

MCQ on TDS under various sections of the Income Tax Act Class Date 21.12.2025

1. **Section 194-IC of the Income Tax Act deals with the deduction of tax on which of the following transactions?**
 - A) Rent paid to a landlord
 - B) Payment of consideration to a landowner by the builder in a Joint Development Agreement (JDA)**
 - C) Dividend payment by a company
 - D) Interest on fixed deposits

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

3. **Who is responsible for deducting TDS under Section 194-IC?**
 - A) The landowner
 - B) The builder or developer**
 - C) The tenant
 - D) The government

4. **Under Section 194-IC, 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) Both A and B**
 - D) None of the above

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

- A) Salary payments
- B) Professional or technical services**
- C) Rent payments
- D) Sale of goods

6. **What is the standard rate of TDS applicable under Section 194J for fees for professional services?**

- A) 1%
- B) 2%
- C) 5%
- D) 10%**

7. **Which of the following payments are covered under Section 194J?**

- A) Royalty payments
- B) Director's fees
- C) Fees for technical services
- D) All of the above**

8. **Under Section 194J, at what threshold amount does the liability to deduct TDS arise for professional services?**

- A) ₹10,000
- B) ₹30,000
- C) ₹50,000**
- D) ₹1,00,000

9. **What is the threshold limit above which TDS is required to be deducted under Section 194LA?**

- A) ₹1,00,000
- B) ₹2,50,000
- C) ₹5,00,000**
- D) ₹10,00,000

10. What is the rate of TDS applicable under Section 194K for dividend income?

- A) 5%
- B) 7.5%
- C) 10%**
- D) 15%