

Part	sub/obj	Marks	Question	Answer Option 1	Answer Option 2	Answer Option 3	Answer Option 4	Correct Answer(A/B/C/D)	CO (any one)	Bloom's Taxonomy Level (any One most relevant only)
A	obj	1	Which of the following statements is/are true with respect to income tax? 1) Income tax is levied on income of individuals. 2) In India, the nature of income tax is progressive. 3) Surcharge is compulsory for every individual 4) Income tax is generally computed on taxable income.	Only 1&2	Only 1,2 & 3	Only 1,2 & 4	All of these	C	CO1	L1
A	obj	1	What are the direct taxes levied either by the central or state government? 1. GST, Corporate Tax, VAT, Central excise duty 2. Income tax. Corporate tax, Capital Gains tax, Professional tax 3. CST, VAT, Stamp Duty, State Excise Duty 4. Corporate tax, Individual income tax, Securities Transaction Tax	only 1	only 2 & 3	only 2 & 4	all of the above	C	CO1	L1
A	obj	1	Which is not a tax saving investment?	Home Loan Principal repayment	Public Provident Fund (PPF)	Life insurance premium	Fixed Deposits for less than five years	D	CO1	L2
A	obj	1	What is the rate of tax in old regime for income of Rs 5 Lakh to Rs 10 Lakhs for a person below 60 years for the financial year 2022-23?	5%	10%	20%	30%	C	CO1	L1
A	obj	1	Mr X tells his employer that he doesn't want the salary for the month of January 2023 and his entire salary should be donated to the PM-CARES fund. The taxability of such amount of Mr. X will be -	Provided as deduction (100%)	. Taxable under the head salary	Taxable under capital gains	Provided as deduction (50%)	A	CO2	L3
A	obj	1	Mrs. Siya is provide with an unfurnished accommodation by her company ABC Pvt Ltd. in New Delhi. The value of pre requisite in the hands of Mrs. Siya is -	the amount of lease or rent paid	20% of the salary or the amount of lease whichever is higher	15% of the salary or actual lease or rent whichever is lower	No amount will be taxed as prerequisite in the hands of Mrs. Siya	C	CO2	L3
A	obj	1	Donation to a registered charitable trust under sec 80G is allowed to the extent of -	Rs 2000 in cash	Rs 11000 in cash	Rs 10000 via cheque	Rs 5000 in cash	A	CO1	L1
A	obj	1	The rate of tax to be deducted at source by an individual if he pays the rent of Rs50000 per month is -	10%	3%	5%	2%	C	CO1	L1
A	obj	1	Assessee includes any person in respect of whom:	who is liable to pay tax	any person in respect of whom proceedings under the Act have been started	any person who is deemed to be an assessee	all of the above	D	CO1	L1
A	obj	1	If total income is up to 5,00,000 then the late fees of filing Return of Income Tax is	INR 1000	INR 5000	INR 3000	INR 11000	A	CO1	L1
A	obj	1	Children education allowance is exempt up to per month per child for two children	INR 100	INR 200	INR 1000	exemption not allowed	A	CO1	L1
A	obj	1	----- is the device which satisfies the requirements of the law but not in accordance with the intentions of the law	Tax Evasion	Tax Planning	Tax Avoidance	Tax management	B	CO1	L2
A	obj	1	Under the Income-tax Act, 1961, which of the following outlays incurred by Sun Ltd. during the previous year ended 31st March, 2019 will not be admissible as deduction while computing its business income	Contribution to a political party in cash	Interest on loan taken for payment of income-	Capital expenditure on advertisement	All of the above	D	CO2	L3
A	obj	1	If the tax liability of a company is less than 15% of its book profits, the company is liable to pay MAT at the rate of -----	15% of books profits plus Surcharge) if any) plus HEC	16% of books profits plus Surcharge)if any) plus HEC	16.5 % of books profits plus Surcharge)if any) plus HEC	18.5% of books profits plus Surcharge)if any) plus HEC	A	CO1	L1

