**MCQ on TDS under various sections of the Income Tax Act Class Date 01.09.2024**

1. **Section 194-LB of the Income Tax Act deals with the deduction of tax on which of the following transactions?**

A) Rent paid to a landlord

**B) Income by way of interest from infrastructure debt fund**

C) Dividend payment by a company

D) Interest on fixed deposits

1. **What is the basic rate of TDS applicable under Section 194-LB?**

**A) 5%**

B) 10%

C) 15%

D) 20%

1. **Who is responsible for deducting TDS under Section 194-LB?**

A) The landowner

**B) An infrastructure debt fund referred to in section 10 (47)**

C) The tenant

D) The government

1. **Under Section 194-LBA, TDS must be deducted at the time of which of the following?**

A) Credit of the amount to the account of the landowner

B) Payment of the amount in cash, cheque, draft, or any other mode

**C) Certain Income from units of Business Trust**

D) None of the above

1. **Section 194LBB of the Income Tax Act pertains to the deduction of TDS on which type of payments?**

A) Salary payments

B) **Income distributed by an Investment Fund**

C) Rent payments

D) Sale of goods

1. **What is the rate of TDS applicable under Section 194LBA for resident unit holders ?**

A) 1%

B) 2%

C) 5%

**D) 10%**

1. **What is the complete form of InvITs ?**

A) Invitation for Investment in Trust

B) Investment in Information Technology

C) Investment Trust on Technology

**D) Infrastructure Investment Trusts**

1. **Under Section 194LBC, at what threshold amount does the liability to deduct TDS arise?**

A) ₹10,000

**B) No Threshold**

C) ₹50,000

D) ₹1,00,000

1. **Which of the following types of borrowings are covered under Section 194LC for TDS purposes?**

**A) Borrowings from a foreign bank**

B) Borrowings from a domestic bank

C) Borrowings from any private individual

D) Borrowings from the central government

1. **Which of the following is eligible for TDS under Section 194LD?**

A) Interest on bonds issued by private companies

**B) Interest on bonds issued by the Government of India**

C) Interest on bonds issued by foreign governments

D) Interest on bonds issued by state governments