

# **The Institute of Cost Accountants of India**

## **CERTIFICATE COURSE ON TDS**

### **MOCK TEST – II**

#### **ANSWERS**

Q No. 1: Mr. X engages an advertisement agency for Promotion of his movie. Advertisement agency further engages a News Channel/Newspaper Company for movie's publication & promotion. Is TDS required to be deducted by Mr. X for payment made to advertisement agency, if yes, under which section is it to be deducted?

- A. Yes, u/s 194C under Contract.
- B. Yes, u/s 194H for Commission.
- C. Yes, u/s 194J for Professional Services.
- D. No TDS to be deducted.

Q No. 2: In reference to the above question, what will be the TDS implication on Payment made by advertisement agency to a News Channel /Newspaper Company?

- A. Yes, u/s 194C under Contract.
- B. Yes, u/s 194H for Commission.
- C. Yes, u/s 194J for Professional Services.
- D. No TDS to be deducted.

Q No. 3: Payment is made by TV Channel/Newspaper Co. to Advertisement Agency for booking/procuring/canvassing for Advertisement from various customers. Is TDS required to be deducted? If yes under which section is it to be deducted –

- A. Yes, u/s 194 C for Contract.
- B. Yes, u/s 194H for Commission.
- C. Yes, u/s 194J for Professional services.
- D. None of the Above.

Q No. 4: What will be the TDS implications on payments made by broadcasters/telecasters to production house for production of content or programme for broadcasting or telecasting?

- A. Yes, u/s 194 C for Contract.
- B. Yes, u/s 194H for Commission.
- C. Yes, u/s 194J for professional Services.
- D. No TDS to be deducted.

Q No. 5: Payment is made by Advertisement Agency for Advertisement to Doordarshan. Is TDS required to be deducted, if yes, under which section is it to be deducted?

- A. Yes, u/s 194C for Contract.
- B. Yes, u/s 194H for Commission.
- C. Yes, u/s 194J for Professional Services.
- D. No TDS is to be deducted.

Q No. 6: P Ltd. has to make a payment of Rs 10,00,000 to Mr. Prem for certain services. P Ltd. is required to deduct tax at source at the rate of 10%. However, Mr. Prem does not provide Permanent Account Number (PAN) to P Ltd. for deduction of tax from ₹ 10,00,000. The rate at which tax will be deducted by P Ltd. will be:

- A. 10%
- B. 20%
- C. 30%
- D. No TDS should be deducted due to non-availability of PAN

Q No. 7: When is the liability to deduct TDS arises?

- A. At the time of payment
- B. At the time of credit
- C. At the time of credit to suspense account
- D. All the above, whichever is earlier

Q No. 8: What is the interest payable per month, if the tax is not deducted when deductible?

- A. 1%
- B. 2%
- C. 1.5%
- D. 3%

Q No. 9: What is the interest payable per month, if the tax is deducted but not paid to government?

- A. 1%
- B. 2%
- C. 1.5%
- D. 3%

Q No. 10: Whether TDS is applicable on payments made to Travel agents?

- A. Yes
- B. No

Q No. 11: Whether section 194C would be attracted in respect of payments made to couriers for carrying documents, letters, etc.?

- A. Yes
- B. No

Q No. 12: Whether a contract to provide profession services are covered by which section.

- A. 194C
- B. 194J
- C. 194I
- D. None of the above

Q No. 13: Whether TDS is required to be made if the payment does not exceed Rs 30,000 u/s 194C?

- A. Yes
- B. No

Q No. 14: Whether TDS is required to be made if the payment does not exceed Rs 30,000 u/s 194C but exceeds Rs1,00,000 in aggregate during the year?

- A. Yes
- B. No

Q No. 15: Provisions of section 194C relating to tax deduction from payment to contractors are applicable only where contract is either a 'work contract' or a 'contract for supply of labour for works contract'.

- A. True
- B. False

Q No. 16: What is the rate of TDS u/s 194C?

- A. 1%
- B. 2%
- C. 3%
- D. 1% for payments made to individual and HUF, others @2%

Q No. 17: Whether the deduction of tax at source under sections 194C and 194J has to be made out of the gross amount of the bill including reimbursements or excluding reimbursement for actual expenses?

- A. Gross amount
- B. Invoice amount excluding reimbursements

- C. A and B
- D. None of the above

Q No. 18: In case the services of the electrician are provided by a contractor, whether the provisions of section 194C or 194J would be applicable?

- A. 194C
- B. 194J
- C. A and B
- D. None of the above

Q No. 19: Whether payments made to a hospital for rendering medical services will attract deduction of tax at source under section 194J?

- A. Yes
- B. No

Q No. 20: Whether commission received by the advertising agency from the media would require deduction of tax at source under section 194J of the Act?

- A. Yes
- B. No

Q No. 21: Whether a normal maintenance contract including supply of spares would be covered under section 194C or 194J of the Act?

- A. 194J
- B. 194C
- C. Both A and B
- D. None of the above

Q No. 22: Whether deduction of tax is required to be made on payments for cost of advertisement issued in the souvenirs brought out by various organisations?

- A. Yes
- B. No

Q No. 23: What is the rate of TDS applicable till 31<sup>st</sup> March, 2021 because of Covid-19?

- A. Normal applicable rates
- B. 75% of normal applicable rates
- C. 200% of normal applicable rates
- D. None of the above

Q No. 24: Whether section 194C would apply in respect of supply of printed material as per prescribed specifications?

- A. Yes
- B. No

Q No. 25: Whether section 194C would cover payments made by a company to a share registrar.

- A. Yes
- B. No

Q No. 26: Whether payment to a recruitment agency can be covered by section 194C?

- A. Yes
- B. No

Q No. 27: What is covered u/s 194D of the Act?

- A. Payment of Insurance premium
- B. Payment of commission by insurance company
- C. Payment of matured amount of policy
- D. All of the above

Q No. 28: What is the exemption limit u/s 194D of the Act?

- A. Rs 10,000
- B. Rs 20,000
- C. Rs 15,000
- D. Rs 50,000

Q No. 29: What is covered u/s 194DA of the Act?

- A. Payment of Insurance premium
- B. Payment of commission by insurance company
- C. Payment of matured amount of policy
- D. All of the above

Q No. 30: What is the exemption limit u/s 194DA of the Act?

- A. Rs 5,00,000
- B. Rs 2,00,000
- C. Rs 1,00,000
- D. Rs 3,00,000