

Roll No.-----

Paper Code

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(To be filled in the
OMR Sheet)

प्रश्नपुस्तिका क्रमांक
Question Booklet No.

O.M.R. Serial No.

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प्रश्नपुस्तिका सीरीज
Question Booklet Series

B

BBA (Fifth Semester) Examination, February/March-2022

BBA-503(N)

Income Tax Laws & Accounting

(for Regular, Ex & B.P. Students)

Time : 1:30 Hours

Maximum Marks-100

जब तक कहा न जाय, इस प्रश्नपुस्तिका को न खोलें

- निर्देश : —
1. परीक्षार्थी अपने अनुक्रमांक, विषय एवं प्रश्नपुस्तिका की सीरीज का विवरण यथास्थान सही- सही भरें, अन्यथा मूल्यांकन में किसी भी प्रकार की विसंगति की दशा में उसकी जिम्मेदारी स्वयं परीक्षार्थी की होगी।
 2. इस प्रश्नपुस्तिका में 100 प्रश्न हैं, जिनमें से केवल 75 प्रश्नों के उत्तर परीक्षार्थियों द्वारा दिये जाने हैं। प्रत्येक प्रश्न के चार वैकल्पिक उत्तर प्रश्न के नीचे दिये गये हैं। इन चारों में से केवल एक ही उत्तर सही है। जिस उत्तर को आप सही या सबसे उचित समझते हैं, अपने उत्तर पत्रक (O.M.R. ANSWER SHEET) में उसके अक्षर वाले वृत्त को काले या नीले बाल प्वाइंट पेन से पूरा भर दें। यदि किसी परीक्षार्थी द्वारा निर्धारित प्रश्नों से अधिक प्रश्नों के उत्तर दिये जाते हैं तो उसके द्वारा हल किये गये प्रथमतः यथा निर्दिष्ट प्रश्नोत्तरों का ही मूल्यांकन किया जायेगा।
 3. प्रत्येक प्रश्न के अंक समान हैं। आप के जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
 4. सभी उत्तर केवल ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर ही दिये जाने हैं। उत्तर पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
 5. ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाय।
 6. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी प्रश्नपुस्तिका बुकलेट एवं ओ०एम०आर० शीट पृथक-पृथक उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें।
 7. निगेटिव मार्किंग नहीं है।
- महत्वपूर्ण : — प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्नपुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्ष निरीक्षक को दिखाकर उसी सीरीज की दूसरी प्रश्नपुस्तिका प्राप्त कर लें।

Rough Work / रफ कार्य

1. Expenditure on promotion of family planning is an allowance as deduction u/s. 36(1) (ix) of the income Tax Act, 1961 in case of:
 - (A) Individual
 - (B) Firm
 - (C) HUF
 - (D) Company
2. Deduction u/s 35AD is available in respect of expenditure on specified business, one of them is :
 - (A) Setting up and operating a cold chain facility
 - (B) Setting up and operating a power plant
 - (C) Setting up and operating an industrial unit
 - (D) All of the above
3. Capital gain on Slump sale is:
 - (A) Always short-term capital gain
 - (B) Always long-term capital gain
 - (C) Depends on period of holding of capital asset being undertaking transferred.
 - (D) Not taxable
4. Interest on delayed compensation or enhanced compensation is taxable:
 - (A) On accrual basis
 - (B) On receipt basis
 - (C) Exempt from tax
 - (D) As per method of accounting of the assessee
5. Long term capital loss can be adjusted against:
 - (A) Any long-term capital gain
 - (B) Any capital gain
 - (C) Any income excluding winning from lottery
 - (D) Any speculative business income

