

305 : Human Resources Operation**MULTIPLE CHOICE QUESTIONS**

Q NO	Question	Answer
1	Providing equal pay for jobs of equal nature based on job evaluation ensures _____ in compensation administration. external equity internal equity neutrality None of the above	A
2	Payment of cash rewards for the work extracted from the employee is normally called direct compensation indirect compensation non-monetary compensation None of the above	A
3	Which of the following is the fixed component in compensation packages? Profit-sharing Base salary Gain-sharing Equity stock options	B
4	Insurance schemes, retirement benefits and leave travel concession are examples of indirect monetary compensation direct monetary compensation non-monetary compensation None of the above	A
5	Ensuring a fair balance between an employee's contributions to the job and the rewards received in return from that job is the essence of equity theory expectancy theory agency theory contingency theory	A

6	<p>Which of the following theory states that the employees work hard in the job only when they are sure of positive outcomes from that job?</p> <p>Equity theory Expectancy theory Agency theory Contingency theory</p>	B
7	<p>Managers never own complete responsibility for the all the decisions made by them since they are not the owners of the business is the assumption of</p> <p>equity theory expectancy theory agency theory contingency theory</p>	C
8	<p>Wages which are usually positioned above the minimum wages but below the living wages are described as</p> <p>real wages fair wages minimum wages living wages</p>	B
9	<p>_____ ensure that the employees get an income which is sufficient for meeting their present and future necessities and contingencies.</p> <p>Real wages Minimum wages Living wages None of the above</p>	C
10	<p>Wages usually adjusted for the prevailing rate of inflation is called</p> <p>real wages fair wages minimum wages living wages</p>	A
11	<p>When there are several pay grades in a pay structure, it is called</p> <p>traditional pay structure broad-graded structure job family structure None of the above</p>	A
12	<p>Which of the following factors is not an external influencing factor in wages and salary administration?</p> <p>Cost of living</p>	D

	Labour legislations Labour market conditions Ability to pay	
13	Which of the following factors is not an external influencing factor in wages and salary administration? Capacity of the organization to pay Corporate policies and philosophy Performance evaluation report None of the above	
14	Which of the following is not an objective of executive compensation plans? Separating ownership interest and controlling interest Enhancing employee motivation, involvement and commitment Promoting managerial efficiency Attracting and retaining the best executives	A
15	Provision for cars, parking lots and membership in country club are examples of base salary of executives short-term incentive plans executive perks None of the above	C
16	Stock option and performance shares are examples of base salary short-term incentive plan long-term incentive plan All of the above	C
17	Performance-based annual bonuses are an example of base salary short-term incentive plan long-term incentive plan All of the above	B
18	Personnel management is also called as (A) Personnel Administration (B) Manpower management (C) Both (A) and (B) (D) None of the above	C
19	Personnel management specifically deals with human resources in respect of (A) Their procurement (B) Their development (C) Their motivation	D

	(D) All of the above	
20	Which of the following is (are) true? (A) Principles of general management are applicable to personnel management (B) Personnel management considers that labour is a lifeful item (C) Personnel management deals with the relations of personnel towards management (D) All of the above	D
21	Personnel management is a (an) (A) Approach (B) Point of view (C) Technique of thinking (D) All of the above	D
22	The subject matter of personnel management is (A) Profit (B) Capital investment (C) Human being (D) Wages and incentives	C
23	The following is not a function of Personnel management (A) Training and development of manpower (B) Recruitment and selection of manpower (C) Wages and salary administration (D) Production, Planning and control	D
24	The following principle of Personnel management stresses to make the labour partner to the business (A) Principle of fair reward (B) Principle of joint management (C) Principle of Dignity of labour (D) Principle of team spirit	B
25	Personnel policies are the _____ of the organization. (A) Constitution (B) Epic (C) Foundation (D) None of the above	A
26	The following is not Principle of Personal Policies (A) Principle of common interest (B) Principle of Development (C) Principle of recognition of trade unions (D) Principle of team spirit	D
27	In manpower planning, short term plans are prepared for (A) One month (B) Three months	D

	(C) Six months (D) One year	
28	The following factor(s) affect(s) manpower planning (A) Working hours (B) Nature of production (C) Performance rate (D) All of the above	D
29	Product mix means a production programme based on (A) Optimum productive capacity (B) Sales forecast (C) Both (A) and (B) (D) None of the above	C
30	Satisfactory resolution of the disputes may avoid the following (A) None co-operative actions (B) Ill will (C) Strikes (D) All of the above	D
31	If the productive man hours lost are less, their available productive hours will be (A) More (B) Less (C) Same (D) None of the above	A
32	_____ method of training is connected to real life problem. (A) Conferences (B) Case study (C) Management games (D) Sensitivity training	B
33	Personnel man must be a person who must have the following. (A) Sensibility (B) Conceptual skill (C) Human relation skill (D) All of the above	D
34	Advantage(s) of career planning is(are) (A) Reduces turnover (B) Tap potentials of employees (C) Motivates employees (D) All of the above	B
35	Match the following	A

	Question a. Growth Phase b. Industry Shift phase c. Major integration phase d. Turnaround phase The correct answer is (A) a-3, b-4, c-2, d-1 (B) a-3, b-4, c-1, d-2 (C) a-2, b-3, c-4, d-1 (D) a-4, b-3, c-2, d-1	
36	_____ means limitation of organized action. (A) Organizing (B) Controlling (C) Directing (D) Planning	C
37	Following are the types of audit in personnel department. (A) Audit of managerial compliance (B) Audit of employee satisfaction (C) Audit of Corporate strategy (D) All of the above	D
38	Income Tax Act was passed in the year..... A) 1934 B) 1956 C) 1961 D) 1972	C
39	Income Tax Act came into force on..... A) 1 st April 1935 B) 1 st April 1961 C) 1 st April 1962 D) 1 st April 1956	C
40	Income tax is a..... A) Professional tax B) Direct tax C) Indirect tax D) Service tax	B
41	A person with the age of or more is considered as a super senior citizen as per Income tax Act. A) 56 B) 60 C) 80 D) 85	C

