



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

## DIRECT TAX LAWS AND INTERNATIONAL TAXATION (PAPER - 15)

### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	As per section 115JB, every taxpayer being a company is liable to pay MAT, if the Income tax payable on the total income, computed as per the provisions of the Income-tax Act in respect of any year is less than _____.	15.50%	18.00%	15.00%	20.00%
2	MAT shall not apply to any income accruing or arising to a company from:	Life insurance business	Banking business	Business of transmission of electricity	All of the above
3	Book profit for the purposes of section 115JB means net profit as shown in the Statement of the Profit and Loss prepared in accordance with _____ of the Companies Act as increased and decreased by certain items prescribed in this regard.	Schedule V	Schedule IV	Schedule III	Schedule II
4	Every company to whom the provisions of MAT apply is required to obtain a report from a chartered accountant in Form No. _____ on or before the due date of filing the return of income.	29	29A	29B	29C
5	While computing book profit u/s 115JB, one of the following is required to be reduced from the net profit:	Unabsorbed Depreciation as per books of account	Brought forward business loss as per books of account	Brought forward loss or unabsorbed depreciation, whichever is less as per books of account	Income-tax paid or payable if not already debited to the Statement of Profit and Loss
6	What is the due date of filling the return of income in case of a company who is required to furnish a report in Form No. 3CEB under section 92E?	September 30 of the assessment year	November 30 of the assessment the year	July 31 of the assessment year	June 30 of relevant assessment the year
7	One of the following, can be carried forward even return of income is filed after due date:	Unabsorbed Depreciation	Business Loss	Short term capital loss	Long term capital loss
8	Return filed under following sections can be revised u/s 139(5):	139(1)	139(4)	139(5)	All of the above
9	Assessment under following section is termed as scrutiny assessment	143(3)	144	Both of the above	None of the above
10	When an assessee has paid advance tax more than the tax due on the returned income and the return is filed before the 'due date' specified in section 139(1), the refund amount is eligible for interest @—	1% per month	½% per month	¾% per month	1.50% per month
11	Any mistake which is apparent from the record in any order passed by the Assessing Officer can be rectified under section _____.	154	147	143	254
12	In case of an application made by the assessee u/s 154, the income-tax authority shall rectify the order/refuse the rectification within _____ from the end of the month in which the application is received by the authority.	4 years	2 years	1 year	6 months
13	An appeal to the Commissioner of Income-tax (Appeals) shall be filed in Form No. _____.	35	36	34C	35B



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14	The Joint Commissioner of Income-tax (Appeals) is the _____ appellate authority	First	Second	Third	Fourth
15	Provisions relating to advance ruling are provided in sections _____.	80C to 80U	245A to 245L	237 to 245	245N to 245V
16	Assessing Officer or the assessee, as the case may be, on receipt of notice that an appeal against the order of the Commissioner (Appeals) has been filed by the other party, may file a memorandum of cross objection with the Tribunal in Form _____ and within _____ days of receipt of notice that appeal has been filed by the other party.	Form 36A; 15 days	Form 36A; 45 days	Form 36A; 30 days	Form 36; 60 days
17	Where revision u/s 264 has been initiated by the assessee, the application must be made within _____ from the date on which the order in question was communicated to the assessee or the date on which he otherwise came to know of it, whichever is earlier.	1 year	4 years	2 years	30 days
18	Prosecution can be launched and the taxpayer can be punished if he commits wilful failure to produce before the tax authorities the accounts and documents as demanded u/s _____.	154	147	143(1)	142(1)
19	If a person fails to comply with the provisions relating to PAN (i.e. obtaining PAN, quoting PAN, etc.), then penalty can be levied under section _____.	270A	272	272A	272B
20	If during any proceeding, it is found that in the books of account maintained by any person there is a false entry or an omission of any entry which is relevant for computation of total income of such person, to evade tax liability, penalty u/s 271AD or Rs. _____ is levied	A sum equal to the aggregate amount of such false or omitted entry.	Rs. 5,000 (subject to maximum of Rs. 1,00,000)	2% of the amount of such entry	None of the above
21	If the amount of income in respect of which the penalty is imposed or imposable for the relevant year(s) exceeds Rs. _____, then no order reducing or waiving the penalty under section 273A(1) shall be made by the Principal Commissioner or Commissioner, except with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Director General or Director General, as the case may be.	1,00,000	2,00,000	5,00,000	10,00,000
22	Principal Commissioner or Commissioner of Income-tax is empowered to grant relief from penalty to taxpayers in genuine cases. Such power is granted under section 273A and section _____.	273B	273AA	273	274



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23	In case of amalgamation, eligible loss of amalgamating company shall be available to the amalgamated company for:	Remaining tenure	Such loss shall be treated as loss of the previous year in which amalgamation took place	5 years	3 years
24	In the year of restructuring, depreciation shall be:	available to the successor company fully	apportioned between successor and predecessor on the basis of number of days	available to the predecessor company fully	None of the above
25	Countries that employ explicit policies designed to attract international trade oriented activities by minimization of taxes and reduction or elimination of other restrictions on business operations is described as _____.	Tax Havens	Tax Planning	Tax Evasion	Tax Management
26	A is using a motor car for his personal purposes, but charges as business expenditure. This is the case of:	Tax Avoidance	Tax Planning	Tax Evasion	Tax Management
27	CBDT stands for:	Central Board of Direct Tax	Central Board of Double Tax	Central Bank of Direct Tax	None of the above
28	Sec. 130 deals with:	Faceless jurisdiction of the income-tax authority	Jurisdiction of the income-tax authority	Jurisdiction of the CBDT	None of the above
29	As per section 178(3), the _____ of a company has to intimate the tax authority before he parts with any of the assets of the company or the properties in his hands and has to set aside the amount if any intimated to him by the tax authorities.	Managing Director	Manager	Chartered Accountant	Liquidator
30	Equalisation levy shall be payable @ _____	6%	5%	2%	None of the above
31	ICDS VIII deals with:	Government Grants	Revenue recognition	Construction Contract	Securities
32	ICDS is applicable in case of income under the head:	Profits and gains from Business or Profession	Capital Gains	Income from House Property	All heads of income
33	The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 extends to:	Whole of India	Whole of India excluding Jammu and Kashmir	Whole of India excluding Jammu and Kashmir and Arunachal Pradesh	None of the above
34	The rate of tax provided by the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 is:	30%	60%	50%	None of the above
35	Which among the following is a progressive tax	Custom duty	GST	sales tax	Income tax
36	Which one of the following is not a tax saving investment	Home Loan Principal Repayment	Public Provident fund (PPF)	Life Insurance Premium	Fixed Deposits



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37	In the Income Tax Act, ___ is a certificate which an employer gives to his employees. It certifies the amount of tax deducted by the employer from the salary of employee	Form 16	Form 12	Form 15	Form 26AS
38	What percentage of tax is taxable on Long-Term capital gain arising from transfer of securities, bonds, units, debenture	12%	10%	20%	5%
39	As per sub-section (8A) of section 139 of the Income tax Act, a person may furnish an updated return of his income for the previous year relevant to such assessment year, with in ___ from the end of assessment year	6 Months	12 Months	24 Months	36 Months
40	Minimum alternate Tax is	Tax Imposed on companies which pays zero or no tax	Minimum income tax on individual	Tax paid on Luxury goods	Surcharge on High Networth Individual
41	Period upto which AMT credit can be carried forward	10 Years	12 Years	15 Years	8 Years
42	If the recipient of income doesn't furnish his PAN to deductor then TDS is to be deducted at which rate?	5%	10%	20%	15%
43	What are the conditions to be fulfilled for charging of income under the head capital gains	There must be a capital asset	There must be a transfer of such capital asset	The transfer of such capital asset has been affected during the previous year	All of the above
44	The maximum amount of exemption of gift from a non relative is	50000	10000	100000	25000
45	The last date of filing of return of income of individual is	31st July of the assessment year	30th September of the assessment year	31st March of the assessment year	31st August of the assessment year
46	Return filed after the due date is called	Revised Return	Belated return	Defective return	Verification of Return
47	Sole Proprietor is liable to tax at which rate	30%	25%	10%	Slab Rate
48	Capital asset excludes all except	Stock-in-trade	Jewellery	Personal effects	Agricultural land in India
49	Long-term Capital Loss can only be set off against ____	Long-term capital loss	Short-term capital loss	Long-term capital gain	All of the above
50	ICDS IV deals with	Construction Contracts	Valuation of Inventories	Revenue Recognition	Securities
51	Under which section interest shall be charged to deferment of advance tax	234A	234B	234C	234D
52	For filing return of Income in respect of various entities, the Income-tax Act, 1961 has prescribed -	One due date	Two due dates	Three due dates	Four due dates
53	The return of a company has to be verified by	The Managing director or Director	The General manager	The Secretary	The Manager
54	The due date of filing of return for a company with a business loss of Rs.130,000 for AY 2024-25 is	31st July, 2024	30th September, 2024	31st October, 2024	31st August, 2024



