

MCQ on Tax Computation under New & Old Tax Regime Class Date – 07.12.2025

1. Which of the following incomes is fully exempt from tax?

- A) Agricultural income in India**
- B) Interest on savings account
- C) Pension received by a retired employee
- D) Income from winning a lottery

2. Which of the following exemptions is not available under the new tax regime (Section 115BAC) ?

- A) House Rent Allowance (HRA)
- B) Standard deduction under section 16(ia)
- C) Leave Travel Allowance (LTA)
- D) Both A and C**

3. Which section provides exemption for income of a charitable trust?

- A) Section 10(2A)
- B) Section 10(23C)**
- C) Section 80C
- D) Section 24

4. Which deduction is not allowed under the new tax regime?

- A) 80C - LIC, PPF, etc.
- B) 80D - Mediclaim premium
- C) 80G - Donations
- D) All of the above**

5. Which of the following is exempt up to a specified limit?

- A) Gratuity received by a government employee
- B) Gratuity received by a private sector employee covered under Payment of Gratuity Act
- C) Commuted pension received by a non-government employee
- D) All of the above**

6. Under the old regime, how much standard deduction is allowed for salaried employees for AY 2025-26?

- A) ₹20,000
- B) ₹40,000
- C) ₹50,000**
- D) ₹60,000

7. Which deduction is allowed under both old and new regime?

- A) 80C
- B) 80D
- C) 80CCD(2) - Employer's contribution to NPS**
- D) 80G

8. Which income is partially exempt under section 10(10D)?

- A) Life insurance maturity proceeds**
- B) Agricultural income
- C) Dividend income
- D) Winning from crossword puzzles

9. Which of the following is fully taxable?

- A) Dividend from an Indian company
- B) Interest on EPF balance above specified limit
- C) Family pension
- D) All of the above**

10. Which section provides deduction for interest on housing loan (self-occupied house) under old regime?

- A) 24(b)
- B) 80EEA
- C) Both A and B**
- D) 10(14)