42	Rebate of Income tax is defined as per section A) 81A B) 87A C) 81C D) 87C	B
43	Section 2(9) of Income tax deals with..... A) Person B) Assessee C) Previous Year D) Assessment Year	D
44	Assessment year is the period of 12 months commencing from Every year A) 1st March B) 31st March C) 1st April D) 30th April	C
45	When the income earned in an year is taxed in the same year, it is called..... A) Advanced Assessment B) Super Assessment C) Accelerated Assessment D) None of the above	C
46	Surcharge is levied when the total income exceeds A) 5 Crore B) 10 Crore C) 1 Crore D) 2 Crore	C
47	Educational cess is charges at the rate of A) 2% B) 1% C) 3% D) 5%	C
48	As per Income tax Act, Person includes A) Individual B) HUF C) Local Authority D) All of the above	D
49	1CBDT stands for A) Central Bureau of Direct Taxes B) Central Board of Direct Taxes C) Citizen's Board of Direct Taxes	B

	D) Citizen's Bureau of Direct Taxes	
50	4. CBDT is control by A) Central Government B) State Government C) Both (A) and (B) D) None of this above	A
51	To be an Ordinarily resident in India, an individual must satisfy A) Both Basic Conditions and One Additional Condition B) One Basic Condition and Both Additional Conditions C) One Basic Condition and One Additional Condition D) Both Basic Conditions and Both Additional Conditions	B
52	A Company has types of residential status. A) 2 B) 3 C) 1 D) 4	A
53	A citizen of India who goes abroad for the purpose of employment, he must stay in India in the previous year for at least days to become a resident A) 90 days B) 162 days C) 180 days D) 182 days	D
54	Who is assessee in case of a HUF? A) Karta B) Coparceners C) Deemed Karta D) None of these	A
55	Dividend from an Indian Company is A) Fully Taxable B) Partly Taxable C) Fully Exempted D) None of these	C
56	Expenditure incurred on exempted income is as deduction. A) Fully Allowed B) Partly Allowed C) Not Allowed D) None of these	C
57	Income exempted from tax are stated in the section..... Of Income Tax Act.	B

	A) 5 B) 10 C) 12 D) 8	
58	Income from Salary is explained in the section A) 12 to 14 B) 15 to 17 C) 18 to 22 D) 24 to 26	B
59	Salary is defined as per section A) 15(2) B) 16(1) C) 17(2) D) 17(1)	D
60	When an URPF is recognized, the balance so transferred is called A) Recognized PF B) Transferred PF C) Recognized Balance D) Transferred Balance	C
61	Bonus paid by the employer to the employee is A) Fully Taxable B) Partly Taxable C) Fully Exempted D) None of these	A
62	Gratuity is defined as per section A) 10(10A) B) 10(10AA) C) 10(10) D) 10A	B
63	The highest Administrative Authority for Income Tax in India is..... A) Finance Minister. B) CBDT. C) President of India. D) Director of Income Tax.	B
64	Payment made by an employer to employee monthly, other than salary is called..... A) Bonus B) Allowances C) Benefits	B

	D) None of these	
65	HRA is A) Fully Taxable B) Partly Taxable C) Fully Exempted D) None of these	B
66	Rule explain the taxation of HRA A) 2 B) 2A C) 2AA D) 2AB	B
67	Agricultural income in Pakistan is assessable for..... A) Resident B) Not Ordinarily Resident C) Non-resident D) Not taxable	A
68	If the assessee is living in own house HRA is A) Fully Taxable B) Partly Taxable C) Fully Exempted D) None of these	A
69	Entertainment allowance is allowed as a deduction as per section A) 16 B) 16(i) C) 16(ii) D) 16(iii)	C
70	Any allowance granted for encouraging research, academic and other professional pursuit is called A) Research Allowance B) Academic Allowance C) Higher Educational Allowance D) Educational Allowance	B
71	Children education allowance is exempt up to per month per child for two children. A) Rs.100 B) Rs.150 C) Rs.200 D) Rs.250	A
72	Children hostel allowance is exempt up to per month per child for two children.	D

	A) Rs.100 B) Rs.200 C) Rs.250 D) Rs.300	
73	Transport allowance given by the employer to the employee is exempt up to A) Rs.1000p.m B) Rs.1600p.m C) Rs.1000p.a D) Rs.1600p.a	B
74	Foreign allowance is a A) Fully Exempted Allowance B) Fully Taxable Allowance C) Partly Exempted Allowance D) None of these	A
75	State which of the following income are exempted? A) Dearness Allowance B) City Compensatory Allowance C) Foreign Allowance D) Medical Allowance	C
76	Education allowance is exempted for A) One person B) Four persons C) Two persons D) None of these	C
77	A government employee received salary Rs.120,000 and entertainment allowance Rs.10,000 during the previous year. He spent Rs.6000 on entertainment. He is entitled to deduction u/s 16(ii) : A) 10,000 B) 6000 C) 5000 D) Nil	C
78	A citizen of India who goes abroad for the purpose of employment, he must stay in India in the previous year for at least days to become a resident A) 90 days B) 162 days C) 180 days D) 182 days	D
79	Who among the following may be “not ordinarily resident”?	A

	A) Hindu Undivided Family. B) Company. C) Association of persons. D) None of these	
80	The following is not taxable as income under the head "Salaries". A. Commission received by a full time director B. Remuneration received by a partner C. Allowances received by an employee D. Free accommodation given to an employee	B
81	Previous year means the financial year immediately preceding the..... A) Accounting Year B) Assessment Year C) All of the above D) None of the above	B
82	Gratuity received by a government employee is A) Fully exempted B) Partly exempted C) Fully taxable D) Exempted up to Rs:1,00,000	A
83	Income received in India whether occurred in India or outside India, the tax incidence in case of resident is A) Taxable as per slabs B) Exempted from tax C) Partly exempted D) None of the above	A
84	The income received and accrued outside India from a business controlled or profession set up in India, the tax incidence in case of resident is A) Taxable B) Non-taxable C) Partly taxable D) None of the above	A
85	Pension is taxable underhead. A) Salary B) House property C) Capital gains D) other sources	A

