**1. What is the primary purpose of the Statement of Facts (SOF) in an income tax appeal?**

a) To argue against the Assessing Officer’s order
b) To provide a concise summary of events and facts relevant to the case
c) To list legal precedents supporting the appeal
d) To request additional evidence submission

**Answer:** b) To provide a concise summary of events and facts relevant to the case
**Explanation:** The SOF outlines the factual background of the case, such as the assessee’s business, return filed, assessment proceedings, and additions made, without including arguments.

**2. According to Rule 8 of the Income-tax (Appellate Tribunal) Rules, 1963, how should the Grounds of Appeal (GOA) be presented?**

a) In a narrative form with detailed arguments
b) Concisely, under distinct heads, without arguments or narrative
c) As a summary of the Statement of Facts
d) With a prayer for relief only

**Answer:** b) Concisely, under distinct heads, without arguments or narrative
**Explanation:** The GOA must be specific, numbered consecutively, and focused on issues of dispute, avoiding lengthy explanations or arguments.

**3. Which of the following should NOT be included in the Statement of Facts?**

a) Date of filing the return of income
b) Details of the Assessing Officer’s additions
c) Legal arguments against the assessment order
d) Nature of the assessee’s business

**Answer:** c) Legal arguments against the assessment order
**Explanation:** The SOF is meant to present facts, not arguments. Arguments are reserved for written submissions or Argument Notes.

**4. When drafting Grounds of Appeal, what should an assessee include to cover potential flexibility?**

a) A prayer to add, amend, or withdraw grounds later
b) A detailed explanation of each ground
c) References to all possible case laws
d) A summary of the Assessing Officer’s findings

**Answer:** a) A prayer to add, amend, or withdraw grounds later
**Explanation:** Including such a prayer ensures the appellant retains flexibility to adjust the appeal as needed during proceedings.

**5. What is the recommended approach when an assessee believes the Assessing Officer denied a fair hearing?**

a) Mention it only in the Argument Notes
b) Include it as a specific ground in the Grounds of Appeal
c) Omit it unless additional evidence is filed
d) Discuss it informally with the Commissioner (Appeals)

**Answer:** b) Include it as a specific ground in the Grounds of Appeal
**Explanation:** Lack of opportunity is a jurisdictional issue and should be explicitly raised as a ground to strengthen the appeal.

**6. In preparing Argument Notes, what should be the focus?**

a) Repeating the Statement of Facts verbatim
b) Providing legal reasoning and case laws to support the Grounds of Appeal
c) Listing all documents submitted during assessment
d) Summarizing the Commissioner’s likely response

**Answer:** b) Providing legal reasoning and case laws to support the Grounds of Appeal
**Explanation:** Argument Notes elaborate on the GOA, offering legal justification and precedents to persuade the appellate authority.

**7. Which form is used to file an appeal before the Commissioner of Income Tax (Appeals)?**

a) Form No. 36
b) Form No. 35
c) Form No. 36A
d) Form No. 37

**Answer:** b) Form No. 35
**Explanation:** Form No. 35 is prescribed under Rule 45 of the Income-tax Rules, 1962, for appeals to the Commissioner (Appeals).

**8. If an assessee wishes to raise an alternative plea in the Grounds of Appeal, which phrase is typically used?**

a) “On the facts and circumstances”
b) “Without prejudice to”
c) “In addition to”
d) “Subject to verification”

**Answer:** b) “Without prejudice to”
**Explanation:** This phrase allows the assessee to present an alternative argument without weakening the primary grounds.

**9. What happens if the Statement of Facts is not comprehensive when filing an appeal with the Income Tax Appellate Tribunal (ITAT)?**

a) The ITAT will remand the case back to the Assessing Officer
b) New facts cannot be introduced before the ITAT
c) The appeal is automatically dismissed
d) The assessee must file a revised SOF

**Answer:** b) New facts cannot be introduced before the ITAT
**Explanation:** The ITAT does not allow a fresh SOF; thus, all relevant facts must be included at the CIT(A) stage.

**10. When preparing Argument Notes, why is it important to cite relevant case laws?**

a) To increase the length of the submission
b) To provide legal authority supporting the assessee’s position
c) To confuse the opposing party
d) To replace the need for a Statement of Facts

**Answer:** b) To provide legal authority supporting the assessee’s position