

SHIVAJI UNIVERSITY, KOLHAPUR
COURSE: DIPLOMA IN TAXATION (SEMESTER – II)

Multiple Choice Questions Question Bank

PAPER – I : INCOME TAX – III

Q.NO.1 Income of a minor child shall be included in the income of

- a) **Parent whose total income before clubbing is more**
- b) Minor child
- c) Parent whose total income before clubbing is lower
- d) Parent whose total income after clubbing is more

Q.NO.2 Additional depreciation is chargeable at the rate of

- a) 10%
- b) 20%**
- c) 15%
- d) 5%

Q.NO.3 During the A. Y 2019-20, Bad debts of Rs. 5,000 were recovered, which were debited to P&L A/c for The A.Y 2018-19. What is its treatment during A. Y 2019-20

- a) Allowed expenditure
- b) Allowed Income**
- c) Disallowed income
- d) Disallowed expenditure

Q.NO.4 The benefit of exemption under Section 54 is available to

- a) Individual
- b) HUF
- c) Both**
- d) None of these

Q.NO.5 Deduction U/s 80 CCD(2) is in respect of

- a) Employers contribution**
- b) Employees contribution
- c) Non salaried Person
- d) None of these

PAPER – II INCOME TAX – IV

Q.NO.1 Interest U/s 234 A is levied at

- a) Simple Interest
- b) Compound Interest
- c) Both
- d) None of these

Q.NO.2 Section ____provides for levy of interest on excess refund granted to the taxpayer.

- a) 234A
- b) 234B
- c) 234C
- d) 234D

Q.NO.3 If self-assessment tax is paid before due date and return is submitted after due date. Interest U/s 234A is not applicable. This statement is

- a) Correct
- b) partially correct
- c) Incorrect
- d) None of these

Q.NO.4 Authority having power to cancel registration of trust subject to certain conditions:

- a) Principal Commissioner
- b) Commissioner
- c) Director General
- d) either a or b

Q.NO.5 Provision for maintenance of books of accounts is covered U/s

- a) 44AA
- b) 44AB
- c) 44AD
- d) 44ADA

PAPER – III INDIRECT TAXES-II

Q.NO.1 If two brothers gives inherited building on rental basis exemption available from services tax is charged _____

- a) Separately
- b) Jointly
- c) no exemption
- d) exempted partially

Q.NO.2 Service tax rules makes it..... for an assessee to preserve records for at least Five years

- a) Voluntary
- b) mandatory
- c) easy
- d) complicated

Q.NO.3 As per valuation rules of service tax, value of taxable service shall be determined by _____

- a) service receiver
- b) service provider
- c) both
- d) central government

Q.NO.4 The service tax rate is..... w.e.f 1-6-2015

- a) 12%
- b) 18%
- c) 14%
- d) 16%

Q.NO.5 S.S.I stands for _____

- a) small scale industries
- b) small scale investment
- c) standard supervisor industries
- d) small saving investment

PAPER – IV FINANCIAL ACCOUNTING AND ANALYSIS-II

Q.NO.1 Contingencies and Events occurring after the Balance Sheet Date

- a) AS-3
- b) AS-1
- c) AS-4
- d) AS-5

Q.NO.2 In fund flow statement, issue of shares is

- a) sources of funds.
- b) applications of funds
- c) sources of cash
- d) applications of cash

Q.NO.3 Current assets are also known as

- a) Cash
- b) Assets
- c) Invested capital
- d) Working capital

Q.NO.4 Average Inventory = 60,000; Inventory Turnover Ratio 8; Gross Profit 20% on revenue from operations; what will be Gross Profit?

- a) 66000
- b) 1,20,000
- c) 45000
- d) 98000

Q.NO.5 Show the true result of the operation

- a) inflation accounting
- b) Accounting Standards
- c) account statement
- d) none of the above

PAPER – V : COMMUNICATION SKILLS

Q.NO.1 Effective communication facilitates the employers in carrying out which of the functions? A. Leading

B. Controlling

C. Power

a) **A & B**

b) B & C

c) A, B & C

d) A & C

Q.NO.2 Communication deepens _____ & _____ relationship in an organization.

a) **employer-employee**

b) patient-doctor

c) politician-public

d) Father-employee

Q.NO.3 Which of the following should be avoided in the process of oral presentation?

a) Deciding the purpose of presentation

b) Analysing the audience

c) Determining the time and occasion

d) **Arguing with the audience**

Q.NO.4 The report that contains routine information is called as _____.

a) **periodic report**

b) informal report

c) indirect report

d) manuscript report

Q.NO.5 The interview that determines whether the candidate is eligible for the concerned post is

a) Reprimand

b) Grievance

c) **Selection**

d) Group

PAPER – VI : PRINCIPLES OF AUDITING

Q.NO.1 Internal auditor is appointed by

- a) **Management**
- b) The shareholders
- c) CG
- d) External auditor

Q.NO.2 Fundamental accounting assumptions are

- a) Going Concern
- b) Consistency
- c) Accrual
- d) **All of above**

Q.NO.3 Pick the odd one

- a) Checking the vouchers
- b) Preparation of vouchers
- c) Evaluation of internal control
- d) **None of the above**

Q.NO.4 For which of the following entities statutory audit of financial statement is not conducted

- a) Banking Companies
- b) Insurance Companies
- c) **Partnership Firm**
- d) One Person Company

Q.NO.5 Which one of the following is incorrect

- a) **Auditor of company can be appointed as internal auditor of holding company of the company**
- b) Auditor of company can be appointed as internal auditor of associate company of the company
- c) Any relative of auditor cannot be appointed as internal auditor of the company
- d) Any partner of auditor cannot be appointed as internal auditor of the company