86	Salary received by a Member of Parliament is taxable under the head..... A) Income from salary B) Capital gains C) Profits and gains of business or profession D) Income from other sources	D
87	A person is Non-resident if he fails to fulfil..... A) The additional conditions. B) At least one of the basic conditions. C) Both basic conditions. D) None of these	B
88	Income received in India is taxable in the hands of..... A) Resident only. B) Resident and ordinarily resident only. C) Non-resident only. D) All assesseees.	D
89 is exempted from income tax. A) Interest from Indian company B) Dividend from foreign company C) Cooperative dividend D) Dividend from Indian company	D
90	The Income Tax Act, 1961 broadly covers A) Basic charging income B) Rebates and reliefs C) Incomes exempted from income tax D) All of the above	D
91	Any rent or revenue derived from land which is situated in India and is used for agricultural purpose is A) Partially taxable B) Fully taxable C) Exempted from tax D) None of the above	C
92	Residential Status of an assessee can be A) Different for different previous year in the same assessment year B) Different for different assessment year C) None of the above D) All of the above	B
93	Which of the following is not included in salary income. A) Commuted pension B) Un commuted pension	C

	C) Family pension D) Leave salary	
94	In case of Tax free salary, A) Tax is to be paid by employer B) No tax is payable on such salary C) Tax is to be paid by the employee. D) Govt, itself pays the tax at a future date.	A
95	Dearness allowance is taxable in the hands of..... A) Govt employees B) Non Govt employees C) All employees. D) None of these.	C
96	A Perk is..... A) Cash paid by employer to employee B) Facility provided by employer to employee C) Amount credited to employees. D) None of these accounts.	B
97	Perquisites to employees are covered in the I.T. Act 1961 under..... A) Sec 2a. B) Sec. 17b. C) Sec 28a. D) Sec. 36 c.	B
98	The value of Interest free concessional loans to employees is determined on the basis of lending rates of for the same purpose. A) S.B.I. B) R.B.I. C) Central govt. D) State govt.	A
99	An employee is deemed as specified employee if he is a director in the company or has substantial in the company or his chargeable salary per annum exceeds. A) Rs. 5,00,000. B) Rs. 2,00,000. C) Rs. 1,00,000. D) Rs. 50,000.	D
100	Value of rent free accommodation in case of Govt. employee shall be taxable up to..... A) 15% of employees salary. B) 7.5% of employees salary. C) License fee fixed by Govt.	C

	D) 10% of employees salary.	
101	Value of rent free accommodation a house owned by employer in case of non- Govt. employees with above 25 lakhs population is..... A) 10% of employees salary B) 15% of employees salary C) 7.5% of employee salary D) 20% of employees salary	B
102	Interest on RPF balance is exempted up to..... A) 9.75%. B) 9.5%. C) 10%. D) 12%.	B
103	Employers contribution to RPF is exempted up to..... A) 10% of salary. B) 13% of salary. C) 12% of salary. D) 11% of salary.	C
104	The income of previous year is chargeable to tax in the A) Immediately succeeding assessment year B) Same previous year C) Immediately preceding academic year D) None of the above	A
105	The interest on loan paid by the Government of India to a non-resident outside India is in India. A) Not taxable B) Partially taxable C) Taxable D) Can't say	A
106	The salary, remuneration or compensation received by the partners is taxable under the head A) Income from Other Sources B) Income from Business C) Salary D) None of the above	B
107	The death-cum-retirement gratuity received by the Government Employee or employee of local authority is A) Partially exempted B) Fully exempted	B

	C) Half taxable D) None of the above	
108	Under Section 15 of Income Tax Act, the salary due in previous years and even if it is not received is A) Taxable B) Not taxable C) Partially taxable D) None of the above	A
109	The assesses can claim relief under for arrears or advance salary. A) Section 89(1) B) Section89(2) C) Section 89(3) D) Section89(4)	A
110	The Payment of Gratuity Act came into force in A) 1973 B) 1980 C) 1991 D) 1972	D
111	Deduction from gross Total income is allowed under Sec. 80C up to lower of the Qualifying amount or a maximum of. A) Rs. 50,000. B) Rs. 80,000. C) Rs. 1,00,000. D) Rs. 2,00,000.	C
112	Profits earned from an illegal business are..... A) Taxable. B) Tax free. C) Ignored by Tax Authorities. D) treated as other income.	A
113	Medical reimbursement is exempt upto if treatment is done in a private hospital. A) Rs: 5,000 B) Rs: 10,000 C) Rs: 15,000 D) Rs: 50,000	C
114	Which of the following is exempted. A) C.C.A B) D.A	C

	C) Foreign Allowance D) Medical Allowance	
115	Free food provided to employees is exempted upto per meal. A) Rs: 40 B) Rs: 50 C) Rs: 60 D) Rs: 15	B
116	Which of the following is not taxable under the head Salary? A) Remuneration paid to the lecturer of a college for setting a question paper B) Salary received by a member of parliament C) Commission received by an employee director of a company D) Both (a) and (b)	D
117	In accordance with the provisions of Section 17(1) of Income Tax Act, 1961, the term salary includes A) Any annuity or pension B) Any gratuity C) Any fees, commission, perquisite or profits in lieu of or in addition to any salary or wages D) All of the above	D
118	If the employee receives retirement gratuity from more than one employer, he can claim exemption in respect of A) Current employer B) Previous employer C) Both employer D) Not from single employer	C
119	The family pension received by the family members of armed forces after death of employee is A) Exempt fully B) Exempted after fulfilling of certain conditions C) Not exempted D) None of the above	B
120	The entertainment allowance is applicable to A) Private sector employees B) Public sector employees	C

