

MCQ on Rectification of Mistake u/s 154_ Class Date – 21.12.2025

1. Notice of Demand – Section 156

Q1. A Notice of Demand under section 156 is issued when:

- A. Assessment proceedings are initiated
- B. Tax is payable as per an order passed**
- C. Return is filed late
- D. Refund is granted

Q2. The time limit for payment of demand mentioned in Notice u/s 156 is generally:

- A. 30 days**
- B. 15 days
- C. 7 days
- D. No time limit

Q3. If demand is not paid within the prescribed time, interest is charged under:

- A. Section 234A
- B. Section 234B
- C. Section 220(2)**
- D. Section 156

Q4. Which of the following orders can result in issuance of Notice of Demand u/s 156?

- A. Assessment order
- B. Rectification order
- C. Penalty order
- D. All of the above**

Q5. Rectification u/s 154 can be made for:

- A. Debatable issues
- B. Change of opinion
- C. Mistake apparent from record**
- D. Estimated income

Q6. Which of the following is a “mistake apparent from record”?

A. Disallowance due to interpretation difference

B. Clerical or arithmetical error

C. Change in law

D. Reassessment of income

Q7. Time limit for passing rectification order u/s 154 is:

A. 2 years

B. 3 years

C. 4 years from end of FY in which order sought to be rectified was passed

D. 5 years

Q8. Rectification u/s 154 can be initiated by:

A. Assessing Officer only

B. Assessee only

C. Both AO and Assessee

D. Commissioner only

Q9. Rectification application u/s 154 is filed through:

A. Physical submission

B. Email to AO

C. Income Tax e-Filing Portal

D. CPC Helpline

Q10. Which document is MOST relevant while filing rectification?

A. Bank statement

B. Return acknowledgment

C. Intimation / Order containing mistake

D. PAN card