6. Deduction u/s 80CCC allowed to an individual for amount paid by him in an annuity plan of LIC is restricted to:
- (A) Rs. 5,000
 - (B) Rs. 7,500
 - (C) Rs. 12,500
 - (D) Rs. 1,50,000
7. Deduction under the section 80E is allowed in respect of:
- (A) Interest on loan taken for education
 - (B) Medical treatment of handicapped person
 - (C) Donations to charitable institutions
 - (D) Profits earned from exports
8. 80GGA available for donations made to:
- (A) Charitable Institution
 - (B) Educational Institutions
 - (C) Research Associations
 - (D) Religion organizations
9. Advance tax is required to be paid by all assessee only if estimated advance tax liability is:
- (A) More than zero
 - (B) Rs. 5,000 or more
 - (C) Rs. 10,000 or more
 - (D) Rs. 50,000 or more
10. Rebate u/s 87A can be claimed by:
- (A) Any resident
 - (B) Resident Individual
 - (C) Any Person
 - (D) Any person other than non- resident

11. Short-term capital gain on sale of listed shares (STT paid) in a recognized stock exchange is chargeable to income-tax @ _____ %.
- (A) 10
 - (B) 15
 - (C) 20
 - (D) 30
12. When the assessee has loss from house property, the maximum amount of such loss eligible for set off against other permissible incomes would be:
- (A) Rs. 30,000
 - (B) Rs. 1,50,000
 - (C) Rs. 2,00,000
 - (D) No Limit
13. Income Tax is imposed by _____.
- (A) State Government
 - (B) Central Government
 - (C) Both of the above
 - (D) Constitution of India
14. Which Entry of Union List gives the power to Parliament to levy tax on incomes?
- (A) Entry 81 of List I to Seventh schedule
 - (B) Entry 81 of List II to Seventh schedule
 - (C) Entry 82 of List I to Seventh schedule
 - (D) Entry 82 of List II to Seventh schedule
15. Highest Administrative Authority for Income Tax in India is _____.
- (A) Finance Minister
 - (B) CBDT
 - (C) President of India
 - (D) Director of Income Tax

16. Income Tax Act came into force on _____.
(A) 1.4.1961
(B) 1.4.1962
(C) 1.4.1956
(D) 1.4.1965
17. Notifications issued by CBDT are binding on _____.
(A) Assessee
(B) Income Tax Authority
(C) Both of above
(D) None of the above
18. Circulars issued by CBDT are binding on _____.
(A) Income Tax Authority
(B) Assessee
(C) Both of above
(D) None of the above
19. A domestic company means _____.
(A) Indian Company only
(B) Both Indian company & a foreign company
(C) Both Indian company & a foreign company having business connection in India
(D) Both Indian company & a foreign company which has made the prescribed arrangement for declaration & payment of dividends in India out of the income chargeable to tax in India.
20. 'Income' includes the following types _____.
(A) Legal
(B) Illegal
(C) Both
(D) None

21. Cash gift received form a non-relative is regarded as income. But Exempt amount is p.a.:
- (A) Rs. 25,000
 - (B) Rs. 50,000
 - (C) Rs. 75,000
 - (D) Rs. 1,00,000
22. Year in which income is taxable is known as & year in which income is earned is known as _____.
- (A) AY, PY
 - (B) PY, AY
 - (C) AY, AY
 - (D) PY, PY
23. Income of NR from shipping business in India is taxed:
- (A) 30% + SC + HEC
 - (B) 40% +SC + HEC
 - (C) 50% +SC +HEC
 - (D) 60% + SC + HE
24. Foreign Income means _____.
- (A) Income accrued, deemed to be accrued in India
 - (B) Income received, deemed to be received in India
 - (C) Both (A) & (B)
 - (D) None of the above
25. Gross Total Income means Aggregate of Incomes under all heads of Income_____.
- (A) After claiming deduction u/c VI-A
 - (B) Before claiming deduction u/c VI-A
 - (C) Income for which no deduction u/c VI-A
 - (D) None of the above