	C) Government employees D) All of the above	
121	The entertainment tax allowed as a deduction under Section 16 of Income Tax Act is the least of A) Actual amount of entertainment allowance received B) 20% of basic salary of the individual C) 50,00 D) All of the above	D A
122	Income accrued outside India and received outside India is taxable in case of A) Resident and ordinary resident (ROR)only B) Resident but not ordinary resident (RNOR)only C) Non-resident only D) ROR, RNOR and Non-resident	
123	Gross Total Income is arrived after A) only adding Income under five heads of Income B) adding Income under five heads of Income excluding losses C) adding Income under five heads of Income, after applying clubbing provisions and making adjustment of set off and carry forward of losses D) adding Income under five heads of Income, after applying clubbing provisions and	D
124	making adjustment of set off and carry forward of losses and after allowing deduction under section 80C to 80U Employer provides a car (below 1.6 ltr capacity) along with a driver to X partly for of perquisite is official and partly for personal purpose. The expenses incurred by the company are: running and maintenance expenses – ` 32,000 andm driver's salary – ` 36,000 . Taxable value A) 21,600 B) 10,800 C) 32,400 D) 39,600	
125	Encashment of earned leave is given by of Income Tax Act, 1961 A) Section 10(10AA) B) Section 12(10A) C) Section 15(10B) D) None of the above	A

126	Compensation received on voluntary retirement is given by Of Income Tax Act,1961. A) Section 10(10D) B) Section10(10C) C) Section 10(10E) D) Section11(10D)	B
127	If an employer transfers second hand motor car to the employee, the perquisite is valued at A) Actual cost less depreciation @30% for every completed year under straight line method B) Actual costless depreciation @20% for every completed year under WDV method C) Actual costless depreciation @30% for every completed year under WDV method D) Actual costless depreciation @20% for every completed year under SLM method	D
128	The following is not taxable as income under the head "Salaries": A) Commission received by a full-time director B) Remuneration received by a partner C) Allowances received by an employee D) Free accommodation given to an employee	B
129	The following is exempt income from Income Tax:. A) Travel concession to employee B) Remuneration received for valuation of answer scripts C) Encashment of leave salary whilst in service D) Perquisites in India	D
130	Gift to employee up to p.a. will not be treated as perquisite taxable in the hands of employee. A) 4,000 B) 5,000 C) 10,000 D) 2,500	B
131	Salary received by the manager of an agricultural farm is A) An agricultural income. B) A salary income. C) A business income. D) A capital income.	B
132	Any benefits attached to an office or position in addition to salary or wages is called.....	B

	A) Allowances B) Perquisites C) Benefits D) None of these	
133	Leave travel concession is explained as per section A) 10(1) B) 10(5) C) 10(10) D)10(5A)	B
134	Under the head Income from House Property the basis of charge is A) Rent Received B) Gross Annual Value C) Annual Value D) Municipal Value	C
135	Foreign house property's income is taxable only in the case of A) Non Resident B) Not Ordinarily Resident C) Ordinarily Resident D) None of the above	C
136	Annual value is defined as per section A) 21(1) B) 22(1) C) 23(1) D) 24(1)	C
137	Which of the following is deductible from the annual value of HP? A) Municipal Taxes paid B) Municipal taxes paid by the owner C) Municipal taxes paid by the owner for the previous year D) Municipal taxes paid by the owner during the previous year	D
138	The Income from House Property is taxable in the hands of the individual even if property is not registered in his name A) When the property has been transferred to spouse for inadequate consideration B) Where the property is transferred to a minor child for inadequate consideration C) Where the individual holds on importable estate D) All of the above	D

139	<p>The following conditions must be satisfied to charge the rental income under the head Income of House Property:</p> <p>A) The property should consist of any buildings or lands</p> <p>B) The assessee should be one of the property</p> <p>C) The property should not be used by the owner for the purpose of business or professional purpose</p> <p>D) All of the above</p>	D
140	<p>Mr. Ram owns a house property. He lent it to Laxman at ` 10,000 p.m. Laxman sublet it to Mr. Maruti on monthly rent of ` 20,000 p.m. Rental income of Ram is taxable under the head</p> <p>A) Income from Salary</p> <p>B) Income from Other Sources</p> <p>C) Income from House Property</p> <p>D) Income from Business</p>	C
141	<p>.Mr. Ram owns a house property. He lent it to Laxman at ` 10,000 p.m. Laxman sublet it to Mr. Maruti on monthly rent of ` 20,000 p.m. Rental income of Laxman is taxable under the head</p> <p>A) Income from Salary</p> <p>B) Income from Other Sources</p> <p>C) Income from House Property</p> <p>D) Income from Business</p>	B
142	<p>For claiming the deduction for unrealised rent, the assessee must satisfy</p> <p>A) Rule 4</p> <p>B) Section 4</p> <p>C) Rule 4A</p> <p>D) Section 4 A</p>	A
143	<p>Rule 4 includes</p> <p>A) Tenancy must be bonafide</p> <p>B) The defaulting tenant has vacated or steps have been taken to vacate the house</p> <p>C) The defaulting tenant is not occupying any other property of the owner</p> <p>D) All of the above</p>	D
144	<p>The tax paid by the tenant is</p> <p>A) Added to rent received</p> <p>B) No adjustment</p> <p>C) Deducted from rent received</p> <p>D) Added to Annual value</p>	B

145	If the house remains vacant for the whole year, annual value will be A) Equal to Municipal Value B) Equal to Fair rent C) Nil D) None of the above	C
146	A sum equal to is allowed as deduction from the annual value. A) 15% B) 20% C) 25% D) 30%	D
147	A sum equal to 30% is allowed as deduction from the annual value as A) Deduction B) Standard Deduction C) Basic Deduction D) None of the above	B
148	Interest on loan taken for which all purposes are deductible from annual value? A) Purchase B) Repair C) Construction D) All of the above	D
149	Deductions from annual value is as per section A) 22 B) 24 C) 26 D) 24A	B
150	Which of the following is not deductible from annual value? A) Interest on unpaid interest B) Interest on loan taken for repairs C) Interest on loan taken for reconstruction D) None of the above	A
151	Interest for pre-acquisition period is deductible in instalments A) 3 B) 4 C) 5 D) 7	C
152	Annual value of self-occupied house is	C