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55	Mr.Ram has Received a sum of Rs.51000 on 15.09.2023 from relatives on the occasion of his marriage	Entire Rs. 51,000 is chargeable to tax	Only Rs.1000 is chargeable to tax	Entire Rs.51,000 is exempt from tax	Only 50% i.e Rs.25,500 is chargeable to tax
56	The rate of TDS on rental payments of plant , machinery or equipment is -	2%	5%	10%	1%
57	Mr.Ram a resident indian, wins ₹10,000 in a lottery . Which of the statement is true ?	Tax is deductible u/s194B @30%	Tax is deductible u/s194B @30.9%	No tax is deductible at source	None of the above
58	X Ltd. , a domestic company not opting for the provisions of section 115BAA , has a total income of Rs. 10,01,00,000 for AY 2024-25. The gross receipts of X Ltd.for PY 2021-22 is Rs.260 Crore. The tax liability of X Ltd. For AY 2024-25 is -	Rs.2,68,25,000	Rs. 2,68,50,000	Rs. 2,91,49,120	Rs.3,34,88,000
59	Who among the following is not mandated to file the return of income under section 139 for AY 2024-25 ?	XYZ Pvt. Ltd., having incurred a loss of Rs.1,50,000 during the year	Mr. Monohar , aged 66 years, having a total income of Rs.3,50,000 before deduction under section 80C of Rs.1,50,000.	Mr. jay , who travelled to Dubai during the year , spent Rs. 4,50,000on his travel and hotel stay	Ms Sita , a non-resident having assets worth Rs. 2 crores in india and Rs.5 Crores outside india has not earned or received any income in india.
60	A public charitable trust having it's object medical relief to poor , running a medical shop in which it has commercial receipts which exceeds 20% of total receipts. Wheather such trust can claim application based exemption in relation to receipts of medical shop ?	No, due to provisio of section 2(15) it loses the status of charitable .	Yes, provided such business in incidental to the attainment of the object of the trust.	Yes, provided separate books of account are maintained in respect of such income.	Yes, but subject to (B) and ( C) above
61	Sec.91 deals with	Bilateral Relief	Unilateral Relief	Both (a) and (b)	None of the above
62	In respect of DTAA, generally , India follows :	UN model	UK Model	OECD Model	US Model
63	Section __ deals with methods of computation of arm's length price.	94	93	92C	91
64	As per section __ when any specified domestic transaction is carried out between associated enterprises, the said transaction should be carried out at arm's length price.	90	91	92	90A
65	When an assessee fails to furnish any information relating to a specified domestic transaction , the quantum of penalty as a percentage of value of the transaction would be __	2%	1%	5%	3%
66	As per sec. 94B, interest expenses claimed by an entity to its associated enterprises shall be restricted to __ of its earnings before interest , taxes, depreciation and amortization (EBITDA) or interest paid or payable to associated enterprise , whichever is less.	30%	25%	20%	50%



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67	Advance Pricing Agreement shall be valid for such period not exceeding __ consecutive previous years as may be specified in the agreement.	5	3	10	2
68	Arm's length price is to be determined by applying ____	Resale Price Method	Fair Market Value Method	Stamp Duty Value Method	Indexed Cost of Acquisition Method
69	The provisions of sec.92 will apply only if the aggregate value of specified domestic transactions entered into by the taxpayer during the year exceeds a sum of ₹	100 crore	5 crore	10 crore	20 crore
70	Uncontrolled transaction means a transaction between ____, whether resident or non-resident	enterprises other than associated enterprises	associated enterprises	any enterprises	None of the above
71	Information and documents required to maintained u/s 92D shall be kept and maintained for a period of ____ from the end of the relevant assessment year .	8 years	5 years	10 years	16 years
72	If any person fails to keep and maintain any such information and document as required by sec. 92D in respect of an international transaction or specified domestic transaction , the Assessing Officer or Commissioner (Appeals) may direct that such person shall pay , by way of penalty , a sum equal to ____	Rs. 5,00,000	2% of the value of each international transaction or specified domestic transaction entered into by such person	Rs. 1,00,000	1% of the value of each international transaction or specified domestic transaction entered into by such person
73	General Anti Avoidance Rule (GAAR) is applicable from	01-04-2018	01-04-2017	01-07-2017	01-07-2018
74	GAAR provisions shall not apply to	an arrangement where the tax benefit in the relevant assessment year arising , in aggregate , to all the parties to the arrangement does not exceed a sum of Rs. 3 crore	an arrangement where the tax benefit in the relevant assessment year arising , in aggregate , to all the parties to the arrangement does not exceed a sum of Rs. 5 crore	an arrangement where the tax benefit in the relevant assessment year arising , in aggregate , to all the parties to the arrangement does not exceed a sum of Rs. 1 crore	None of the above
75	Two enterprises shall be deemed to be an associated enterprise when one enterprise directly holds shares carrying :	26% or less of the voting power in the other enterprise	25% of the voting power in the other enterprise	26% or more of the voting power in the other enterprise	None of the above
76	Generally, two enterprises shall be deemed to be associated enterprise when one enterprise holds, directly or indirectly 26% or more ____ in the other enterprise	Equity shares	Preference Shares	Compulsorily convertible debentures	Non-convertible debentures
77	Two enterprises shall be deemed to be associated enterprises if a loan advanced by one enterprise to the other enterprise constitutes –	50% or more of the book value of the total assets of the other enterprise.	Less than 50% of the book value of the total assets of the other enterprise .	More than 51% of the book value of the total assets of the other enterprise.	51% or more of the book value of the total assets of the other enterprise.



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78	Zero India Private Ltd. borrowed Rs 500 crores from an Indian Bank. Y Inc. (USA) guaranteed the borrowings of Indian Company. Select the correct statement:	Both are associated enterprises when the Y Inc. guarantees Rs. 40 crores on behalf of Zero India	Both are associated enterprises when the Y Inc. guarantees Rs. 49 crores on behalf of Zero India	Both are associated enterprises when the Y Inc. guarantees Rs. 50 crores on behalf of Zero India	Both are associated enterprises irrespective of amount of guarantee made by Y Inc.
79	Two enterprises shall be deemed to be associated enterprises when –	50% or less of raw materials and consumables required for the manufacturing of goods by one enterprise, are supplied by the other enterprise.	At least 80% of raw materials and consumables required for the manufacturing of goods by one enterprise, are supplied by the other enterprise.	90% or more of raw materials and consumables required for the manufacturing of goods by one enterprise, are supplied by the other enterprise	None of the above
80	Under transfer pricing, International Transaction “Means”	Transactions between two or more Associated Enterprises either or both of whom are non-residents	Transactions between three or more Associated Enterprises who are non-residents	Transactions between two or more Associated Enterprises who are residents	None of the above
81	The International transaction shall be in nature of :	Purchase, sale or lease of tangible or intangible property	Provision of services or lending or borrowing money; or	Any other transaction having a bearing on the profits, income, losses or assets of the enterprises	All of the above
82	Failure to keep and maintain information and documentation as required by Section 92D would attract penalty u/s 271AA for :-	@ 50% of the value of international transaction entered into by a taxpayer	2% of the value of international transaction or specified domestic transaction entered into by a taxpayer for which documents are not kept	@ 2% of the value of all transactions entered into by a taxpayer	None of the above
83	The aggregate of Specified Domestic transactions entered into by the assessee in the previous year should exceed a sum of _____ to be considered as specified domestic transaction.	Rs. 1 crore	Rs. 20 crore	Rs. 10 crore	None of the above



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84	The order of the Transfer Pricing Officer determining the arm's length price of an international transaction or specified domestic transaction is binding on the :-	Assessing Officer	CIT(A)	Both A and B	None of the above
85	Secondary Adjustment means :-	Any transfer pricing adjustment which is made on the basis of arm's length price of international transaction	An adjustment in the books of accounts of the assessee and its Associated Enterprise to reflect that the actual allocation of profits are consistent with the transfer price	Any transfer pricing adjustment which is made on the basis of arm's length price of specified domestic transaction	Both A and C
86	Secondary Adjustment shall be made when Primary Adjustment to transfer price:-	has been made suo motu by the assessee in his return of income	has been made by the Assessing Officer but it was not accepted by the assessee	has been determined by TPO	None of the above
87	In case of secondary adjustment, where international transaction is denominated in INR, then the interest income on excess money available with Associated Enterprise shall be computed as per which of the following rate of interest :-	One-year marginal cost of lending fund of SBI as on April 1 of PY + 3.25%	LIBOR as on September 30 of PY + 3%	LIBOR as on September 30 of PY + 3.25 %	None of the above
88	In case of secondary adjustment, where international transaction is denominated in foreign currency then the interest income on excess money available with Associated Enterprise shall be computed as per rate of interest :-	One-year marginal cost of lending fund of SBI as on April 1 of PY + 3.25%	LIBOR as on September 30 of PY + 3%	LIBOR as on September 30 of PY + 3.25 %	None of the above
89	The maximum validity period of Advance Pricing Agreement shall be :-	5 consecutive years	4 consecutive years	3 previous years	10 previous years
90	The CBDT may declare Advance Pricing Agreement to be void ab initio, with the approval of Central Government where :-	There is change in law after signing of Advance Pricing Agreement	Advance Pricing Agreement has been obtained by way of fraud or misrepresentation of facts	There is change in facts after signing of Advance Pricing Agreement	All of the above
91	The pre-filing consultation :-	Shall not bind the CBDT or the proposed applicant to initiate APA process	Shall be deemed to imply that the person has applied for entering into an APA.	Is optional for person unleading to file an APA	Both A and C



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92	As per Section 92CD modified return for first of PY in respect of rollback year shall be furnished within _____ months from the end of the month in which Advance Pricing Agreement was entered.	1 month	2 month	3 month	None of the above
93	Ram Ltd., Kolkata having international transactions exceeding Rs. 100 crore omitted to furnish report required under section 92E. How much is the penalty leviable for the failure to furnish report under section 92E ?	Rs. 1 lakh	Rs.50 lakh	Rs.1 crore	Rs. 2 crore
94	GAAR stands for -	Government anti-avoidance rules	General anti-avoidance rules	General agreement-avoidance rules	Government anti-agreement rules
95	Tax haven is a place where –	Tax rates are very high	There is no tax on income	Tax rates are very low	There is no tax on income or tax rates are very low
96	In the assesment of Laxmi (P) Ltd. there was increase in income by way of arm's length price adjustment of Rs. 200 lakhs. The assessee decided to pay additional inome-tax instead of making secondary adjustment . What is the tax rate at which the additional income-tax is payable by assessee ?	10.92%	16.692%	20.9664%	23.296%
97	Rs. 15,000 arising in country B with which India has DTAA, has been taxed in the hands of Mr. kabir as well as Ms. Yamini. This is an instance of __ and the remedy for the same is through ____.	Economic Double Taxation ,DTAA	Economic Double Taxation ,Mutual Agreement Procedure	Jurisdictional Double Taxation , DTAA	Jurisdictional Double Taxation, Mutual Agreement Procedure
98	Transfer pricing provision should not be applied in cases where the adoption of the arm's length price would result in a –	Reducing the tax payable in India	Increasing the tax payable in India	Increasing the expenditure of the Indian company	Both A and C
99	A charitable institution, engaged in education of Yoga in India, registered under section 12AB of the Income-tax Act, 1961 for the previous year ended 31 March 2025, received donation of Rs.30,00,000 Out of Which Rs.8,00,000 is Anonymous donations What amount of anonymous donations would be taxable @30% as per Section 115BBC of the Income Tax Act, 1961.	Rs.650000	Rs.800000	Rs.40000	Nil
100	A search was conducted in the premises of Harichand Jewellers on 21.01.2025. The following unaccounted items were found during the course of search (i) Cash on hand Rs. 30 lakh; (ii) Promissory notes Rs. 70 lakh; (iii) Land documents Rs. 120 lakh; and (iv) Excess jewellery (stock in trade) Rs. 180 lakh Which of the following could not be seized in a search under section 132?	Land documents	Cash on hand	Jewellery (stock in trade)	Promissory notes