26. Any expenditure incurred to earn exempt income shall be allowed as while computing income under any head:
- (A) Not allowed as deduction
 - (B) Deduction
 - (C) Exemption
 - (D) None of the above
27. Paid by Government of India to a Citizen of India for rendering services outside India is Exempt u/s 10(7):
- (A) Salary
 - (B) Allowance & perquisites
 - (C) Both (A) & (B)
 - (D) None of the above
28. Any compensation received or receivable by a victim of Bhopal Gas leak disaster is_____.
- (A) Taxable
 - (B) Fully exempt
 - (C) Exempt upto Rs. 10 lacs
 - (D) None of the above
29. Which of the following payment received from Sukanya Samriddhi scheme is are Exempt?
- (A) Interest
 - (B) Maturity amount (withdrawals)
 - (C) Both (A) & (B)
 - (D) None of the above

30. Reducing tax liability, utilizing the deductions, exemptions or reliefs allowed in the Act and Rules is called _____.
(A) Tax evasion
(B) Tax planning
(C) Tax avoidance
(D) Tax management
31. Using the loopholes of law to reduce tax is known as:
(A) Tax avoidance
(B) Tax planning
(C) Tax evasion
(D) Tax management
32. _____ is the device which satisfies the requirements of the law but not in accordance with the intentions of the law.
(A) Tax evasion
(B) Tax planning
(C) Tax avoidance
(D) Tax management
33. Concealment of income or false claims to reduce tax liability are cases of _____.
(A) Tax evasion
(B) Tax planning
(C) Tax avoidance
(D) Tax management
34. Tax avoidance is _____.
(A) Immoral
(B) Illegal
(C) Lawful
(D) All of these

35. Availing tax holiday by a new industrial undertaking in backward areas is a case of:
- (A) Tax evasion
 - (B) Tax planning
 - (C) Tax avoidance
 - (D) Tax management
36. Compliance with legal formalities and availing tax incentives are cases of:
- (A) Tax evasion
 - (B) Tax planning
 - (C) Tax avoidance
 - (D) Tax management
37. A company in which the public are not substantially interested is closed_____.
- (A) Open company
 - (B) Closely held company
 - (C) Limited company
 - (D) None of these
38. Under the Income Tax Act, 1961, depreciation on machinery is charged on _____.
- (A) Purchase price of the machinery
 - (B) Written down value of the machinery
 - (C) Market price of the machinery
 - (D) All of the above
39. Under the head Income from House Property, the basis of charge is_____.
- (A) Annual Value
 - (B) Gross Annual Value
 - (C) Rent Received
 - (D) Municipal Value

40. Tonnage tax system is exclusively intended to _____.
- (A) Joint stock Companies
 - (B) Partnership firms
 - (C) Shipping companies
 - (D) IT Companies
41. MAT Provisions are applicable to _____.
- (A) Non domestic companies
 - (B) Indian companies
 - (C) Private companies
 - (D) Every Company
42. _____ is the casual income.
- (A) Interest received
 - (B) Dividend income
 - (C) Pension received
 - (D) Winning from lotteries
43. Pension is _____ under the salary head.
- (A) Fully taxable
 - (B) Partially taxable
 - (C) Not taxable
 - (D) None of the above

44. The salary, remuneration or compensation received by the partners is taxable under the head _____.
- (A) Income from business
 - (B) Income from other sources
 - (C) Salary
 - (D) None of the above
45. Income tax rates are fixed in _____.
- (A) Income tax Act
 - (B) Finance Act
 - (C) Income tax rules
 - (D) Finance rules
46. Profits earned from an illegal business are _____.
- (A) Taxable
 - (B) Tax free
 - (C) Ignored by Tax Authorities
 - (D) Treated as other income
47. Subletting is assessable under the head _____.
- (A) Income from HP
 - (B) Income from Other Source
 - (C) Income from Capital Gain
 - (D) None of the above