	A) Equal to Municipal Value B) Equal to Fair rent C) Nil D) None of the above	
153	From the amount of arrears of rent received, Is allowed as deduction. A) 15% B) 20% C) 25% D) 30%	D
154	The balance of unabsorbed loss from HP can be carry forward to a maximum of years. A) 6 B) 7 C) 5 D) None of these	B
155	Rent from vacant plot of land is assessible under the head A) Income from HP B) Income from Other Source C) Income from Capital Gain D) None of the above	B
156	Subletting is assessible under the head A) Income from HP B) Income from Other Source C) Income from Capital Gain D) None of the above	B
157	In case of disputed ownership, income from HP is chargeable in the hands of A) Recipient of income B) Not assessible C) All owners D) None of the above	A
158	What is expected rent? A) Municipal value of Fair value whichever is lower B) Municipal value of Fair value whichever is higher C) Municipal value of Fair value whichever is higher subject to standard rent D) None of these	C
159	An individual who transfers house property without an adequate consideration to his owner spouse or to minor child is called as	B

	A) Co-owner B) Deemed Owner C) Owner Himself D) None of the above	
160	An individual is considered as an owner of the house property for the purpose of charging tax to A) A member of cooperative society, company or AOP to whom a building or a part there of is allotted or leased under a house building scheme of the society. B) An individual who transfers house property without an adequate consideration to his owner spouse or to minor child C) The holder of importable estate D) All of the above	D
161	If the assesses let out the building or staff quarters to the employee of business, the rent collected from such employees is assessable as income from A) Business B) House Property C) Other Sources D) None of the above	C
162	The Gross annual value of the property is depends upon the A) Standard rent B) Municipal Valuation C) Fair rent D) All of the above	D
163	Which of the following is not a case of deemed ownership of house property? A) Transfer to a spouse for inadequate consideration B) Transfer to a minor child for inadequate consideration C) Holder of an importable estate D) Co-owner of a property	D
164	If an assesses earns rent from a sub-tenant in respect to tenanted property let out as a residence, the said rent is A) Exempted under Section 10 B) Taxable under the head income from house property C) Taxable as business income, as the letting out is a commercial activity D) Taxable as income from other sources	D

165	<p>An assesses, after sale of house property, receiving arrears of rent (is/is not) chargeable to tax; the same computed in the stipulated manner, is chargeable to tax as</p> <p>A) Income from House Property B) Income from Other Sources C) Either (a)or(b) D) Neither (a)nor (b)</p>	C
166	<p>Mr. Shushant is the owner of a house, the details of which are given below the gross annual value would be Municipal value ` 36,000 Actual rent ` 32,000 Fair Rent ` 36,000 Standard Rent ` 40,000</p> <p>A) 36,000 B) 35,000 C) 30,000 D) 40,000</p>	A
167	<p>Interest on capital, borrowed on 10.10.2000, for self-occupied property is deductible up to a maximum amount of</p> <p>A) 50,000 B) 1,50,000 C) 5,000 D) None of the above</p>	B
168	<p>Interest on loan for self-occupied house taken before 1st April, 1999 will be allowed up to</p> <p>A) 30,000 B) 1,50,000 C) 10,000 D) 50,000</p>	A
169	<p>Deduction allowed from annual value is</p> <p>A) Interest on loan for constitution B) Interest on loan for repair C) Statutory deduction D) All of the above</p>	D
170	<p>When the portion of the house is self-occupied for the full year and portion is selfoccupied for the whole year, the annual value of the house shall be determined by</p> <p>A) The full annual value of the house the proportionate annual value of self-occupied portion for the whole year shall be deducted B) Its present standard value C) All of the above</p>	A

	D) None of the above	
171	<p>Mr. R owns a house. The Municipal value of the house is ` 50,000. He paid ` 8,000 as local taxes during the year. He uses this house for his residential purposes but lets out half of the house @ ` 3,000 p.m. The annual value of the house is</p> <p>A) 15,000 B) 16,000 C) 17,000 D) 18,000</p>	B
172	<p>If fair rent is not gives, then assume as fair rent.</p> <p>A) Actual rent B) Standard rent C) Average rent D) None of the above</p>	A
173	<p>Rent received by original tenant from sub-tenant is taxable under the head</p> <p>A) Income from House Property B) Income from Other Sources C) Income from Capital Gain D) None of the above</p>	B
174	<p>Income from property held under trust for charitable or religious purposes is</p> <p>A) Exempted from tax B) Taxable @10% C) Taxable @20% D) None of the above</p>	A
175	<p>Identify the correct head</p> <p>A) Income from business and profession B) Profits from business and profession C) Profit and Gains from business and profession D) None of these</p>	C
176	<p>Business can be defined as per section</p> <p>A) 2(11) B) 2(12) C) 2(13) D) 2(14)</p>	C
177	<p>Income from illegal business is</p> <p>A) Partly taxable B) Taxable C) Exempted D) None of these</p>	B

178	Expenditure on scientific research is in the section A) 31 B) 32 C)35 D)36	C
179	Any payments made outside India and TDS is not paid, then it is A) Allowed B) Disallowed C) Partly allowed D) None of these	B
180	Payment made in cash exceeding is disallowed. A) 15000 B) 20000 C) 25000 D) 30000	B
181	Interest on delayed payment of VAT is A) Allowed B) Disallowed C) Partly allowed D) None of these	A
182	Under the Income Tax Act,1961, depreciation on machinery is charged on..... A) Purchase price of the machinery B) Written down value of the machinery C) Market price of the machinery D) All of the above	C
183	As per section 30, which expenditure incurred for a building used for the business or profession shall not be allowed as deduction? A) Rent, rates and taxes B) Insurance of building C) Repairs of building D) Capital expenditure	D
184	Group of assets falling within a class of assets comprising of tangible & intangible assets is known as : A) Group of assets B) Block of assets C) Set of assets D) None of these	B

