total income Nil, loss of Rs 6 lakh from HP
24	(a)	₹ 5,000
25	(b)	₹ 2,12,600
26	(d)	₹ 79,000
27	(b)	₹ 63,000
28	(c)	₹ 2,00,000
29	(b)	Two houses, at the option of Mr. Raghav, would be treated as self-occupied. The other house would be deemed to be let out
30	(a)	Terminal depreciation
31	(a)	Nil
32	(b)	₹ 3,000
33	(b)	8155705
34	(d)	₹ 9.4 lakh
35	(d)	Nil
36	(c)	Capital gains without deducting STT paid is taxable at a concessional rate of 10% on such capital gains exceeding ₹ 1 lakh
37	(a)	within a period of 6 months after the date of such transfer
38	(C)	Whichever is earlier
39	(c)	200000
40	(b)	₹ 9,60,000
41	(a)	Entire ₹ 75,000 is chargeable to tax.
42	(a)	718000

43	(b)	₹ 2,10,000 in the hands of Mr. Aarav
44	(b)	No, since Ram has not transferred debentures to Shyam, interest income on the debentures is not taxable income of Shyam
45	(c)	Share of profit is exempt but interest of ₹ 35,000 is includible in the income of Mr. Anurag and interest of ₹ 15,000 is includible in the income of Mrs. Shivani
46	(d)	Mr. Arvind is the deemed owner of property gifted to Ms. Meena. Income from property gifted to Ms. Seetha would be included in his hands by virtue of section 64
47	(c)	Income of ₹ 20,11,500 shall be taxable in the hands of Pihu's father or mother, whose income before this clubbing is higher
48	(b)	can be set-off against both short-term capital gains and long-term capital gains
49	(c)	Loss from house property and unabsorbed depreciation carried forward under section 32(2) depreciation carried forward under section 32(2)
50	(b)	₹ 3,10,000
51	(d)	All of the above
52	(a)	
53	(d)	First from (i) and thereafter from (ii); the remaining loss has to be carried forward
54	(d)	Yes, Mr. A can claim set off of loss of ₹ 8 lakhs during A.Y. 2024-25 from its income from house property, if any, and the balance has to be carried forward
55	(a)	₹ 4,40,000
56	(b)	₹ 50,000
57	(d)	Nil
58	(d)	be allowed deduction of ₹ 10,000 u/s 80C
59	(d)	₹ 2,00,000 u/s 24
60	(d)	₹ 2,000
61	(d)	₹ 1,25,000
62	(c)	₹ 60,000
63	(c)	Interest of ₹ 2 lakhs allowable u/s 24 and ₹ 1.5 lakhs allowable u/s 80EEA
64	(a)	₹ 48,500
65	(c)	10%
66	(c)	both (a) and (b)
67	(d)	neither (a) nor (b)
68	(b)	Surcharge@15% is leviable on income-tax computed on total income of ₹ 2.95 crore.
69	(b)	Share of profit will not be exempt in the hands of partner, if firm claims exemption of income under section 10AA

70	(b)	₹ 5,35,000
71	(a)	₹ 12 lakhs
72	(c)	Value of gold ring is taxable in the hands of Mr. Vikas but value of gold chain is not taxable in hands if Ms. Kavya
73	(b)	12132
74	(a)	₹ 24,200
75	(a)	₹ 1,28,440
76	(d)	in four instalments
77	(b)	No, he is not liable to pay advance tax in India as his tax liability in India is less than ₹ 10,000
78	(b)	Tax is required to be deducted on income comprised in maturity proceeds payable to Mr. X
79	(b)	₹ 645
80	(b)	under section 44AD and 44ADA
81	(c)	No tax is required to be deducted at source since the rent credited to each co-owner is less than ₹ 2,40,000
82	(d)	TDS of ₹ 1,20,000 is required to be deducted
83	(d)	Nil
84	(d)	No tax is required to be deducted at source.
85	(b)	Nil and ₹ 40,000
86	(c)	TDS@0.75% on ₹ 85 lakhs and ₹ 50 lakhs are attracted. No TDS on payment of ₹ 75 lakhs for acquisition of rural agricultural land
87	(b)	(i), (iii), (iv), (v)
88	(c)	32400
89	(a)	He is liable to pay advance tax on or before 15.3.2024
90	(d)	No tax has to be deducted at source on either salary or interest
91	(c)	No tax is deductible at source
92	(a)	II, IV
93	(d)	More than ₹ 5,00,000
94	(b)	₹ 5,000 under section 234F
95	(d)	
96	(d)	(i), (ii) and (iii)
97	(c)	Rs 90000 chargeable to tax in the hands of Mr. V as long term capital gains and Rs 165000 is taxable under the head IFOS in the hands of ABC Ltd
98	(b)	Not exceeding ₹ 1,000

99	(c) nil and 20 lacs
100	(d) No, he is not required to file return of income

