

MCQ on Income Escaping Assessment u/s 147 _ Class Date – 22.11.2025

Q1. Section 147 deals with:

- a) Assessment of undisclosed foreign income
- b) Income escaping assessment**
- c) Assessment of charitable trusts
- d) Assessment of salary income

Q2. Income is said to have escaped assessment when:

- a) It was assessed at a lower rate
- b) It was not assessed at all
- c) Excessive loss or depreciation allowance was claimed
- d) All of the above**

Q3. Who has the power to reopen an assessment under Section 147?

- a) Assessing Officer**
- b) Commissioner of Income Tax
- c) CBDT
- d) Finance Minister

Q4. What is the time limit for reopening an assessment if income escaping assessment is less than ₹50 lakh?

- a) 3 years from the end of the relevant assessment year**
- b) 4 years from the end of the relevant assessment year
- c) 6 years from the end of the relevant assessment year
- d) 10 years from the end of the relevant assessment year

Q5. If income escaping assessment is ₹50 lakh or more, the time limit for reopening is:

- a) 3 years
- b) 6 years
- c) 10 years**
- d) No time limit

Q6. Before issuing notice under Section 148, the Assessing Officer must:

- a) Obtain prior approval from Principal Commissioner or Commissioner**
- b) Inform the assessee verbally
- c) File an application in ITAT
- d) None of the above

Q7. Which section prescribes the procedure for issuing notice for income escaping assessment?

- a) Section 144
- b) Section 148/148A**
- c) Section 149
- d) Section 150

Q8. Reassessment under Section 147 can be made for:

- a) Income that has escaped assessment
- b) Any other income which comes to notice during reassessment
- c) Both a and b**
- d) None of the above

Q9. Which of the following is NOT a valid reason for reopening under Section 147?

- a) Change of opinion by Assessing Officer**
- b) Discovery of new material facts
- c) Income assessed at lower rate due to mistake
- d) Excessive allowance of deduction

Q10. Approval for reopening beyond 3 years must be taken from:

- a) AO's immediate superior
- b) CBDT
- c) Principal Chief Commissioner or Chief Commissioner**
- d) Finance Ministry