48. Educational cess is levied in case of _____.
(A) Individual
(B) HUF
(C) Company
(D) All assesses
49. Assessee is having stock existing in the business. Valuation of stock will be at:
(A) Cost price
(B) Market price
(C) Cost or market price, whichever is less
(D) Cost or market price, whichever is more
50. As per section 30, which expenditure incurred for a building used for the business or profession shall not be allowed as deduction?
(A) Rent, rates and taxes
(B) Insurance of building
(C) Repairs of building
(D) Capital expenditure
51. The number of identities included in the definition of persons is:
(A) Five
(B) Six
(C) Seven
(D) Eight
52. Deduction available under section 24(a) is _____ of NAV.
(A) 30%
(B) 50%
(C) 15%
(D) 70%

53. Expenditure incurred by a businessman for ready to use software is entitled to benefit of:
- (A) 15% as depreciation
 - (B) 30% as depreciation
 - (C) 60% as depreciation
 - (D) 100% as revenue expenditure
54. The basic exemption limit for a resident super senior citizen above the age of 80 is:
- (A) Rs. 2,00,000
 - (B) Rs. 2,50,000
 - (C) Rs. 5,00,000
 - (D) None of the above
55. New plant and machinery acquired and put to use by an assessee engaged in transmission of power is eligible for additional depreciation at _____ of actual cost.
- (A) 10%
 - (B) 12.5%
 - (C) 15%
 - (D) 20%
56. Maximum amount of exemption available in respect of amount received under voluntary retirement scheme is:
- (A) Rs. 2,00,000
 - (B) Rs. 3,00,000
 - (C) Rs. 4,00,000
 - (D) Rs. 5,00,000

57. An individual can claim deduction from his gross total income in respect of expenditure for the medical treatment of a dependent, being a person with disability upto maximum limit of:
- (A) Rs. 1,25,000
 - (B) Rs. 1,00,000
 - (C) Rs. 75,000
 - (D) Rs. 50,000
58. Dividend from a company which is engaged in agricultural activities is:
- (A) Agriculture income
 - (B) Business income
 - (C) Partly agricultural income
 - (D) None of above
59. Short term capital gain not covered u/s 111A is:
- (A) Exempt
 - (B) Taxable @ 15%
 - (C) Taxable at normal rate applicable to the assessee
 - (D) None of above
60. Loss from house property can be carried forward and set-off in subsequent eight assessment years:
- (A) If return of loss is filed within due date
 - (B) Even if return of loss is filed after due date
 - (C) Even if return of loss is not filed
 - (D) None of above

61. The basic exemption limit in case of a non-resident firm is:
- (A) Rs. 2,50,000
 - (B) Rs. 3,00,000
 - (C) Rs. 5,00,000
 - (D) None of these
62. Amount of deduction in respect of donation to approved scientific research institution u/s 80GGA is:
- (A) 100% of such donation
 - (B) 200% of such donation
 - (C) 175% of such donation
 - (D) None of above
63. Agricultural land located in rural area is:
- (A) Not a Capital asset
 - (B) Capital asset
 - (C) Exempted capital asset
 - (D) None of above
64. Expenditure in respect of winnings from card games is:
- (A) Deductible
 - (B) Not deductible
 - (C) Deductible if conditions are satisfied
 - (D) None of above
65. Stake money on owning and maintaining race horses is Rs. 70,000 and expenses incurred is Rs. 20,000. Its taxable income is:
- (A) Rs. 50,000
 - (B) Rs. 70,000
 - (C) Nil
 - (D) None of above

66. Rent after deducting municipal taxes is Rs. 2,00,000, the amount of taxable income from house property is:
- (A) Rs. 2,00,000
 - (B) Rs. 1,40,000
 - (C) Rs. 2,60,000
 - (D) None of above
67. Quantum of deduction u/s 80EE is _____.
- (A) 5,000
 - (B) 50,000
 - (C) 75,000
 - (D) None of the above
68. In case of a Hindu Undivided Family, where the return of income cannot be signed by the Karta, the same can be signed by:
- (A) The next senior- most male member
 - (B) Karta's wife
 - (C) Any male member of the family
 - (D) Any adult member of the family
69. AOP should consist of:
- (A) Individuals only
 - (B) Persons other than individuals only
 - (C) Individuals and HUF only
 - (D) None of the above
70. An Indian Company, where place of effective management is outside India, shall be:
- (A) Resident in India
 - (B) Non-resident in India
 - (C) Not ordinarily resident in India
 - (D) None of the above