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101	Nirvi Ltd. has received Rs.99 lakhs (net of TDS) as dividend from a domestic company on 31st Dec 2024. It has distributed Rs.105 Lakhs as dividend to its shareholders on 31st July 2024. What is the amount of deduction available to Nirvi Ltd. in respect of such dividend?	Rs. 99 Lakhs	Rs. 6 Lakhs	Rs. 105 lakhs	Nil
102	Mediterranean cargo Inc., a company based in Malaysia operating its ships to and fro Mumbai port, collected freight of Rs.85 lakhs, demurrage of Rs.5 lakhs and handling charges of Rs.2 lakhs in respect of goods shipped at Mumbai port. It incurred expenses of Rs.35 lakhs during the year for operating its fleet. In respect of goods shipped at Dublin, Ireland, it received Rs.50 lakhs in India. Its tax liability (rounded off) for the A.Y.2025-26 is –	₹ 3,12,680	₹ 3,87,660	₹ 3,85,230	₹ 4,52,310
103	Royalty of Rs.10 lakhs received by a foreign company from an Indian concern in pursuance of an agreement approved by the Central Government in the previous year 2024-25. How much is the income tax payable on royalty income for AY 2025-26?	Rs.312000	Rs.208000	Rs.104000	Nil
104	XYZ Ltd. set up a manufacturing unit in Durgapur on 15 July 2024. It invested Rs.30 lakhs in new plant and machinery on 15 July 2024. It invested Rs.50 lakhs in new plant and machinery on 20 Dec 2024, out of which Rs.10 lakhs was second hand assets. What is the amount of depreciation allowed u/s 32 for the AY 2025-26?	Rs.1750000	Rs.940000	Rs.1825000	Rs.2450000
105	Foreign Institutional Investor or a Qualified Foreign Investor made investments in municipal debt securities for which interest of Rs.5,00,000 is payable. TDS to be deducted on such interest payments is	TDS u/s 194LD of Rs.52,000	TDS u/s 194LC of Rs.52,000	TDS u/s 194LD of Rs.26,000	TDS u/s I 94LC of Rs.26,000
106	X Ltd. filed its return of income for AY 2025-26 on 30th September, 2025. The return is selected for regular assessment under section 143(3). The time limit for service of notice u/s 143(2) in this case is	30.09.2025	31.12.2025	31.03.2025	30.06.2026
107	Rounding off of tax in respect of which interest is to be calculated to nearest multiple of:	Rs.100	Rs.10	Rs.1	Not required
108	A computers was purchased for Rs.8 lakhs on 4th October, 2024, it was installed & put to use in office on same date. The depreciation allowable under section 32 for A.Y.2025-26 is respect of the said computers is	Rs.400000	Rs.120000	Rs.160000	None of the above



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109	Mr. Sumit had bought a laptop for Rs. 50,000 on 01.04.2022 for his personal use. He started using this laptop for his business purposes only since 02.05.2024. On that date, the market value of the laptop was Rs.40,000. What is the amount of depreciation allowable to him under the Income Tax Act, 1961 for the financial year 2024-25 assuming the rate of depreciation to be 40%.	Rs.15000	Rs.20000	Rs.10000	Rs.7200
110	Mr. Rahul has income of Rs.52 lakhs under the head "Profits and gains of business or profession". One of his businesses is eligible for deduction@100% of profits u/s 80-IA for A.Y.2024-25. The profit from such business included in the business income is Rs.35 lakhs. What would be the tax liability (rounded off) of Mr. Rahul for A.Y.2025-26, assuming that he has no other income during the P.Y.2024-25 and exercises the option to shift out of the default tax regime u/s 115BAC	Rs.1100530	Rs.1058960	Rs.1254690	Rs.1150550
111	Mr. Smith, a resident individual made an advertisement in a website (owned by a non-resident company) for sale of his house property at Kolkata for which he paid Rs.2,35,000. How much is the amount to be deducted by way of equalisation levy by Mr. Smith?	Rs.6600	Rs.8560	Rs.9380	No equalisation levy needs to be deducted
112	Equalization levy is applicable if the aggregate amount of consideration for specified transactions exceeds	Rs.1000	Rs.10000	Rs.100000	Not Applicable
113	Mohan & Co paid Rs.5 lakhs to Elite Inc. a foreign company not having a PE in India towards online digital advertisement charges. How much is the amount payable by Mohan & Co as equalisation levy for the payment made?	Rs.50000	Rs.30000	Rs.500000	Nil
114	How much is the minimum tax effect that should be involved to invoke GAAR provisions?	Rs.1 Crores	Rs. 2 Crores	Rs. 3 Crores	minimum tax effect that should be
115	The time limit for passing an order by Transfer pricing officer is within	1 year from the end of financial year of reference made	2 years from the end of financial year of reference made	No time limit	None of the above
116	Rajiv Industries is engaged in manufacture of leather products. It was set up in backward area and became eligible for subsidy @ 25% for the generator, to be used in guest house, acquired by it for Rs.12 lakhs on 15.12.2024. It received the subsidy in March 2025. The amount of depreciation for the year at the applicable rate would be	Rs.300000	Rs.67500	Rs.150000	Nil



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117	Subham, engaged in the business of wholesale trade, has a turnover of Rs.80 lakhs for P.Y.2023-24 and Rs.240 lakhs for P.Y.2024-25. In the P.Y.2024-25, he paid salary of Rs.3 lakhs to Mr. Rohit, a resident, without deduction of tax at source and commission of Rs.61 lakhs to Mr. Pramod, a resident, without deduction of tax at source. The disallowance under section 40(a)(ia) while computing business income of A.Y.2025- 26 would be	Rs.6100000	Rs.6400000	Rs.1830000	Rs.1920000
118	Which model of DTAA, does Government of India generally follow in its treaty with other countries?	UK Model	UN Model	US Model	OECD Model
119	Alpha Ltd. has distributed on 30.6.2025, dividend of Rs. 130 lakhs to its shareholders. During the F.Y.2024-25, Alpha Ltd. has received dividend of Rs. 108 lakhs (Net of TDS) from domestic companies and Rs. 30 lakhs (gross) from a foreign company in which it has 5% shareholding. What is the deduction, if any, available to Alpha Ltd. in respect of such dividend?	Rs. 145 lakhs	Rs. 148 lakhs	Rs. 130 lakhs	Rs. 155 lakhs
120	The relief where there is no Avoidance of Double Taxation Agreement, is	Unilateral relief	Bilateral relief	Specified relief	No relief
121	For Murli Ltd. there was an outstanding interest payment due to a nationalized bank of Rs.200 lakhs, which was converted into 8% Debentures on 12-03-2025. How much of interest due to the bank would be deemed as paid and allowable under section 43B by issue of 8% debentures?	Rs. 200 Lakhs	Rs. 16 Lakhs	Rs. 100 Lakhs	Nil
122	Nirmal Fertilisers P Ltd., is a manufacturer. A factory building has been constructed for Rs.40 lakhs and occupied on 12.02.2025. Additional depreciation allowable for the said factory building is	Rs. 100 Lakhs	Rs. 16 Lakhs	Nil	None of the above
123	MLC Ltd. earned Rs. 20 lakhs by way of transfer of carbon credit. The tax liability in respect of carbon credit is _____	Rs.208000	Rs.416000	Rs.624000	Nil
124	Income Tax Appellate Tribunal can rectify its own order if it is	Any mistake	Apparent mistake	None of the above	Any mistake other than apparent mistake



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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### MCQ BANK

SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
125	Mr. Amit, a property dealer, sold a flat in Kolkata, the stamp duty of which is Rs.3 crores for Rs.2.6 crores to his friend Mr. Biswajit, a Photographer. Mr. Amit had purchased the flat one and a half Year back for Rs.2.0 crores and the stamp duty value on that date was also Rs.2.0 crores. What are the tax implications of such sale?	Rs.1 crores would be taxable as short-term capital gains in the hands of Mr. Amit. There would be no tax implication in the hands of Mr. Biswajit	Rs.1 crores would be taxable as business income in the hands of Mr. Amit. There would be no tax implication in the hands of Mr. Biswajit	Rs.1 crores would be taxable as business income in the hands of Mr. Amit and Rs. 40 lakhs would be taxable as income from other sources in the hands of Mr. Biswajit	Rs.1 crores would be taxable as short-term capital gains in the hands of Mr. Amit and Rs.40 lakhs would be taxable as income from other sources in the hands of Mr. Biswajit
126	Dividend received by a real estate investment trust (REIT) from special purpose vehicle (SPV) and distributed to its unit holders is –	exempt in the hands of the REIT only if the SPV is a specified domestic company; taxable in the hands of unit holders only if SPV does not exercise option u/s 115BAA	exempt in the hands of both the REIT and the unit holders unconditionally	taxable in the hands of the REIT; exempt unconditionally in the hands of unitholders	exempt in the hands of the REIT; exempt in the hands of unit holders only if SPV does not exercise option u/s 115BAA
127	Mr. Surya is aggrieved by an order passed by the Commissioner of Income-tax imposing penalty under section 270A for under-reporting of income. What is the appellate remedy available to him under the Income-tax Act, 1961 and the specified time limit within which he has to file an appeal?	He can file an appeal to Commissioner (Appeals) under section 246A within 60 days from the date on which the order is communicated to him	He can file an appeal to Appellate Tribunal under section 253 within 60 days from the date on which the order is communicated to him.	He can file an appeal to Appellate Tribunal under section 253 within 30 days from the date on which the order is communicated to him	He can file an appeal to Appellate Tribunal under section 253 within 30 days from the date on which the order is communicated to him
128	Rs.24,300 arising in country B with which India has DTAA, has been taxed in the hands of Mr. Raj as well as Ms. Susmita. This is an instance of and the remedy for the same is through	Economic Double Taxation, Mutual Agreement Procedure	Jurisdictional Double Taxation, DTAA	Economic Double Taxation, DTAA	Jurisdictional Double Taxation, Mutual Agreement Procedure
129	Assessment order in response to notice u/s 143(2) shall be completed within a period of	24 months from the end of relevant financial year	12 months from the end of relevant financial year	24 months from the end of relevant assessment year	12 months from the end of relevant assessment year
130	Benefit of taxation of presumptive income under the Income tax Act, 1961 would not be available to Vivek, a non-resident, in AY 2025-26, in respect of the related Indian income, if he is engaged in the business of	Plying, hiring or leasing of goods carriages	Operation of ships	Operation of aircraft	Civil construction in connection with a n approved turnkey project



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
131	During the course of assessment in the case of A & Co (firm) the Assessing Officer found out one accommodation entry (bogus purchase) for Rs.7 lakh from another firm by name X & Co. Both A & Co and X & Co have admitted fake invoice and accommodation entry. What would be the penal consequence of the transaction? (Ignore HEC)	Penalty on A & Co @ 100% of tax being Rs.2,10,000	Penalty on A & Co @ 100% of tax being Rs.2,10,000	Penalty on A & Co @200% of transaction being Rs.2,10,000 and amount equal to the transaction being Rs.7,00,000	Penalty on A & Co @200% of tax being Rs.4,20,000 plus the amount equal to the transaction being Rs.7,00,000. Also, penalty equal to the amount of transaction on X & Co being Rs.7,00,000
132	Income-tax authority having jurisdiction of Raj & Co conducted a survey under section 133A and seized the books of account and other documents on 10.10.2024. What is the maximum time limit that the books of account and other documents can be retained by the Income-tax authority without obtaining permission of higher authorities?	Up to 15 days exclusive of holidays	Up to 30 days exclusive of holidays	Up to the end of the previous year i.e. 31.03.2025	Up to the date of completion of assessment under section 143(3)
133	While processing the return of income U/S 143(1), Which of the following cannot be adjusted in computation of total income ?	an incorrect claim apparent from any information in the return	any arithmetical error in the return	addition of income appearing in Form 26AS which has not been included in computing total income in RO	addition of income appearing in Form 26AS which has not been included in computing total income in ROI
134	Mr. Kamal, employed as Manager with Tripod Ltd., pays rent of Rs.50,000 per month to his landlord. Which of the following statements is correct?	Mr. Kamal is liable to deduct tax @10% u/s 194-I, since his annual rent exceeds Rs.2,40,000	Mr. Kamal is liable to deduct tax @2% u/s 194-IB on the annual rent in the month of March, since he pays rent of Rs.50,000 per month	Mr. Kamal is not liable to deduct tax at source	Mr. Kamal is liable to deduct tax @2% u/s 194-IB every month, since he pays rent of Rs.50,000 per month
135	ABC Co. Ltd., Mumbai, proposes to enter into a transaction for purchase of raw material from USA and sale of finished goods to its group company located in South Africa. It has obtained advance ruling in respect of the transactions but it is aggrieved with the ruling given by Board for Advance Rulings. What is the legal remedy available to ABC Co. Ltd?	File an appeal before Commissioner (Appeals) against the ruling	File an appeal before ITAT against the ruling	File an appeal before High Court against the ruling	File a revision petition under section 264 with Commissioner
136	Arya Ltd., has spent a sum of Rs.40 lakhs towards meeting its corporate social responsibility (CSR) under the Companies Act, 2013. The amount of deduction available while computing the business income is _____.	Rs. 40 Lakhs	Rs. 10 Lakhs	Nil	None of the above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
137	Which of the following method of computing arm's length price is not a "Transaction Based Method"?	Comparable Unecontrolled Price Method	Comparable Unecontrolled Price Method	Profit Split Method	Cost Plus Method
138	Vikash, a resident sold Virtual Digital Asset (VDA) with the help of a broker through an Exchange. The sale consideration was Rs.7,20,000 (excluding GST / commission). How much is the amount of TDS applicable in respect of sale of VDA?	Rs.72000	Rs.7200	Rs.14400	Nil
139	Sahayata Co-operative Society is engaged in manufacturing activity and was set up and registered on 10th April, 2024. Its total income (computed) for the previous year 2024-25 was Rs.22,50,000. How much is the income tax payable by it under section 115BAE of the Act? Note: Consider both surcharge and HEC.	Rs.468000	Rs.386100	Rs.702900	Rs.585000
140	Mr. Shivam is a resident individual who owns an apartment in Dubai acquired on 06.07.2024. He had disclosed only 60% of its value in his income-tax returns. The Assessing Officer received this information of partial non-disclosure on 25.03.2025 and issued a notice under section 10 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 on 10.04.2025. What would be value of asset liable to tax under the said Act?	Fair Market Value of the asset as on 06.07.2024	40% of fair market value of the asset as on 06.07.2024	40% of fair market value of the asset as on 01.04.2024	40% of fair market value of the asset as on 01.04.2025
141	What is Berry Ratio in relation to the computation of the arm's length price of an international transaction?	EBITDA / Shareholders funds	Gross profit / Operating expenses	Long term debts / Shareholders fund	Net profit / Gross profit
142	While determining the ALP of the transactions between X Ltd., Hyderabad and its holding company Wax Inc., USA, there was an addition of Rs.300 lakhs to the total income of X Ltd. How much should be paid by way of tax (including surcharge and HEC) by X Ltd. in order to avoid secondary adjustment?	Rs.9360000	Rs.6289920	Rs.5400000	Rs.4680000
143	Which of the following orders is not appealable before Commissioner (Appeals)?	An order made under section 163 treating the assessee as an agent of a non-resident	An order of penalty under section 271B for failure to get accounts audited	An order made under section 201 deeming a person assessee-in-default for non-deduction of tax at source	An order of assessment passed by the Assessing Officer in pursuance of directions of Dispute Resolution Pane



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
144	Who among the following is not mandated to file the return of income u/s 139 for A.Y. 2025-26?	Mr. Ankit, aged 66 years, having a total income of Rs. 3,50,000 before deduction u/s 80C of ₹ 1,50,000	ABC Pvt. Ltd., having incurred a loss of Rs.1,50,000 during the year	Ms Jessica, a non-resident having assets worth Rs.2 crores in India and Rs.5 crores outside India. She has not earned or received any income in India	Mr Ark, who travelled to Auckland during the year, spent Rs.4,50,000 on his travel and hotel stay
145	Exemption under section 54 of the Income Tax Act, 1961 is available to	All assessees	individual as well as HUF	individuals only	All assessees other than a company
146	During the course of survey in the premises of Adarsh & Co. on 10.01.2025, stocks of goods purchased for Rs.10 lakhs were found to be not recorded in the books of account. The firm has brought forward loss of Rs.5 lakhs and incurred business loss of Rs.2 lakhs for the year ended 31.03.2025 without considering the unaccounted stock. The tax liability of the firm including the said unaccounted purchase would be _____	Rs.780000	Rs.300000	Rs.312000	Nil
147	Mr. Avinash has advertised on Instagram to promote his business of coaching. He is required to pay Rs.70,000 in the previous year 2024-25 to Instagram for the advertising services availed. What amount is required to be deducted as equalisation levy?	Rs.4200	Rs.7000	Rs.7280	Nil
148	The Assessing Officer imposed penalty of Rs.50 lakhs under section 271AAD on Mr. Rohit. Can he provisionally attach the property of Mr. Rohit to protect the interest of the Revenue	Yes, he can do so in the manner provided in the Second Schedule	Yes, he can do so in the manner provided in the Second Schedule with the prior approval of the prescribed higher authorities	Yes, he can do so with the prior approval of the prescribed higher authorities	No, he cannot do so
149	Ravi sold his residential house on 15th May, 2024 for Rs.130 lakhs and earned long-term capital gains of Rs.60 lakhs. He bought a new residential house in March, 2025 for Rs.55 lakhs in order to claim eligible exemption under the Income-tax Act. What would you call this action of Ravi reinvesting the long-term capital gain by way of acquisition of a new residential house?	Tax Avoidance	Tax Evasion	Tax Planning	Tax Management
150	Beta Ltd. accepted primary adjustment of Rs.120 lakhs made by the Assessing Officer in respect of goods sold by it to its associated enterprise (AE) in Indonesia. It has an AE in Germany also. As regards repatriation of funds to be made which of the following statements is valid	The AE in the Germany alone can repatriate the funds.	Repatriation can be done by any of the AEs, with the prior approval of the PCIT	Only the AE in Indonesia can repatriate funds	Repatriation can be done by any of the AEs, at the option of the assessee.