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A	obj	1	A company carry forward the eligible tax credit under MAT for a maximum of -----	Five assessment years	Eight assessment years	Ten assessment years	Fifteen assessment years	D	CO1	L1
A	obj	1	Assessee is having stock existing in the business. Valuation of stock will be at:	Cost price	Market price	Cost or market price, whichever is less	Cost or market price, whichever is more	C	CO1	L1
A	obj	1	Long term capital loss can be set off against -----	Long term capital loss	Short term capital loss	Long term capital gain	All of these	C	CO1	L1
A	obj	1	The loss from speculation business can be set off against	Any income	Not any income	Non speculative business	Speculative business only	D	CO1	L1
A	obj	1	The method by which a person illegally reduces his tax burden by either deflating their income or inflating their expenses is known as	Tax planning	Tax evasion	Tax management	Tax avoidance	B	CO1	L2
A	obj	1	Availing tax holiday by a new industrial undertakings in backward areas is a case of	Tax Evasion	Tax Planning	Tax Avoidance	Tax management	B	CO1	L2
A	obj	1	Which of the following is not a capital expense?	Installation expenditure of plant of a company.	Legal expenses for reduction of capital.	Commission to employees to achieve sales Targets.	none of the above	C	CO1	L1
A	obj	1	Indexation is applicable to.....	Sale of short term capital assets.	Sale of long term debentures.	Sale of depreciable capital assets.	Sale of long term capital assets which are not depreciable assets	D	CO1	L2
A	obj	1	Adarsh pays 15% percent of his income in taxes. However, on each additional lakh of rupees he earns he must pay an additional 20000 rupees in taxes. Adarsh's	marginal tax rate and average tax rate are equal to 15%.	average tax rate is equal to 15% and his marginal tax rate is equal to 20%.	marginal tax rate is equal to 15% and his average tax rate is equal to 20%.	marginal tax rate and average tax rate are equal to 20%	B	CO3	L5
A	obj	1	A beneficial CIT rate of 22% (plus surcharge and HEC) can be availed by a domestic company from tax year 2019-20 if	The company has not claimed a tax holiday available to a unit in a Special Economic Zone (SEZ).	The company in SEZ has not claimed benefit of accelerated depreciation, or benefit of additional depreciation, investment allowances, expenditure on scientific research.	The company has not claimed set-off of loss and unabsorbed depreciation carried forward from any earlier years wrt to SEZ	All of the above	D	CO1	L1
A	obj	1	Presently, a foreign company is considered resident in India if	the control and management of its affairs is situated wholly in India.	the company has a place in India where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in	is having turnover or gross receipts of INR 500 million or more in a tax year.	All of the above	D	CO1	L1
A	obj	1	Equalisation levy is applied on	Non-residents providing specified services	e-commerce operator for ecommerce supply or services made/provided/facilitated on or after 01/04/2020	Consideration for sale of goods irrespective of whether the e-commerce operator owns the goods	All of the above	D	CO1	L1
A	obj	1	The tax on buy back of shares is payable by	The company which buys back the shares	The shareholder whose share is bought back	Both a & b	None of the above	A	CO1	L1

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A	obj	1	Implicit taxes	lower before-tax returns earned by tax-favoured assets	. increases the before-tax returns earned by fully taxable assets	are equal to explicit tax for the same asset	none of the above	A	CO1	L2
A	obj	1	In addition to the income-tax, a surcharge is to be levied where the total income of individuals exceeds	INR 5 million	INR 10 million	INR 2.5 million	No surcharge is levied for individuals	A	CO1	L1
A	obj	1	If Mr. Das comes to India on or before 31 January 2020 and has stayed in India for 365 days or more during the four tax years preceding the relevant tax year, he will be treated as	resident for that tax year because he has stayed in India for 60 years in the relevant tax year	resident for that tax year because he has stayed in India for 60 days in the relevant tax year and 365 days or more in preceding four	a non resident because he has not stayed in India for more than or equal to 182 days in the relevant tax year.	a resident because he was a resident in the previous year of the relevant tax year.	B	CO2	L3
A	obj	1	Who will be considered as a deemed resident	An Indian citizen having India-sourced taxable income exceeding INR 1.5 million during the relevant tax year	Any individual having India-sourced taxable income exceeding INR 1.5 million during the relevant tax year	An Indian citizen having India-sourced taxable income exceeding INR 5 million during the relevant tax year	Any individual having India-sourced taxable income exceeding INR 5 million during the relevant tax year	A	CO1	L1
A	obj	1	Capital assets held for more than 36 months (12 months in the case of shares or securities listed on a recognised stock exchange in India/equity oriented mutual funds/zero coupon bonds and 24 months for immovable property or unlisted shares) are termed as	company's assets	short term capital assets	long term capital assets	working capital	C	CO1	L1
A	obj	1	To incentivize first-time home buyers availing home loans during the period 1 April 2019 to 31 March 2022, an additional interest deduction of up to INR 150,000 will be available, provided stamp duty value of the property does not exceed	5 million	4.5 million	10 million	No additional deduction is allowed	B	CO1	L1
A	obj	1	M/s X Ltd wants to expand his business but doesn't want to pay tax on the increased sales. He has a manufacturing unit in Haryana which has a 2000 Sq m vacant land on which it can expand its existing capacity but he will not get any tax rebate if he expands on an already existing unit. He will get benefit if he opens a new factory in Jammu and Kashmir (u/s80-IB). He has three options:- 1. Buy/ lease a land in J&K and start a new factory there and get exemption U/s 80-IB 2. Buy/ lease a land in J&K and start a new factory in Haryana in his own campus land but on paper show it in J&K and get exemption U/s 80-IB 3. Start a new factory in Haryana in his own campus land and don't get exemption U/s 80-IB Which will not amount to tax evasion?	a. 1 and 2	only 1	1 and 3	1,2 and 3	C	CO2	L4