71. Unrealised rent of a property shall be excluded from:
- (A) Gross Annual Value
 - (B) Net Annual Value
 - (C) Income from property
 - (D) All the three
72. Deduction under Section 32AD is allowed to:
- (A) Corporate assessee in notified area
 - (B) Non-corporate assessee in notified area
 - (C) Corporate and non-corporate assessee in notified area
 - (D) None of the above
73. Maximum amount which is not chargeable to tax in case of a not-resident very senior citizen is:
- (A) Rs. 2,50,000
 - (B) Rs. 3,00,000
 - (C) Rs. 5,00,000
 - (D) None of above
74. A partnership firm will become resident in India if:
- (A) Its control and management is totally in India
 - (B) Its control and management is totally or partly in India
 - (C) Its place of effective management is in India
 - (D) Its partners become resident in India
75. Personal effect do not cover the following:
- (A) Jewellery
 - (B) Immovable property
 - (C) Drawings
 - (D) All of the above

76. Income of minor child is exempt upto _____.
(A) Rs. 1,000
(B) Rs. 1,500
(C) Rs. 2,500
(D) None of the above
77. The accounts of the political party shall be audited by a _____.
(A) Cost Accountant
(B) Chartered Accountant
(C) Company Secretary
(D) None of the above
78. Loss from specified business covered u/s 35AD can be adjusted against the income of:
(A) Any other business income
(B) Cannot be adjusted
(C) Any income other than salary
(D) Income from other specified business
79. In case of local authority, the return of income is verified by:
(A) Principal officer
(B) Managing director
(C) Karta
(D) Partner
80. Amortization of preliminary expenses has been restricted to _____ of the cost of project.
(A) 2%
(B) 3%
(C) 5%
(D) 8%

81. Unabsorbed business losses cannot be carried forward for more than:
- (A) 5 A.Y
 - (B) 6 A.Y
 - (C) 8 A.Y
 - (D) 10 A.Y
82. Deduction is not allowed to the assessee while computing income from other sources for:
- (A) Direct Tax
 - (B) Interest payable outside India without TDS
 - (C) Personal expenditure
 - (D) All of the above
83. Following is not a head of income:
- (A) Income from Interest on securities
 - (B) Salaries
 - (C) Income from House Property
 - (D) None of the above
84. If total income of a person is Rs. 2,67,888.34, it shall be rounded off to:
- (A) Rs. 2,67,888/-
 - (B) Rs. 2,67,890/-
 - (C) Rs. 2,67,880/-
 - (D) None of the above
85. Income tax is a:
- (A) Indirect Tax
 - (B) Entertainment Tax
 - (C) Direct Tax
 - (D) None of the above

86. A Hindu Undivided family is said to be resident in India if:
- (A) The family has a house in India where some of its members reside
 - (B) The member of such HUF is in India during the previous year
 - (C) Control and management of its affairs wholly or partly situated in India
 - (D) The Karta has been resident in India in atleast 9 out of 10 previous years preceding the relevant previous year
87. An individual is said to be resident in India if:
- (A) He has a house in India
 - (B) He is in India in the previous year for a period of 182 days or more
 - (C) He is in India for a period of 30 days or more during the previous year and for 365 or more days during 4 previous years immediately preceding the relevant previous year
 - (D) His parents are Indian citizen
88. Following income of a resident and ordinarily resident is taxable in India, that is:
- (A) Bank interest from State Bank of India, Delhi
 - (B) Bank interest from Bank of America, New York Branch
 - (C) Rental income from house property located in London
 - (D) All of the above
89. Which of the following is an agriculture income?
- (A) Dividend paid by a company out of its agriculture income
 - (B) Share of Profit of a Partner from a firm engaged in an agriculture operation
 - (C) Income from supply of water by assessee from a tank in its agriculture land.
 - (D) Interest received by a money lender in the form of agricultural produce
90. Employer's contribution to unrecognized provident fund:
- (A) Is exempt from tax
 - (B) 10% of Salary of employee is taxable
 - (C) Is exempted subject to maximum of 2/5 of salary of the employee
 - (D) Is fully taxable