185	<p>If a block of assets ceases to exist on the last day of the previous year, depreciation admissible for block of assets will be</p> <p>A) Nil B) 50% of the value of the block of assets on the first day of 'he previous year C) The total value of the block of assets on the first day of the previous year D) 50% of the value of the block of assets on the last day of the previous year.</p>	B
186	<p>Payments to residents on which tax has not been deducted/ paid shall be disallowed to the extent of</p> <p>A) 0% B) 30% C) 100% D) 50%</p>	C
187	<p>Which of the following taxes are allowed as deduction while computing the business income</p> <p>A) Wealth-tax B) Income-tax C) Sales tax D) None of the above</p>	C
188	<p>DS made a cash payment of Rs. ` 2,95,000 on 28th March, 2019 as the banks were on strike that day and the payment was to be made urgently. Calculate the amount of expenditure to be disallowed u/s 40A.</p> <p>A) Rs. 2,95,000 B) Rs.2,75,000 C) Nil D) Rs. 10,000</p>	C
189	<p>Where an assessee doing a business incurs any expenditure in respect of which payments made to a person in a day exceeds Rs. ` 10,000 should be paid through account payee cheque or demand draft to claim deduction for such expenditure. This</p> <p>A) Payments made to RBI B) Payments made to cultivators C) Payment of terminal benefits to employees not exceeding ` 50,000 D) All of the above</p>	D

190	<p>Deemed profits chargeable to tax under section 41 includes:</p> <p>A) Taxability of Balancing Charge in case of Power Generating Undertakings.</p> <p>B) Sale of an asset used for scientific research without having been used for the purposes of business or profession.</p> <p>C) Recovery of bad debts.</p> <p>D) All of the above.</p>	D
191	<p>DS discontinued wholesale trade in medicines from 1st June, 2015. He recovered Rs. ` 1,40,000 in September, 2018 being a bad debt which was written-off and allowed in assessment year 2015-14. He has eligible brought forward business loss of wholesale trade in medicines of Rs. ` 1,60,000. The consequence of bad debt recovery is that –</p> <p>A) It is chargeable to tax</p> <p>B) It is eligible for set-off against brought forward business loss</p> <p>C) The brought forward business loss is taxable now</p> <p>D) 50% of the amount recovered now is taxable</p>	B
192	<p>As per section 43B, certain payments are to be allowed as deduction only on actual payment. Such sums include:</p> <p>A) Any sum payable by the assessee to the Indian Railways for the use of railway assets.</p> <p>B) Employer's contribution to provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees.</p> <p>C) Bonus or commission to employees for services rendered as referred in section 36(1)(ii).</p> <p>D) All of the above.</p>	D
193	<p>The profits and gains of any business of insurance, including any such business carried on by a mutual insurance company or by co-operative society, shall be computed in accordance with rules contained in First Schedule to the Act. The profits and gains derived from life insurance business is taxable at what rate?</p> <p>A) 11.5%</p> <p>B) 12.5%</p> <p>C) 10%</p> <p>D) Nil</p>	B
194	<p>Which is the charging section of income under the head profits and gains of business or profession?</p>	C

	A) Section 15 B) Section 24 C) Section 28 D) Section 17	
195	Raman & Co., a partnership firm, received Rs. ` 5, 00,000 from an insurance company under key man insurance policy consequent to demise of partner Pramod. The amount of premium Rs. ` 2, 30,000 paid earlier was claimed as deduction under section 37 by the firm. The amount received from the insurance company is – A) Tax-free under section 10(10D) B) Fully taxable as income C) Rs. ` 2,70,000 is taxable D) Rs. ` 2,30,000 is taxable	B
196	Assessee is having stock existing in the business. Valuation of stock will be at: A) Cost price B) Market price C) Cost or market price, whichever is less D) Cost or market price, whichever is more	C
197	Export Incentives taxable under this head includes: A) Cash Compensatory Support B) Duty Drawback C) Profit on transfer of DEPB D) All of the above	D
198 includes any arrangement or understanding or action in concert whether or not it is formal or in writing or whether or not it is intended to be enforceable by legal proceedings: A) Contract B) Agreement C) Service D) Profession	B
199	Which of the following conditions are to be fulfilled for charging an income under the head profits and gains of business or profession A) There should be profits and gains. B) Business or profession must be carried on by the assessee. C) Business or profession should be carried on at any time during previous year. D) All of the above.	D

200	Which of the following are included in business according to section 2(13) : A) Trade B) Commerce C) Manufacture D) All of the above	D
201	.X, Manager of XYZ Ltd. since 2004 was terminated by the company on 1st August, 2018 by paying a compensation of Rs. 200 lakh. Such compensation is A) Chargeable under the Wealth-tax Act, 1957 B) Not chargeable under the Income-tax C) Chargeable under section 17(3)(i) D) Chargeable under section 28(ii) (a).	D
202	DSK, an LLP had taken key man insurance policy on the life of its managing partner. The policy got matured on 13th September, 2018 and an amount of Rs. `75lakh was paid by the insurers to the managing partner. The amount so received on maturity of the policy by the managing partner is A) Fully exempt u/s 10(10D) B) 50% of Rs. 75lakh exempt C) Rs. ` 75lakh taxable D) Rs. ` 25 lakh exempt and Rs. ` 50 lakh taxable	C
203	Circulars and Notifications are binding on the A) Central Board of Direct Taxes (CBDT) B) Assessee C) Income Tax Appellate Tribunal (ITAT) D) Income Tax Authorities	D
204	Who amongst the following confers on the power to issue circulars and clarifications? A) ITAT B) Central Government C) CBDT D) State Government	C
205	Amendments by the finance act are made applicable from A) First day of next financial year B) First day of same financial year C) Last day of same Accounting year D) None of the above	A
206	As per section 2(31), the following is not included in the definition of 'person' A) An individual	D