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
151	Advance Pricing Agreement is entered between the	Unilateral Advance Pricing Agreement	Bilateral Advance Pricing Agreement	Multilateral Advance Pricing Agreement	None of the above
152	Prakash Industries (P) Ltd. was subjected to a search under section 132 and a sum of Rs.250 lakhs by way of cash was found as undisclosed income. Prakash Industries (P) Ltd. has unabsorbed depreciation of Rs.180 lakhs. How much of the unabsorbed depreciation is eligible for set off against cash found as a result of search, representing undisclosed income?	Nil	Rs. 180 Lakhs	Rs. 70 Lakhs	Rs. 90 Lakhs
153	For Bradd Inc. of Spain which of the following would mean that it has a Permanent Establishment (PE) in India?	Use of facilities solely for the purpose of storage or display of goods belonging to the enterprise	Operating a factory in India	Maintenance of goods belonging to the enterprise solely for the purpose of processing by another enterprise.	Maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise
154	PQR Ltd. an Indian company deducted Rs.1,20,000 from various payments as TDS for the first quarter of financial year 2024-25. However, it has failed to file TDS return for the said quarter. How much shall be the amount of fee payable by it for default in furnishing TDS return?	Rs. 100 for every day during which the failure continues subject to a maximum of Rs. 1,20,000	Rs. 100 for every day during which the failure continues subject to a maximum of Rs.1,00,000	Rs. 200 for every day during which the failure continues subject to a maximum of Rs.1,00,000	Rs. 200 for every day during which the failure continues subject to a maximum of Rs.1,20,000
155	Avinash (P) Ltd, a resident Indian company, received royalty Rs.8 Lakhs from a resident in India in respect of a patent developed and registered in India. The income-tax payable. on the royalty shall be at (ignore cess and surcharge)	10%	15%	20%	30%
156	Mr. Mark (aged 45 year) a Australian Cricket Umpire, has earned income from Cricket tournaments in India for AY 2025-2026. Are TDS provisions applicable while making payment to him and if so, under which section?	No, TDS provision are not applicable	Yes, TDS under section 195	Yes, TDS @ 5.2% as per section 194E	Yes, TDS @ 20.8% as per section 194E
157	Specified Domestic Transactions are covered under Transfer Pricing Provisions if aggregate value of such transactions exceeds	Rs. 20 Crores	Rs. 2 Crores	Rs. 200 Crores	Nil



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
158	Shivam, a resident individual of age of 38 years, has not furnished his return of income for the A.Y. 2025-26. However, his total income for such year as assessed u/s 144 is Rs.18 lakhs. Is penalty under section 270A attracted and if so, what is the quantum of penalty?	No; penalty under section 270A is not attracted since he has not filed his return of income, hence, this is not a case of underreporting or misreporting of income	Yes; penalty is Rs.1,19,600	Yes; penalty is Rs.2,27,500	Yes; penalty is Rs.1,59,600
159	Under which of the following methods, arm's length price shall be the arithmetical mean of all values included in the dataset, irrespective of the number of entries in the dataset. It may be assumed that the variation between the arm's length price computed and the transaction price is 15%.	Resale price method	Profit split method	Resale price method	Resale price method
160	The total income of Construction (P) Ltd. a trading company, computed as per the normal provisions of Income-tax Act is Rs.8,40,000 for the year ended 31st March, 2025. The annual turnover of Construction (P) Ltd. was always less than Rs.10 crores. Book profit of the company computed as per the provisions of section 115JB is Rs.18,40,000. What would be the final tax liability of the company for the assessment year 2025-26? Note: Ignore surcharge and cess.	Rs.840000	Rs.252000	Rs.1000000	Rs.276000
161	Book profit for the purposes of section 115JB means net profit as shown in the Statement of the Profit and Loss prepared in accordance with _____ of the Companies Act as increased and decreased by certain items prescribed in this regard.	Schedule II	Schedule III	Schedule IV	Schedule V
162	Vijay (P) Ltd. filed its return of income with suo moto adjustment of Rs.300 lakhs in respect of ALP of its transactions with its associated enterprise. Within how many days the amount of secondary adjustment must be repatriated to India in order to avoid interest under section 92CE read with rule 10CB?	Within 90 days from the end of the assessment year	Within 90 days from the 'due date' specified in section 139(1)	Within 120 days from the date of filing ITR	Within 30 days from the end of the assessment year
163	B is a foreign company having permanent establishment in India namely A. C, a non-resident associated enterprise, has invested Rs.900 crores through debt in A. Earnings before interest, taxes, depreciation and amortisation (EBITDA) of A during the financial year was Rs.150 crores. What is the amount of interest allowable in respect of the debt assuming that the debt was invested on the first day of the financial year and the rate of interest is 10% p.a.?	Rs. 27 Crores	Rs. 45 Crores	Rs. 90 Crores	Rs.30 Crores



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
164	Anurag Ltd. Mysuru exported goods to its holding company Brave Ltd., China for crore and it has failed to keep and maintain information and documents in respect of Rs.5 crore. How much is the quantum of penalty leviable for such failure in the hands of Anurag Ltd.?	Rs.2500000	Rs.1500000	Rs.1000000	Rs.150000
165	While computing book profit u/s 115JB, which one of the following is required to be reduced from the net profit?	Brought forward business loss as per books of account	Unabsorbed Depreciation as per books of account	Income-tax paid or payable if not already debited to the Statement of Profit and Loss.	Brought forward loss or unabsorbed depreciation, whichever is less as per books of account
166	XYZ Ltd. has debited a sum of Rs.800 lakhs towards income-tax in its Statement of Profit and Loss for the year ended 31-3-2025. It includes Rs.40 lakhs towards surcharge and Rs.8 lakhs towards HEC. How much would be the amount of disallowance of income-tax under section 40(a)(ii)?	Rs. 40 Lakhs	Rs. 800 Lakhs	Rs. 48 Lakhs	Rs. 8 Lakhs
167	Mr. Arvind, Managing Director of Arvind Construction Private Ltd, holds 70% of its paid up capital of Rs.20 lakhs. The balance as at 31.03.2025 in General Reserve was Rs.7 lakhs. The company on 01.04.2025 gave an interest free loan of Rs.8.50 lakhs to its Supervisor having salary of Rs.15,500 p.m., who in turn on 25.04.2025, advanced the said amount of loan so taken from the company to Mr. Arvind What amount would be treated as deemed dividend u/s 2(22)(e)	Nil	Rs.850000	Rs.700000	Rs.800000
168	Which of the following power is not vested with CBDT u/s 119(2) of the Act	Relaxation of time limit for filing income-tax return	Relaxation of provisions relating to deductions under Chapter VI-A	Relaxation of provisions in relation to set-off of losses	All of the above
169	Sec. 91 deals with	Unilateral Relief	Bilateral Relief	Both (a) and (b)	None of the above
170	If income is taxed twice in more than one country but in the hands of different tax payers is called	Treaty Double Taxation	Deemed Double Taxation	Juridical Double Taxation	Economic Double Taxation
171	Which of the following orders is not appealable before Commissioner (Appeals)?	An order of penalty u/s 271B for failure to get accounts audited	An order of penalty u/s 271B for failure to get accounts audited	An order of assessment passed by the Assessing Officer in pursuance of directions of Dispute Resolution Panel	An order made u/s 201 deeming a person to be an assessee-in-default for non-deduction of tax at source
172	Range concept principle is applied under Transfer Pricing if there is	One reasonable price	more than one reasonable price but not more than five	More than five reasonable prices	None of the above



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SL NO	QUESTIONS	OPTION 1	OPTION 2	OPTION 3	OPTION 4
173	ABC Co. Ltd. received Rs.24 lakh as Government grant in respect of a machinery (capital asset) in the previous year 2023-24. The said grant became refundable in July, 2025. What would be the consequence of such refund of grant as per ICDS?	It is a capital receipt and hence no income tax implication would arise on refund of grant	It would be allowed on the resultant value from assessment year 2025-26 onwards	It is taxable as income of assessment year 2025- 26	It is a loss incidental to business allowable under section 37



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**ANSWERS TO MCQ BANK**

SL NO	QUESTIONS	CORRECT ANSWER
1	As per section 115JB, every taxpayer being a company is liable to pay MAT, if the Income tax payable on the total income, computed as per the provisions of the Income-tax Act in respect of any year is less than _____.	15.00%
2	MAT shall not apply to any income accruing or arising to a company from:	Life insurance business
3	Book profit for the purposes of section 115JB means net profit as shown in the Statement of the Profit and Loss prepared in accordance with _____ of the Companies Act as increased and decreased by certain items prescribed in this regard.	Schedule III
4	Every company to whom the provisions of MAT apply is required to obtain a report from a chartered accountant in Form No. _____ on or before the due date of filing the return of income.	29B
5	While computing book profit u/s 115JB, one of the following is required to be reduced from the net profit:	Brought forward loss or unabsorbed depreciation, whichever is less as per books of account
6	What is the due date of filling the return of income in case of a company who is required to furnish a report in Form No. 3CEB under section 92E?	November 30 of the assessment year
7	One of the following, can be carried forward even return of income is filed after due date:	Unabsorbed Depreciation
8	Return filed under following sections can be revised u/s 139(5):	All of the above
9	Assessment under following section is termed as scrutiny assessment	143(3)
10	When an assessee has paid advance tax more than the tax due on the returned income and the return is filed before the 'due date' specified in section 139(1), the refund amount is eligible for interest @ —	½% per month
11	Any mistake which is apparent from the record in any order passed by the Assessing Officer can be rectified under section _____.	154
12	In case of an application made by the assessee u/s 154, the income-tax authority shall rectify the order/refuse the rectification within _____ from the end of the month in which the application is received by the authority.	6 months
13	An appeal to the Commissioner of Income-tax (Appeals) shall be filed in Form No. _____.	35
14	The Joint Commissioner of Income-tax (Appeals) is the _____ appellate authority	First
15	Provisions relating to advance ruling are provided in sections _____.	245N to 245V
16	Assessing Officer or the assessee, as the case may be, on receipt of notice that an appeal against the order of the Commissioner (Appeals) has been filed by the other party, may file a memorandum of cross objection with the Tribunal in Form _____ and within _____ days of receipt of notice that appeal has been filed by the other party.	Form 36A; 30 days
17	Where revision u/s 264 has been initiated by the assessee, the application must be made within _____ from the date on which the order in question was communicated to the assessee or the date on which he otherwise came to know of it, whichever is earlier.	1 year
18	Prosecution can be launched and the taxpayer can be punished if he commits wilful failure to produce before the tax authorities the accounts and documents as demanded u/s _____.	142(1)
19	If a person fails to comply with the provisions relating to PAN (i.e. obtaining PAN, quoting PAN, etc.), then penalty can be levied under section _____	272B
20	If during any proceeding, it is found that in the books of account maintained by any person there is a false entry or an omission of any entry which is relevant for computation of total income of such person, to evade tax liability, penalty u/s 271AD or Rs. _____ is levied	A sum equal to the aggregate amount of such false or omitted entry.
21	If the amount of income in respect of which the penalty is imposed or imposed for the relevant year(s) exceeds Rs. _____, then no order reducing or waiving the penalty under section 273A(1) shall be made by the Principal Commissioner or Commissioner, except with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Director General or Director General, as the case may be.	5,00,000
22	Principal Commissioner or Commissioner of Income-tax is empowered to grant relief from penalty to taxpayers in genuine cases. Such power is granted under section 273A and section _____.	273AA
23	In case of amalgamation, eligible loss of amalgamating company shall be available to the amalgamated company for:	Such loss shall be treated as loss of the previous year in which amalgamation took place
24	In the year of restructuring, depreciation shall be:	apportioned between successor and predecessor on the basis of number of days
25	Countries that employ explicit policies designed to attract international trade oriented activities by minimization of taxes and reduction or elimination of other restrictions on business operations is described as _____.	Tax Havens
26	A is using a motor car for his personal purposes, but charges as business expenditure. This is the case of:	Tax Evasion
27	CBDT stands for:	Central Board of Direct Tax
28	Sec. 130 deals with:	Faceless jurisdiction of the income-tax authority
29	As per section 178(3), the _____ of a company has to intimate the tax authority before he parts with any of the assets of the company or the properties in his hands and has to set aside the amount if any intimated to him by the tax authorities.	Liquidator
30	Equalisation levy shall be payable @ _____	6%
31	ICDS VIII deals with:	Securities
32	ICDS is applicable in case of income under the head:	Profits and gains from Business or Profession



