

MCQ on Filing of TDS under various sections Class Date 22.03.2025

1. Under Section 194N, TDS is applicable on cash withdrawals exceeding how much in a financial year for those who have filed ITR in the last 3 years?

- a) ₹50,000
- b) ₹1,00,000
- c) ₹20 lakh**
- d) ₹1 crore

2. What is the TDS rate under Section 194N if the person has NOT filed ITR in the last 3 years?

- a) 1% on withdrawals above ₹1 crore
- b) 2% on withdrawals above ₹20 lakh and 5% above ₹1 crore**
- c) 5% on the entire withdrawal amount
- d) 10% on all cash withdrawals

3. Section 194M is applicable when an individual/HUF makes payments exceeding how much in a financial year for professional or contractual services?

- a) ₹30,000
- b) ₹50,000
- c) ₹75 lakh
- d) ₹50 lakh**

4. What is the TDS rate under Section 194M?

- a) 5%**
- b) 10%
- c) 2%
- d) 1%

5. Is TAN (Tax Deduction and Collection Account Number) required to deduct TDS under Section 194M?

- a) Yes, always required
- b) No, it is not required**
- c) Only if payment exceeds ₹1 crore
- d) Required only for businesses

6. Section 194P provides exemption from filing ITR for senior citizens above 75 years if they have income only from pension and:

- a) Salary income
- b) House property income
- c) Interest income from the same bank**
- d) Business income

7. Which institutions are responsible for deducting TDS under Section 194P?

- a) Any bank
- b) Only banks specified by the government**
- c) Cooperative societies
- d) Post offices

8. Under Section 194Q, TDS is applicable if a buyer purchases goods worth more than:

- a) ₹10 lakh
- b) ₹50 lakh**
- c) ₹1 crore
- d) ₹5 crore

9. What is the TDS rate under Section 194Q?

- a) 1% of the purchase amount
- b) 0.1% of the purchase amount exceeding ₹50 lakh**
- c) 5% of the total purchase amount
- d) 2% of the purchase amount exceeding ₹50 lakh

10. Section 194O applies to which type of transactions?

- a) Sale of land and building
- b) E-commerce transactions where the payment is made to a seller through an e-commerce operator**
- c) Salary payments
- d) Cash withdrawals

11. What is the TDS rate under Section 1940?

- a) 1%**
- b) 2%
- c) 0.1%
- d) 5%

12. Does Section 1940 apply to all e-commerce participants?

- a) Yes, without any exemption
- b) No, if the seller is an individual and turnover is below ₹5 lakh**
- c) Only if the seller's turnover exceeds ₹50 lakh
- d) Only applicable to foreign sellers