

MCQ on TDS under various sections of the Income Tax Act Class Date 03.08.2025

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

2. **What is the basic rate of TDS applicable under Section 194-LB?**
 - A) 5%**
 - B) 10%
 - C) 15%
 - D) 20%

3. **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

4. **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

5. **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

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

A) 1%

B) 2%

C) 5%

D) 10%

7. 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

8. 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

9. 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

10. 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