	B) A Hindu undivided family C) A company D) A minor	
207	Which amongst the following is an exception to the previous year rule? A) Business or Profession newly set up. B) Where a source of income newly set up. C) Non-resident engaged in shipping business D) None of the above	C
208	Which amongst the following is not a head of Income? A) Salaries B) Income from house Property C) Capital gains D) Income from exports	D
209	Which of the following is not included in taxable income – A) Reimbursement of expenses B) Cash gifts received from non relatives C) Income from illegal activity D) Profit on sale of equity shares of unlisted company	A
210	In case of non-residents engaged in shipping business in India income earned during the financial year is A) Taxable in India the same financial year B) Taxable in India the relevant assessment year C) Not taxable in India in the same financial year D) Not taxable in India	C
211	Additional surcharge (education cess) of 3% per cent is payable on A) Income tax B) Income tax plus surcharge C) Surcharge D) None of these	B
212	The salary, remuneration or compensation received by the partners is taxable under the head A) Income from Other Sources B) Income from Business C) Salary D) None of the above	B
213	The death-cum-retirement gratuity received by the Government Employee or employee of local authority is A) Partially exempted B) Fully exempted	B

	C) Half taxable D) None of the above	
214	Rent Free Accommodation given to an employee by the employer is a A) Allowance B) Perquisite C) Profit in lieu of salary D) None of the above	B
215	Payment of Gratuity Act came into force in A) 1973 B) 1980 C) 1991 D) 1972	D
216	The entertainment allowance is applicable to..... A) Private sector employees B) Public sector employees C) Government employees D) All of the above	C
217 is the rent fixed under Rent control Act. A) Municipal rental value B) Fair rental value C) Standard rent D) Real rent	C
218	For computation of Gross Annual Value, if actual rent is more than expected rent, then we select the A) Actual rent B) Expected rent C) Any of the above D) None of the above	A
219	Under the Income Tax Act, 1961, depreciation on machinery is charged on A) Purchase price of the machinery B) Written down value of the machinery C) Market price of the machinery D) All of the above	B
220are not treated as agricultural income. A) Income from poultry farming B) Income from bee heaving C) Purchase of standing crop D) All of the above	D

221	<p>Suman, has rendered services in India and retired in 2011. He then shifted and settled in Singapore. The pension received by him for such services would be.....?</p> <p>A) Deemed to accrue or arise outside India B) Deemed to accrue or arise in India C) Deemed to accrue or arise in India only when it is received in India D) Deemed to accrue or arise in India only when it is received outside India</p>	B
222	<p>Educational cess is leviable in case of</p> <p>A) Individual B) HUF C) Company D) All assesses</p>	D
223	<p>A car is imported after 1- 4- 2005 by R Ltd. from London to be used by its employee. R Ltd. shall be allowed depreciation on such car at:</p> <p>A) 15% B) 40% C) 60% D) Nil</p>	D
224	<p>Certain revenue and capital expenditure on scientific research are allowed as deduction in the previous year of commencement of business even if these are incurred:</p> <p>A) Five years immediately before the commencement of business B) 3 years immediately before the commencement of the business C) Any time prior to the commencement of the business. D) None of these</p>	D
225	<p>Preliminary expenses incurred are allowed deduction in:</p> <p>A) 10 equal annual instalments B) 5 equal annual instalments C) full D) None of these</p>	B
226	<p>In case the assessee follows mercantile system of accounting, bonus or commission to the employee are allowed as deduction on:</p> <p>A) Due basis B) Payment basis C) Due basis but subject to section 43B D) Any of the above</p>	C

227	<p>For person carrying on profession, tax audit is compulsory, if the gross receipts of the previous year exceeds</p> <p>A) Rs.50 lakhs B) Rs.40 lakhs C) Rs.10 lakhs D) Rs.5 lakhs</p>	C
228	<p>Tax audit is compulsory in case a person is carrying on business whose gross turnover/sales/receipts, as the case may be, exceeds:</p> <p>A) Rs. 10 lakhs B) Rs. 40 lakhs C) 1 crore D) 10 crore</p>	B
229	<p>In case an assessee is engaged in the business of civil construction, presumptive income scheme is applicable if the gross receipts paid or payable to him in the previous year does not exceed:</p> <p>A) Rs.10 lakhs B) Rs. 40 lakhs C) Rs. 50 lakhs D) 1 crore</p>	B
230	<p>In case an assessee is engaged in the business of retail trade, presumptive income scheme is applicable if the total turnover of such retail trade of goods does not exceed:</p> <p>A) Rs.10 lakhs B) Rs.30 lakhs C) Rs.40 lakhs D) Rs.50 lakhs</p>	C
231	<p>A is entitled to children education allowance @ Rs. 80 p.m. per child for 3 children amounting Rs. 240 p.m. It will be exempt to the extent of :</p> <p>A) Rs.200 p.m. B) Rs.160 p.m. C) Rs. 240 p.m. D) Rs. 120 p.m.</p>	A
232	<p>R gifted his house property to his wife in 2000. R has let out the house property @ Rs.5,000 p.m. The income from such house property will be taxable in the hands of :</p> <p>A) Mrs. R B) R. However , income will be computed first as Mrs. R's income and thereafter clubbed in the income of R</p>	C

	C) R as he will be treated as deemed owner & liable to tax D) None of the above	
233	Income tax is a A) Direct tax B) Indirect tax C) Any of the above D) None of the above	A
234	Under the Payment of Gratuity Act, 1972 the maximum gratuity payable is (a) Rs. 10 lakhs (b) Rs. 8 lakhs (c) Rs. 5 lakhs (d) Rs. 3.5 lakhs	A
235	What is the qualifying service to claim gratuity? (a) 15 years (b) 10 years (c) 5 years (d) No such prescription	C
236	The eligibility condition for obtaining gratuity under the Payment of Gratuity Act, 1972 is (a) Completion of 2 years of Service (b) Completion of 3 years of Service (c) Completion of 4 years of Service (d) Completion of 5 years of Service	D
237	The maximum amount of gratuity has now been enhanced to Rs. 10 lakhs from (a) 2.5 lakhs (b) 3.5 lakhs (c) 5 lakhs (d) 7.5 lakhs	B
238	Payment of Gratuity Act, 1972 is applicable to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishment in a State, in which -- ----- persons are or were employed on any day in the preceding 12 months. (a) 10 or more persons (b) 10 (c) 10 or more persons (d) 20	A