91. If a domestic servant is engaged by the employer and salary is paid by him, the perquisite is:
- (A) Taxable in the hands of all employees
 - (B) Not taxable in the hands of both specified and non-specified employers
 - (C) Taxable in the hands of specified employees only
 - (D) Taxable to the extent of Rs. 120 per person in the hands of all employees
92. Which of the following is taxable under the head 'salaries'?
- (A) Salary received by a Member of State Legislature.
 - (B) Commission received by an employee director of a company
 - (C) Family pension received
 - (D) Both (A) and (B) above
93. Statutory limit u/s. 16(ii) for deduction of entertainment allowance in case of a Non-Government employee is:
- (A) Rs. 5,000
 - (B) 12.5% of employees' salary
 - (C) 20% of employees' salary
 - (D) NIL
94. Net Annual Value of self-occupied property treated as such is:
- (A) Fair Rent
 - (B) Nil
 - (C) Reasonable Expected Rent as reduced by municipal tax paid during the previous year
 - (D) None of the above
95. One out of the following house properties is not exempted, which is:
- (A) House property let out for the purpose of own business of tenant
 - (B) House property of a political party
 - (C) House property of a local authority
 - (D) None of the above

96. A house property located outside India is :
- (A) Taxable in hands of all assessee
 - (B) Taxable in hands of nonresident assessee
 - (C) Taxable in hands of resident and ordinarily resident assessee
 - (D) Exempted from tax in India
97. Deduction u/s 24(a) is:
- (A) 30% of net annual value of the house property
 - (B) 30% of gross annual value of house property
 - (C) 30% of actual rent received
 - (D) None of the above
98. Interest relating to pre-construction period is allowable:
- (A) In 5 equal installments from the year in which it was incurred
 - (B) In the year in which it was incurred
 - (C) In the year in which house property was constructed
 - (D) None of the above
99. Deduction u/s 24(a) is not available when:
- (A) Net annual value is zero
 - (B) Net annual value is positive
 - (C) Net annual value is zero or negative
 - (D) None of the above
100. Preliminary expenses are incurred in every business. What are the expenses that qualify for deduction u/s. 35D?
- (A) Expenses for drafting memorandum and articles of association
 - (B) Payment of duty at the office of Registrar of Companies
 - (C) Expenditure incurred in preparation of project report
 - (D) All of the above

DO NOT OPEN THE QUESTION BOOKLET UNTIL ASKED TO DO SO

1. Examinee should enter his / her roll number, subject and Question Booklet Series correctly in the O.M.R. sheet, the examinee will be responsible for the error he / she has made.
2. **This Question Booklet contains 100 questions, out of which only 75 Question are to be Answered by the examinee. Every question has 4 options and only one of them is correct. The answer which seems correct to you, darken that option number in your Answer Booklet (O.M.R ANSWER SHEET) completely with black or blue ball point pen. If any examinee will mark more than one answer of a particular question, then the first most option will be considered valid.**
3. Every question has same marks. Every question you attempt correctly, marks will be given according to that.
4. Every answer should be marked only on Answer Booklet (O.M.R ANSWER SHEET). Answer marked anywhere else other than the determined place will not be considered valid.
5. Please read all the instructions carefully before attempting anything on Answer Booklet (O.M.R ANSWER SHEET).
6. After completion of examination please hand over the Answer Booklet (O.M.R ANSWER SHEET) to the Examiner before leaving the examination room.
7. There is no negative marking.

Note: On opening the question booklet, first check that all the pages of the question booklet are printed properly in case there is an issue please ask the examiner to change the booklet of same series and get another one.