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A	obj	1	<p>Consider following statements on Interest expense incurred by a company:-</p> <p>❑ Any interest paid by a taxpayer on capital borrowed for the purposes of the taxpayer's business or profession is tax-deductible without any limit</p> <p>❑ if such interest is paid to certain related persons (non-resident associated enterprise), then, the interest expense will be restricted to 30% of earnings before interest, taxes, depreciation, and amortisation (EBITDA).</p> <p>❑ Excess interest expenditure disallowed in that year can be carried forward for eight years and would be available for set-off.</p> <p>❑ If the capital is borrowed for acquiring a capital asset, then interest liability pertaining to the period will have to be added to the cost of such asset.</p> <p>Which of the above statement is/are correct?</p>	Only 1	Only 2	1,2 and 3	1,2,3 and 4	D	CO1	L1
A	obj	1	<p>According to section 92 C of the Income tax act 1961 which method is not mentioned to compute the arm's length price(ALP):</p>	Comparable uncontrolled price method	Resale price method	Cost-plus method	Transactional Gross Margin Method.	D	CO1	L1
A	obj	1	<p>Consider the following statements about Advance Pricing Agreement (APS) below :-</p> <p>❑ An APA is an agreement between a tax payer and tax authority determining the transfer pricing methodology for pricing the tax payer's international transactions for future years.</p> <p>❑ An APA can be unilateral, bilateral, or multilateral.</p> <p>❑ APAs provide a win-win situation for all the stakeholders involved.</p> <p>❑ It increases the rigorousness an audit by tax authorities.</p> <p>Which of the above statement is/are correct?</p>	Only 1	Only 1 and 2	Only 1,2 and 3	1,2,3 and 4	C	CO1	L1

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A	obj	1	which is not provided as a Tax frame work for start-ups include :-	deduction of 100% of the profits and gains derived by an eligible start-up from a business involving innovation development, improvement of products, processes, or services, or a scalable business model with a high potential of employment generation or wealth creation will be available.	The benefit of 100% deduction of the profits derived from such business will be available for a period of three consecutive years out of ten years beginning from the year the start-up is incorporated.	Capital gain exemption to individual/Hindu undivided family (HUF) on investment in start-ups), provided that the net consideration received is invested for subscription of equity shares of eligible companies (including eligible start-ups) and such funds are utilised by the eligible companies for purchase of new assets.	Notified companies (start-up companies) are taxed for the consideration received for issue of shares, in excess of the FMV of such shares, subject to fulfilment of certain specified conditions.	D	CO1	L1
A	obj	1	Which of the following is incorrect ?	Rental income is exempt in the hands of Real Estate Investment Trusts (REITs).	On distribution of rental income, REITs are required to withhold tax at the rate of 10% on income distributed to resident investors and at rates in force on income distributed to non-resident investors.	Tax is not required to be withheld by tenants on payment of rent to the REITs.	The interest paid by special purpose vehicles (SPVs) to business trusts (BTs) (where BT holds controlling interest in SPV) is taxable at the business trust (BT) level itself.	D	CO1	L1
A	obj	1	Which of the following is not correct about Impermissible avoidance agreement ?	It is to create rights and obligations at arm's length	It lacks/is deemed to lack commercial purpose	It is carried out in a manner that is ordinarily employed for bonafide purposes	It results in abuse/misuse of provisions of this Act (directly/indirectly)	C	CO1	L1