

MCQ on Tax Computation under PGBP dated 23.11.2025

Bold character is the right answer

1. The section covering PGBP are

- a) Section 27 to Section 43
- b) Section 28 to Section 44**
- c) Section 28 to Section 46
- d) Section 28 to Section 43

2. The specific Provisions under PGBP is

- a) Section 40 and Section 41
- b) Section 41 and Section 43
- c) Section 43 and Section 44
- d) All the above**

3. Which of the following is not deductible while computing income under the head PGBP?

- a) Depreciation on business assets
- b) Income tax paid during the year**
- c) Interest on business loan
- d) Other expenses U/s 37

4. Which section of the Income Tax Act allows depreciation as a deduction while computing business income?

- a) Section 30
- b) Section 32**
- c) Section 35
- d) Section 37

5. Which of the following expenses is specifically allowed under Section 37(1)?

- a) Premium on business Insurance**
- b) Legal expenses for defending title to asset
- c) Penalty for violating the law
- d) Audit fees

6. Presumptive taxation under Section 44AD is available to:

- a) A company**
- b) A partnership firm engaged in business**
- c) An LLP
- d) A person engaged in profession

7. The maximum allowable remuneration to working partners is governed under which section?

- a). Section 40(a)
- (b) Section 40(b)**
- c) Section 44AD
- d) Section 44AA

8. In case of a speculative business loss, how long can it be carried forward?

- a) 4 years**
- b) 8 years
- c) 6 years
- d). Indefinitely

9. Which of the following is not included in business income under PGBP?

- a) Sale of stock-in-trade
- b) Rent received from house property**
- c) Profit from speculation business
- d) Compensation received for breach of business contract

10. Unabsorbed depreciation can be carried forward for _____

- a) 8 years
- b) 12 years
- c) 16 years
- d) Indefinitely**