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**ANSWERS TO MCQ BANK**

SL NO	QUESTIONS	CORRECT ANSWER
33	The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 extends to:	Whole of India
34	The rate of tax provided by the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 is:	30%
35	Which among the following is a progressive tax	Income tax
36	Which one of the following is not a tax saving investment	Fixed Deposits
37	In the Income Tax Act, ___ is a certificate which an employer gives to his employees. It certifies the amount of tax deducted by the employer from the salary of employee	Form 16
38	What percentage of tax is taxable on Long-Term capital gain arising from transfer of securities ,bonds, units, debenture	10%
39	As per sub-section (8A ) of section 139 of the Income tax Act , a person may furnish an updated return of his income for the previous year relevant to such assessment year , with in ___from the end of assesment year	24 Months
40	Minimum alternate Tax is	Tax Imposed on companies which pays zero or no tax
41	Period upto which AMT credit can be carried forward	15 Years
42	If the recipient of income doesn't furnish his PAN to deductor then TDS is to be deducted at which rate?	20%
43	What are the conditions to be fulfilled for charging of income under the head capital gains	All of the above
44	The maximum amount of exemption of gift from a non relative is	50000
45	The last date of filling of return of income of individual is	31st July of the assessment year
46	Return filed after the due date is called	Belated return
47	Sole Proprietor is liable to tax at which rate	Slab Rate
48	Capital asset excludes all except	Jewellery
49	Long-term Capital Loss can only be set off against ____	Long-term capital gain
50	ICDS IV deals with	Revenue Recognition
51	Under which section interest shall be charged to deferment of advance tax	234C
52	For filling return of Income in respect of various entities , the Income-tax Act, 1961 has prescribed -	Three due dates
53	The return of a company has to be verified by	The Managing director or Director
54	The due date of filling of return for a company with a business loss of Rs.130,000 for AY 2024-25 is	31st October, 2024
55	Mr.Ram has Received a sum of Rs.51000 on 15.09.2023 from relatives on the occasion of his marriage	Entire Rs.51,000 is exempt from tax
56	The rate of TDS on rental payments of plant , machinery or equipment is -	2%
57	Mr.Ram a resident indian, wins ₹10,000 in a lottery . Which of the statement is true ?	No tax is deductible at source
58	X Ltd. , a domestic company not opting for the provisions of section 115BAA , has a total income of Rs. 10,01,00,000 for AY 2024-25. The gross receipts of X Ltd.for PY 2021-22 is Rs.260 Crore. The tax liability of X Ltd. For AY 2024-25 is -	Rs. 2,68,50,000
59	Who among the following is not mandated to file the return of income under section 139 for AY 2024-25 ?	Ms Sita , a non-resident having assets worth Rs. 2 crores in india and Rs. 5 Crores outside india has not earned or received any income in india.
60	A public charitable trust having it's object medical relief to poor , running a medical shop in which it has commercial receipts which exceeds 20% of total receipts. Wheather such trust can claim application based exemption in relation to receipts of medical shop ?	Yes, but subject to (B) and ( C ) above
61	Sec.91 deals with	Unilateral Relief
62	In respect of DTAA, generally , India follows :	UN model
63	Section ___ deals with methods of computation of arm's length price.	92C
64	As per section __ when any specified domestic transaction is carried out between associated enterprises, the said transaction should be carried out at arm's length price.	92
65	When an assessee fails to furnish any information relating to a specified domestic transaction , the quantum of penalty as a percentage of value of the transaction would be ___	2%
66	As per sec. 94B, interest expenses claimed by an entity to its associated enterprises shall be restricted to __ of its earnings before interest , taxes, depreciation and amortization (EBITDA) or interest paid or payable to associated enterprise , whichever is less.	30%
67	Advance Pricing Agreement shall be valid for such period not exceeding __ consecutive previous years as may be specified in the agreement.	5
68	Arm's length price is to be determined by applying ____	Resale Price Method
69	The provisions of sec.92 will apply only if the aggregate value of specified domestic transactions entered into by the taxpayer during the year exceeds a sum of ₹ ____	20 crore
70	Uncontrolled transaction means a transaction between ____, whether resident or non-resident	enterprises other than associated enterprises
71	Information and documents required to maintained u/s 92D shall be kept and maintained for a period of ___ from the end of the relevant assessment year .	8 years



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SL NO	QUESTIONS	CORRECT ANSWER
72	If any person fails to keep and maintain any such information and document as required by sec. 92D in respect of an international transaction or specified domestic transaction, the Assessing Officer or Commissioner (Appeals) may direct that such person shall pay, by way of penalty, a sum equal to ____	2% of the value of each international transaction or specified domestic transaction entered into by such person
73	General Anti Avoidance Rule (GAAR) is applicable from	01-04-2018
74	GAAR provisions shall not apply to	an arrangement where the tax benefit in the relevant assessment year arising, in aggregate, to all the parties to the arrangement does not exceed a sum of Rs. 3 crore
75	Two enterprises shall be deemed to be an associated enterprise when one enterprise directly holds shares carrying :	26% or more of the voting power in the other enterprise
76	Generally, two enterprises shall be deemed to be associated enterprise when one enterprise holds, directly or indirectly 26% or more ____ in the other enterprise	Equity shares
77	Two enterprises shall be deemed to be associated enterprises if a loan advanced by one enterprise to the other enterprise constitutes –	51% or more of the book value of the total assets of the other enterprise.
78	Zero India Private Ltd. borrowed Rs 500 crores from an Indian Bank. Y Inc. (USA) guaranteed the borrowings of Indian Company. Select the correct statement:	Both are associated enterprises when the Y Inc. guarantees Rs. 50 crores on behalf of Zero India
79	Two enterprises shall be deemed to be associated enterprises when –	90% or more of raw materials and consumables required for the manufacturing of goods by one enterprise, are supplied by the other enterprise
80	Under transfer pricing, International Transaction “Means”	Transactions between two or more Associated Enterprises either or both of whom are non-residents
81	The International transaction shall be in nature of :	All of the above
82	Failure to keep and maintain information and documentation as required by Section 92D would attract penalty u/s 271AA for :-	2% of the value of international transaction or specified domestic transaction entered into by a taxpayer for which documents are not kept
83	The aggregate of Specified Domestic transactions entered into by the assessee in the previous year should exceed a sum of ....., to be considered as specified domestic transaction.	Rs. 20 crore
84	The order of the Transfer Pricing Officer determining the arm’s length price of an international transaction or specified domestic transaction is binding on the :-	Assessing Officer
85	Secondary Adjustment means :-	An adjustment in the books of accounts of the assessee and its Associated Enterprise to reflect that the actual allocation of profits are consistent with the transfer price
86	Secondary Adjustment shall be made when Primary Adjustment to transfer price:-	has been made suo motu by the assessee in his return of income
87	In case of secondary adjustment, where international transaction is denominated in INR, then the interest income on excess money available with Associated Enterprise shall be computed as per which of the following rate of interest :-	One-year marginal cost of lending fund of SBI as on April 1 of PY + 3.25%
88	In case of secondary adjustment, where international transaction is denominated in foreign currency then the interest income on excess money available with Associated Enterprise shall be computed as per rate of interest :-	LIBOR as on September 30 of PY + 3%
89	The maximum validity period of Advance Pricing Agreement shall be :-	5 consecutive years
90	The CBDT may declare Advance Pricing Agreement to be void ab initio, with the approval of Central Government where :-	Advance Pricing Agreement has been obtained by way of fraud or misrepresentation of facts
91	The pre-filing consultation :-	Both A and C
92	As per Section 92CD modified return for first of PY in respect of rollback year shall be furnished within ..... months from the end of the month in which Advance Pricing Agreement was entered.	3 month
93	Ram Ltd., Kolkata having international transactions exceeding Rs. 100 crore omitted to furnish report required under section 92E. How much is the penalty leviable for the failure to furnish report under section 92E ?	Rs. 1 lakh
94	GAAR stands for -	General anti-avoidance rules
95	Tax haven is a place where –	There is no tax on income or tax rates are very low
96	In the assessment of Laxmi (P) Ltd. there was increase in income by way of arm's length price adjustment of Rs. 200 lakhs. The assessee decided to pay additional income-tax instead of making secondary adjustment. What is the tax rate at which the additional income-tax is payable by assessee ?	20.9664%
97	Rs. 15,000 arising in country B with which India has DTAA, has been taxed in the hands of Mr. Kabir as well as Ms. Yamini. This is an instance of __ and the remedy for the same is through ____.	Economic Double Taxation ,Mutual Agreement Procedure
98	Transfer pricing provision should not be applied in cases where the adoption of the arm’s length price would result in a –	Both A and C
99	A charitable institution, engaged in education of Yoga in India, registered under section 12AB of the Income-tax Act, 1961 for the previous year ended 31 March 2025, received donation of Rs.30,00,000 Out of Which Rs.8,00,000 is Anonymous donations What amount of anonymous donations would be taxable @30% as per Section 115BBC of the Income Tax Act, 1961.	Rs.650000