239	<p>For every completed year of service or part thereof in excess of six months, the employer shall pay gratuity to an employee at the rate of ----- days' wages based on the rate of wages last drawn by the employee concerned</p> <p>(a) 25 days (b) 15 days (c) 30 days (d) 7 days</p>	B
240	<p>In the case of a monthly rated employee, the fifteen days' wages shall be calculated by dividing the monthly rate of wages last drawn by him by ----- and multiplying the quotient by fifteen.</p> <p>(a) 30 (b) 15 (c) 26 (d) 25</p>	c
241	<p>In the case of an employee who is employed in a seasonal establishment and who is not so employed throughout the year, the employer shall pay the gratuity at the rate of -----days' wages for each season.</p> <p>(a) 14 days (b) 15 days (c) 10 days (d) 7 days</p>	d
242	<p>The employer shall arrange to pay the amount of gratuity within -- ----- days from the date it becomes payable.</p> <p>(a) 30 days (b) 15 days (c) 60 days (d) 75 days</p>	a
243	<p>Appeal on the decision of controlling authority should be preferred within ----- days from the date of the order</p> <p>(a) 30 days (b) 60 days (c) 15 days (d) 75 days</p>	b
244	The formula for calculating gratuity is	

	<p>(a) Gratuity = (Monthly Salary/25) X 15 X No. of years of service</p> <p>(b) Gratuity = (Monthly Salary/30) X 15 X No. of years of service</p> <p>(c) Gratuity = (Monthly Salary/26) X 15 X No. of years of service</p> <p>(d) Gratuity = (Monthly Salary/15) X 15 X No. of years of service</p>	c
245	<p>Which of the following is wrong statement</p> <p>(a) No gratuity payable under the Act shall be liable to attachment in execution of any decree or order of any civil, revenue or criminal court.</p> <p>(b) The Payment of Gratuity (Amendment) Act, 1987 has prescribed provisions for compulsory insurance for employer's liability for payment towards the gratuity under the Act from the Life Insurance Corporation of India or any other prescribed Insurer.</p> <p>(c) Once the Payment of Gratuity Act becomes applicable to the establishment, a notice in Form 'A' has to be given by the employer to the controlling authority within 30 days. Notice in Form 'B' is to be given to the controlling authority within 30 days of any change in name, address, employer or nature of business. If an employer proposes to close down the business, he shall submit a notice in Form 'C' to the Controlling Authority at least 60 days before the intended closure.</p> <p>(d) This act is not applicable to public charitable and religious trusts</p>	D
246	<p>For avoiding any payment knowingly makes any false statement or representation shall be punishable with</p> <p>(a) imprisonment upto 3 months or fine upto Rs. 10,000/- or both</p> <p>(b) imprisonment upto 6 months or fine upto Rs. 10,000/- or both</p> <p>(c) imprisonment upto 3 months or fine upto Rs. 20,000/- or both</p> <p>(d) imprisonment upto 6 months or fine upto Rs. 20,000/- or both</p>	A
247	<p>Failure to comply with any provision of the Act or Rules shall be punishable with</p>	B

	(a) imprisonment upto 1 year or with fine extend upto Rs. 10,000/- or with both (b) imprisonment upto 1 year or with fine extend upto Rs. 20,000/- or with both (c) imprisonment upto 2 year or with fine extend upto Rs. 20,000/- or with both (d) imprisonment upto 2 year or with fine extend upto Rs. 50,000/- or with both	
248	Which section deals with the determination of the amount of gratuity (a) Section 10 (b) Section 8 (c) Section 7 (d) Section 9	C
249	Which of the following factors is not an external influencing factor in wages and salary administration? Capacity of the organization to pay Corporate policies and philosophy Performance evaluation report None of the above	E
250	Payment of cash rewards for the work extracted from the employee is normally called direct compensation indirect compensation non-monetary compensation None of the above	A
251	Which of the following is the fixed component in compensation packages? Profit-sharing Base salary Gain-sharing Equity stock options	B
252	Insurance schemes, retirement benefits and leave travel concession are examples of indirect monetary compensation direct monetary compensation non-monetary compensation None of the above	A
253	Ensuring a fair balance between an employee's contributions to the job and the rewards received in return from that job is the essence of equity theory	A

	expectancy theory agency theory contingency theory	
254	Which of the following theory states that the employees work hard in the job only when they are sure of positive outcomes from that job? Equity theory Expectancy theory Agency theory Contingency theory	B
255	Managers never own complete responsibility for the all the decisions made by them since they are not the owners of the business is the assumption of equity theory expectancy theory agency theory contingency theory	C
256	Wages which are usually positioned above the minimum wages but below the living wages are described as real wages fair wages minimum wages living wages	B
257	_____ ensure that the employees get an income which is sufficient for meeting their present and future necessities and contingencies. Real wages Minimum wages Living wages None of the above	C
258	Wages usually adjusted for the prevailing rate of inflation is called real wages fair wages minimum wages living wages	A
259	When there are several pay grades in a pay structure, it is called traditional pay structure broad-graded structure job family structure None of the above	A

260	<p>Which of the following factors is not an external influencing factor in wages and salary administration?</p> <p>Cost of living Labour legislations Labour market conditions Ability to pay</p>	D
261	<p>Which of the following is not an objective of executive compensation plans?</p> <p>Separating ownership interest and controlling interest</p> <p>Enhancing employee motivation, involvement and commitment Promoting managerial efficiency Attracting and retaining the best executives</p>	A
262	<p>Provision for cars, parking lots and membership in country club are examples of</p> <p>base salary of executives short-term incentive plans executive perks None of the above</p>	C
263	<p>Stock option and performance shares are examples of</p> <p>base salary short-term incentive plan long-term incentive plan All of the above</p>	C
264	<p>Performance-based annual bonuses are an example of</p> <p>base salary short-term incentive plan long-term incentive plan All of the above</p>	B