

The Institute of Cost Accountants of India

CERTIFICATE COURSE ON FILING OF RETURN MOCK TEST – I

Guidelines

1. There are 50 questions and all are compulsory.
2. Mark the right option.
3. After completing the paper mail us on trd@icmai.in

1. Assessee is always a person but a person may or may not be an assessee.
 - a. True
 - b. False

Ans. – a)

2. A person may not have assessable income but may still be assessee.
 - a. True
 - b. False

Ans. – a)

3. In some cases, assessment year and previous year can be same financial year.
 - a. True
 - b. False

Ans. – a)

4. Basic exemption limit for non resident who is 70 years old
 - a. Rs. 2,50,000
 - b. Rs. 3,00,000
 - c. Rs. 5,00,000
 - d. Rs. 2,00,000

Ans. – a) Rs. 2,50,000

5. ITR - 1 also known as

- a. Aasan
- b. Sahaj
- c. Umeed
- d. Udaan

Ans. – b) Sahaj

6. ITR – 1 is applicable to an individual having

- a. Salary or pension income
- b. Income from one house property
- c. Income from other sources
- d. All of the above

Ans. – d) All of the above

7. The return of income is to be furnished in

- a. ITNS 281
- b. Form 26AS
- c. Form 26Q
- d. ITR 1 to 7

Ans. – d) ITR 1 to 7

8. Is the acknowledgement of filing the return of income?

- a. ITR – 4
- b. ITR – V
- c. Form 26AS
- d. Form 26QB

Ans. - b)

9. The return of income can be filed with the Income-tax Department in electronic mode only.

- a. True
- b. False

Ans. - b)

10. Taxpayers with total income of more than Rs. _____ shall furnish the return of income electronically with or without digital signature or by using electronic verification code. However, in a case where digital signature is mandatory return is to be mandatorily digital signed.

- a. Rs. 25,00,000
- b. Rs. 15,00,000
- c. 10,00,000
- d. Rs. 5,00,000

Ans. - d)

11. ITR return forms are attachment less forms and, hence, the taxpayer is not required to attach any document (like proof of investment, TDS certificates, etc.) along with the return of income (whether filed manually or filed electronically).

- a. True
- b. False

Ans. - a)

12. Maximum exemption under section 80C is

- a. Rs. 1,50,000
- b. Rs. 2,00,000
- c. Rs. 25,000
- d. Rs. 50,000

Ans. - a)

13. Mr. X is resident individual and he has salary income Rs. 3,50,000 and he pay Rs. 20,000 as LIC premium. Calculate Tax liability.

- a. Rs. 5,000
- b. Rs. NIL

- c. Rs. 2,500
- d. Rs. 1,00,000

Ans. - b)

14. A partnership firm (including LLP) is taxable at the rate

- a. Rs. 15%
- b. 20%
- c. Slab Rate
- d. 30%.

Ans. - d)

15. Basics terms of income tax, form

- a. Form 16
- b. Form 16A
- c. 26AS, 16, 16A, 16B
- d. Form 16B

Ans. - c)

16. Rebate u/s 87A is applicable to individual if total income is equal to or less than Rs. 500,000

- a. True
- b. False

Ans. - a)

17. Deductions under section 80C to 80U are available for Long term capital gains.

- a. True
- b. False

Ans. - b)

18. Can I claim deduction of 50,000 ?

- a. True
- b. False

Ans. a) - Yes, you can claim deduction of 50,000 from previous year 2019-2020 only. Before that the limit was of 40,000.

19. Can I claim transport allowance and medical allowance as well along with standard deduction?

- a. True
- b. False

Ans. - b) - No, you can claim only standard deduction of 50,000 and not the transport and medical allowance.

20. We file ITR in Previous year or Assessment year

- a. Assessment year
- b. Previous year

Ans. - a)

21. Can Income Tax return be filed without PAN Number?

- a. Yes
- b. No
- c. Filed based on Form 60
- d. Filed based on Aadhaar Number

Ans. - b)

22. Which Head of Income is not applicable in ITR 1?

- a. Salary Income
- b. Income from House Property
- c. Profits or Gains from Business or Profession
- d. Other Sources

Answer: c - Profits or Gains from Business or Profession

23. Suresh maintains bank accounts in 2 nationalised banks and 1 Private Bank. How many bank accounts should he disclose while filing Income Tax return?

- a. Any One Account
- b. All Bank Accounts
- c. Only Nationalised Bank accounts
- d. Latest Bank Account only.

Answer: b - All Bank Accounts

24. Rajeswar has earned Rs. 7,500 from as Savings Account interest from State Bank of India. SBI has not deducted any Income Tax. Is this Income taxable in the hands of Rajeswar.

- a. Not Taxable
- b. Taxable
- c. Taxable but deduction to be claimed u/s 80TTA
- d. Not taxable as Bank has not deducted any tax.

Answer: c Taxable but deduction to be claimed u/s 80TTA

25. Somesh, a retired bank employee has received an Interest income of Rs. 35,000. He does not have any other Income. Interest income of Rs. 35,000 is displayed in Form 26AS. TDS is not deducted as he has provided Form 15H to the bank. Should Somesh file his Income Tax return?

- a. Somesh has to file because it is reflecting in 26AS
- b. Somesh need not file

Answer: b - Somesh need not file

26. Under what head of Income is Pension taxable?

- a. Salary
- b. Capital Gains
- c. Income from Other Sources
- d. Income from House property

Answer: a - Salary

27. Rajesh expired on 15th June 2020. Should his income Tax return for the financial year 2019-20 be filed considering he has taxable income?

- a. No. No income tax for dead people c. His family member's choice.
- b. His family members / legal heir has to file d. His friends have to file.