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100	A search was conducted in the premises of Harichand Jewellers on 21.01.2025. The following unaccounted items were found during the course of search (i) Cash on hand Rs. 30 lakh; (ii) Promissory notes Rs. 70 lakh; (iii) Land documents Rs. 120 lakh; and (iv) Excess jewellery (stock in trade) Rs. 180 lakh Which of the following could not be seized in a search under section 132?	Jewellery (stock in trade)
101	Nirvi Ltd. has received Rs.99 lakhs (net of TDS) as dividend from a domestic company on 31st Dec 2024. It has distributed Rs.105 Lakhs as dividend to its shareholders on 31st July 2024. What is the amount of deduction available to Nirvi Ltd. in respect of such dividend?	Rs. 105 lakhs
102	Mediterranean cargo Inc., a company based in Malaysia operating its ships to and fro Mumbai port, collected freight of Rs.85 lakhs, demurrage of Rs.5 lakhs and handling charges of Rs.2 lakhs in respect of goods shipped at Mumbai port. It incurred expenses of Rs.35 lakhs during the year for operating its fleet. In respect of goods shipped at Dublin, Ireland, it received Rs.50 lakhs in India. Its tax liability (rounded off) for the A.Y.2025-26 is –	Rs.387660
103	Royalty of Rs.10 lakhs received by a foreign company from an Indian concern in pursuance of an agreement approved by the Central Government in the previous year 2024-25. How much is the income tax payable on royalty income for AY 2025-26?	Rs.104000
104	XYZ Ltd. set up a manufacturing unit in Durgapur on 15 July 2024. It invested Rs.30 lakhs in new plant and machinery on 15 July 2024. It invested Rs.50 lakhs in new plant and machinery on 20 Dec 2024, out of which Rs.10 lakhs was second hand assets. What is the amount of depreciation allowed u/s 32 for the AY 2025-26?	Rs.1825000
105	Foreign Institutional Investor or a Qualified Foreign Investor made investments in municipal debt securities for which interest of Rs.5,00,000 is payable. TDS to be deducted on such interest payments is	TDS u/s 194LD of Rs.26,000
106	X Ltd. filed its return of income for AY 2025-26 on 30th September, 2025. The return is selected for regular assessment under section 143(3). The time limit for service of notice u/s 143(2) in this case is	30.06.2026
107	Rounding off of tax in respect of which interest is to be calculated to nearest multiple of:	Rs.100
108	A computers was purchased for Rs.8 lakhs on 4th October, 2024, it was installed & put to use in office on same date. The depreciation allowable under section 32 for A.Y.2025-26 is respect of the said computers is	Rs.160000
109	Mr. Sumit had bought a laptop for Rs. 50,000 on 01.04.2022 for his personal use. He started using this laptop for his business purposes only since 02.05.2024. On that date, the market value of the laptop was Rs.40,000. What is the amount of depreciation allowable to him under the Income Tax Act, 1961 for the financial year 2024-25 assuming the rate of depreciation to be 40%.	Rs.20000
110	Mr. Rahul has income of Rs.52 lakhs under the head "Profits and gains of business or profession". One of his businesses is eligible for deduction@100% of profits u/s 80-IA for A.Y.2024-25. The profit from such business included in the business income is Rs.35 lakhs. What would be the tax liability (rounded off) of Mr. Rahul for A.Y.2025-26, assuming that he has no other income during the P.Y.2024-25 and exercises the option to shift out of the default tax regime u/s 115BAC	Rs.1100530
111	Mr. Smith, a resident individual made an advertisement in a website (owned by a non-resident company) for sale of his house property at Kolkata for which he paid Rs.2,35,000. How much is the amount to be deducted by way of equalisation levy by Mr. Smith?	No equalisation levy needs to be deducted
112	Equalization levy is applicable if the aggregate amount of consideration for specified transactions exceeds	Rs.100000
113	Mohan & Co paid Rs.5 lakhs to Elite Inc. a foreign company not having a PE in India towards online digital advertisement charges. How much is the amount payable by Mohan & Co as equalisation levy for the payment made?	Rs.30000
114	How much is the minimum tax effect that should be involved to invoke GAAR provisions?	Rs. 3 Crores
115	The time limit for passing an order by Transfer pricing officer is within	2 years from the end of financial year of reference made
116	Rajiv Industries is engaged in manufacture of leather products. It was set up in backward area and became eligible for subsidy @ 25% for the generator, to be used in guest house, acquired by it for Rs.12 lakhs on 15.12.2024. It received the subsidy in March 2025. The amount of depreciation for the year at the applicable rate would be	Rs.67500
117	Subham, engaged in the business of wholesale trade, has a turnover of Rs.80 lakhs for P.Y.2023-24 and Rs.240 lakhs for P.Y.2024-25. In the P.Y.2024-25, he paid salary of Rs.3 lakhs to Mr. Rohit, a resident, without deduction of tax at source and commission of Rs.61 lakhs to Mr. Pramod, a resident, without deduction of tax at source. The disallowance under section 40(a)(ia) while computing business income of A.Y.2025- 26 would be	Rs.1830000
118	Which model of DTAA, does Government of India generally follow in its treaty with other countries?	UN Model



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119	Alpha Ltd. has distributed on 30.6.2025, dividend of Rs. 130 lakhs to its shareholders. During the F.Y.2024-25, Alpha Ltd. has received dividend of Rs. 108 lakhs (Net of TDS) from domestic companies and Rs. 30 lakhs (gross) from a foreign company in which it has 5% shareholding. What is the deduction, if any, available to Alpha Ltd. in respect of such dividend?	Rs. 130 lakhs
120	The relief where there is no Avoidance of Double Taxation Agreement, is	Unilateral relief
121	For Murli Ltd. there was an outstanding interest payment due to a nationalized bank of Rs.200 lakhs, which was converted into 8% Debentures on 12-03-2025. How much of interest due to the bank would be deemed as paid and allowable under section 43B by issue of 8% debentures?	Nil
122	Nirmal Fertilisers P Ltd., is a manufacturer. A factory building has been constructed for Rs.40 lakhs and occupied on 12.02.2025. Additional depreciation allowable for the said factory building is	Nil
123	MLC Ltd. earned Rs. 20 lakhs by way of transfer of carbon credit. The tax liability in respect of carbon credit is _____	Rs.208000
124	Income Tax Appellate Tribunal can rectify its own order if it is	Apparent mistake
125	Mr. Amit, a property dealer, sold a flat in Kolkata, the stamp duty of which is Rs.3 crores for Rs.2.6 crores to his friend Mr. Biswajit, a Photographer. Mr. Amit had purchased the flat one and a half Year back for Rs.2.0 crores and the stamp duty value on that date was also Rs.2.0 crores. What are the tax implications of such sale?	Rs.1 crores would be taxable as business income in the hands of Mr. Amit and Rs.40 lakhs would be taxable as income from other sources in the hands of Mr. Biswajit
126	Dividend received by a real estate investment trust (REIT) from special purpose vehicle (SPV) and distributed to its unit holders is –	exempt in the hands of the REIT; exempt in the hands of unit holders only if SPV does not exercise option u/s 115BAA
127	Mr. Surya is aggrieved by an order passed by the Commissioner of Income-tax imposing penalty under section 270A for under-reporting of income. What is the appellate remedy available to him under the Income-tax Act, 1961 and the specified time limit within which he has to file an appeal?	He can file an appeal to Appellate Tribunal under section 253 within 60 days from the date on which the order is communicated to him.
128	Rs.24,300 arising in country B with which India has DTAA, has been taxed in the hands of Mr. Raj as well as Ms. Susmita. This is an instance of and the remedy for the same is through	Economic Double Taxation, Mutual Agreement Procedure
129	Assessment order in response to notice u/s 143(2) shall be completed within a period of	12 months from the end of relevant assessment year
130	Benefit of taxation of presumptive income under the Income tax Act, 1961 would not be available to Vivek, a non-resident, in AY 2025-26, in respect of the related Indian income, if he is engaged in the business of	Civil construction in connection with a n approved turnkey project
131	During the course of assessment in the case of A & Co (firm) the Assessing Officer found out one accommodation entry (bogus purchase) for Rs.7 lakh from another firm by name X & Co. Both A & Co and X & Co have admitted fake invoice and accommodation entry. What would be the penal consequence of the transaction? (Ignore HEC)	Penalty on A & Co @200% of tax being Rs.4,20,000 plus the amount equal to the transaction being Rs.7,00,000. Also, penalty equal to the amount of transaction on X & Co being Rs.7,00,000
132	Income-tax authority having jurisdiction of Raj & Co conducted a survey under section 133A and seized the books of account and other documents on 10.10.2024. What is the maximum time limit that the books of account and other documents can be retained by the Income-tax authority without obtaining permission of higher authorities?	Up to 15 days exclusive of holidays
133	While processing the return of income U/S 143(1), Which of the following cannot be adjusted in computation of total income ?	addition of income appearing in Form 26AS which has not been included in computing total income in RO
134	Mr. Kamal, employed as Manager with Tripod Ltd., pays rent of Rs.50,000 per month to his landlord. Which of the following statements is correct?	Mr. Kamal is not liable to deduct tax at source
135	ABC Co. Ltd., Mumbai, proposes to enter into a transaction for purchase of raw material from USA and sale of finished goods to its group company located in South Africa. It has obtained advance ruling in respect of the transactions but it is aggrieved with the ruling given by Board for Advance Rulings. What is the legal remedy available to ABC Co. Ltd?	File an appeal before High Court against the ruling
136	Arya Ltd., has spent a sum of Rs.40 lakhs towards meeting its corporate social responsibility (CSR) under the Companies Act, 2013. The amount of deduction available while computing the business income is _____.	Nil
137	Which of the following method of computing arm's length price is not a "Transaction Based Method"?	Profit Split Method
138	Vikash, a resident sold Virtual Digital Asset (VDA) with the help of a broker through an Exchange. The sale consideration was Rs.7,20,000 (excluding GST / commission). How much is the amount of TDS applicable in respect of sale of VDA?	Rs.7200
139	Sahayata Co-operative Society is engaged in manufacturing activity and was set up and registered on 10th April, 2024. Its total income (computed) for the previous year 2024-25 was Rs.22,50,000. How much is the income tax payable by it under section 115BAE of the Act? Note: Consider both surcharge and HEC.	Rs.386100
140	Mr. Shivam is a resident individual who owns an apartment in Dubai acquired on 06.07.2024. He had disclosed only 60% of its value in his income-tax returns. The Assessing Officer received this information of partial non-disclosure on 25.03.2025 and issued a notice under section 10 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 on 10.04.2025. What would be value of asset liable to tax under the said Act?	40% of fair market value of the asset as on 01.04.2025



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141	What is Berry Ratio in relation to the computation of the arm's length price of an international transaction?	Gross profit / Operating expenses
142	While determining the ALP of the transactions between X Ltd., Hyderabad and its holding company Wax Inc., USA, there was an addition of Rs.300 lakhs to the total income of X Ltd. How much should be paid by way of tax (including surcharge and HEC) by X Ltd. in order to avoid secondary adjustment?	Rs.6289920
143	Which of the following orders is not appealable before Commissioner (Appeals)?	An order of assessment passed by the Assessing Officer in pursuance of directions of Dispute Resolution Panel
144	Who among the following is not mandated to file the return of income u/s 139 for A.Y. 2025-26?	Ms Jessica, a non-resident having assets worth Rs. 2 crores in India and Rs.5 crores outside India. She has not earned or received any income in India
145	Exemption under section 54 of the Income Tax Act, 1961 is available to	individual as well as HUF
146	During the course of survey in the premises of Adarsh & Co. on 10.01.2025, stocks of goods purchased for Rs.10 lakhs were found to be not recorded in the books of account. The firm has brought forward loss of Rs.5 lakhs and incurred business loss of Rs.2 lakhs for the year ended 31.03.2025 without considering the unaccounted stock. The tax liability of the firm including the said unaccounted purchase would be _____	Rs.780000
147	Mr. Avinash has advertised on Instagram to promote his business of coaching. He is required to pay Rs.70,000 in the previous year 2024-25 to Instagram for the advertising services availed. What amount is required to be deducted as equalisation levy?	Nil
148	The Assessing Officer imposed penalty of Rs.50 lakhs under section 271AAD on Mr. Rohit. Can he provisionally attach the property of Mr. Rohit to protect the interest of the Revenue	No, he cannot do so
149	Ravi sold his residential house on 15th May, 2024 for Rs.130 lakhs and earned long-term capital gains of Rs.60 lakhs. He bought a new residential house in March, 2025 for Rs.55 lakhs in order to claim eligible exemption under the Income-tax Act. What would you call this action of Ravi reinvesting the long-term capital gain by way of acquisition of a new residential house?	Tax Planning
150	Beta Ltd. accepted primary adjustment of Rs.120 lakhs made by the Assessing Officer in respect of goods sold by it to its associated enterprise (AE) in Indonesia. It has an AE in Germany also. As regards repatriation of funds to be made which of the following statements is valid	Repatriation can be done by any of the AEs, at the option of the assessee.
151	Advance Pricing Agreement is entered between the	Bilateral Advance Pricing Agreement
152	Prakash Industries (P) Ltd. was subjected to a search under section 132 and a sum of Rs.250 lakhs by way of cash was found as undisclosed income. Prakash Industries (P) Ltd. has unabsorbed depreciation of Rs.180 lakhs. How much of the unabsorbed depreciation is eligible for set off against cash found as a result of search, representing undisclosed income?	Nil
153	For Bradd Inc. of Spain which of the following would mean that it has a Permanent Establishment (PE) in India?	Operating a factory in India
154	PQR Ltd. an Indian company deducted Rs.1,20,000 from various payments as TDS for the first quarter of financial year 2024-25. However, it has failed to file TDS return for the said quarter. How much shall be the amount of fee payable by it for default in furnishing TDS return?	Rs. 200 for every day during which the failure continues subject to a maximum of Rs.1,20,000
155	Avinash (P) Ltd, a resident Indian company, received royalty Rs.8 Lakhs from a resident in India in respect of a patent developed and registered in India. The income-tax payable. on the royalty shall be at (ignore cess and surcharge)	10%
156	Mr. Mark (aged 45 year) a Australian Cricket Umpire, has earned income from Cricket tournaments in India for AY 2025-2026. Are TDS provisions applicable while making payment to him and if so, under which section?	Yes, TDS under section 195
157	Specified Domestic Transactions are covered under Transfer Pricing Provisions if aggregate value of such transactions exceeds	Rs.20 Crores
158	Shivam, a resident individual of age of 38 years, has not furnished his return of income for the A.Y. 2025-26. However, his total income for such year as assessed u/s 144 is Rs.18 lakhs. Is penalty under section 270A attracted and if so, what is the quantum of penalty?	Yes; penalty is Rs.1,19,600
159	Under which of the following methods, arm's length price shall be the arithmetical mean of all values included in the dataset, irrespective of the number of entries in the dataset. It may be assumed that the variation between the arm's length price computed and the transaction price is 15%.	Profit split method
160	The total income of Construction (P) Ltd. a trading company, computed as per the normal provisions of Income-tax Act is Rs.8,40,000 for the year ended 31st March, 2025. The annual turnover of Construction (P) Ltd. was always less than Rs.10 crores. Book profit of the company computed as per the provisions of section 115JB is Rs.18,40,000. What would be the final tax liability of the company for the assessment year 2025-26? Note: Ignore surcharge and cess.	Rs.276000
161	Book profit for the purposes of section 115JB means net profit as shown in the Statement of the Profit and Loss prepared in accordance with _____ of the Companies Act as increased and decreased by certain items prescribed in this regard.	Schedule III



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SL NO	QUESTIONS	CORRECT ANSWER
162	Vijay (P) Ltd. filed its return of income with suo moto adjustment of Rs.300 lakhs in respect of ALP of its transactions with its associated enterprise. Within how many days the amount of secondary adjustment must be repatriated to India in order to avoid interest under section 92CE read with rule 10CB?	Within 90 days from the 'due date' specified in section 139(1)
163	B is a foreign company having permanent establishment in India namely A. C, a non-resident associated enterprise, has invested Rs.900 crores through debt in A. Earnings before interest, taxes, depreciation and amortisation (EBITDA) of A during the financial year was Rs.150 crores. What is the amount of interest allowable in respect of the debt assuming that the debt was invested on the first day of the financial year and the rate of interest is 10% p.a.?	Rs. 45 Crores
164	Anurag Ltd. Mysuru exported goods to its holding company Brave Ltd., China for crore and it has failed to keep and maintain information and documents in respect of Rs.5 crore. How much is the quantum of penalty leviable for such failure in the hands of Anurag Ltd.?	Rs.1000000
165	While computing book profit u/s 115JB, which one of the following is required to be reduced from the net profit?	Brought forward loss or unabsorbed depreciation, whichever is less as per books of account
166	XYZ Ltd. has debited a sum of Rs.800 lakhs towards income-tax in its Statement of Profit and Loss for the year ended 31-3-2025. It includes Rs.40 lakhs towards surcharge and Rs.8 lakhs towards HEC. How much would be the amount of disallowance of income-tax under section 40(a)(ii)?	Rs. 800 Lakhs
167	Mr. Arvind, Managing Director of Arvind Construction Private Ltd, holds 70% of its paid up capital of Rs.20 lakhs. The balance as at 31.03.2025 in General Reserve was Rs.7 lakhs. The company on 01.04.2025 gave an interest free loan of Rs.8.50 lakhs to its Supervisor having salary of Rs.15,500 p.m., who in turn on 25.04.2025, advanced the said amount of loan so taken from the company to Mr. Arvind What amount would be treated as deemed dividend u/s 2(22)(e)	Rs.700000
168	Which of the following power is not vested with CBDT u/s 119(2) of the Act	Relaxation of provisions in relation to set-off of losses
169	Sec. 91 deals with	Unilateral Relief
170	If income is taxed twice in more than one country but in the hands of different tax payers is called	Economic Double Taxation
171	Which of the following orders is not appealable before Commissioner (Appeals)?	An order of assessment passed by the Assessing Officer in pursuance of directions of Dispute Resolution Panel
172	Range concept principle is applied under Transfer Pricing if there is	More than five reasonable prices
173	ABC Co. Ltd. received Rs.24 lakh as Government grant in respect of a machinery (capital asset) in the previous year 2023-24. The said grant became refundable in July, 2025. What would be the consequence of such refund of grant as per ICDS?	It would be allowed on the resultant value from assessment year 2025-26 onwards