Answer: b - His family members / Legal heir has to file

28. Rama Rao has donated school books worth Rs. 15,000 to a poor student. Is this donation eligible under Income Tax deductions?

- a. Deduction u/s 80G c. Deduction u/s 80GG
- b. Deduction u/s 80C d. No deduction available

Answer: d - No deduction available

29. Which class of Persons can file ITR1?

- a. Individuals c. Partnership Firm
- b. Companies d. Societies

Answer: a – Individuals

30. Siva works in ABC Limited as a manager. His employer deducts Professional Tax (Tax on employment) and TDS from his Income. While filing Income Tax Return, which of these can he claim?

- a. Professional Tax c. TDS
- b. None of the above d. Both Professional Tax and TDS

Answer: d - Both Professional Tax and TDS

31. Mallikarjun Gupta has joined ABC Limited on 1st April 2019 as a manager. On 30th September, 2019 he has resigned ABC Limited and joined XYZ Limited as a Senior Manager. Which Salary income should Gupta disclose in his Income Tax return?

- a. ABC Limited c. ABC Limited and XYZ Limited

b. XYZ Limited

d. None of the above

Answer: c - ABC Limited and XYZ Limited

32. What is the maximum deduction available u/s 80C

a. 1.5 Lakh

c. 2 Lakhs

b. 0.75 Lakh

d. 1 Lakh

Answer: a - 1.5 Lakh

33. What is standard % allowed as repairs in Income from House Property?

a. 30%

c. Actual Repairs

b. 50%

d. 25%

Answer: a - 30%

34. What is section 234A?

a. Interest on late payment of Self-Assessment Tax

b. Interest on late payment of Advance Tax

c. Interest on non-payment of Advance tax

d. Interest on late Income Tax return filing

Answer: a - Interest on late payment of Self-Assessment Tax

35. What is the standard deduction available for a salaried employee under the head Salaries?

a. Rs. 45,000

c. 30,000

b. Rs. 50,000

d. Actual Salary received

Answer: b - Rs. 50,000

36. Is e-verification compulsory in Income Tax filing?

- a. Optional
- b. Compulsory

Answer: b - Compulsory

37. Through which mode is Income Tax refund paid by Income Tax department to Individuals ?

- a. Paytm
- b. Google Pay
- c. Mobiquick
- d. Bank Account

Answer: d - Bank Account

38. What is the form given by employers to employees when Tax is deducted from Salary Income of employees?

- a. Form 16
- b. Form 26AS
- c. Form 16A
- d. Form 60

Answer: a - Form 16

39. Rahul has earned Rs. 80,000 as Fixed Deposit Interest and Rs. 11,000 as Savings Account Interest from ICICI Bank. TDS is deducted only on Fixed Deposit Interest. Should Rahul disclose Savings Account Interest also in Income Tax Return?

- a. Yes
- b. Choice of Rahul
- c. No
- d. No because there is no TDS

Answer: a – Yes

40. Rajender has retired from his job after reaching an age of 60. He has received Gratuity from his employer for his long standing service. Should Gratuity be disclosed in the Income Tax return?

- a. No. because It is a retirement benefit
- b. Yes. Tax to be paid on Gratuity

- c. No. because he is retired now
- d. Income to be disclosed and deduction to be claimed on Gratuity.

Answer: d Income to be disclosed and deduction to be claimed on Gratuity.

41. Should retired employees file Income Tax return?

- a. No. Not required
- b. Yes. If taxable Income is more than the limit

Answer: b - Yes, if taxable income is more than the limit

42. Which cities are considered as Metro cities u/s 10(13A)?

- a. Delhi, Chennai, Mumbai and Kolkatta
- b. Delhi, Chennai, Mumbai Kolkatta, Hyderabad and Banguluru
- c. Delhi, Chennai, Mumbai Kolkatta, Noida and Gurgaon
- d. Delhi, Chennai, Mumbai Kolkatta, Hyderabad, Banguluru, Gurgaon, Noida and Pune

Answer: a - Delhi, Chennai, Mumbai and Kolkatta

43. Vishal's employer deducts Employee Provident Fund from his salary. Is this EPF eligible for deduction?

- a. Deduction u/s 16
- b. Deduction u/s 80C
- c. Deduction u/s 40AD
- d. Not eligible for deduction

Answer: b - Deduction u/s 80C

44. Is there any additional deduction for Women (compared to men)?

- a. Yes
- b. No

Answer: b No

45. Abhishek's employer provides him with a free house and servants (in the house) during his employment. Is this benefit taxable?

- a. Yes, both are taxable
- b. No
- c. Only House benefit is taxable
- d. Only Servant benefit is taxable

Answer: a – Yes, Both are taxable

46. Narendra earns Rs. 3,500 from agriculture in addition to his salary income. Can he file ITR1?

- a. Yes
- b. No

Answer: a - Yes.

47. Prasad spends Rs. 5,000 every month for his mother's medical expenditure. Under which section can he claim this expenditure?

- a. 80C
- b. 80G
- c. 80D
- d. 44ADA

Answer: c - 80D

48. Dr. Sudhakar works for Apollo hospitals during day time. In the evenings, he has clinic of his own, can he file ITR1?

- a. Yes
- b. No

Answer: b – No

49. Where Income Tax return should be filed?

- a. Income Tax website
- b. GST website
- c. CBDT website
- d. Chartered Accountant's website

Answer: a - Income Tax website

50. Which option is not available for e-verification?

- a. Aadhaar OTP
- b. E-verification through Net banking
- c. Sending acknowledgement to IT Dept.
- d. e-verification using Facebook

Answer: d - E-verification through Facebook