AUDITING AND TAXATION

1. For A.Y. 2020-21 Medical Reimbursements is exempted up to Rs. -----------
   A. 10,000
   B. 15,000
   C. 20,000
   D. 00,000
   
   **ANS:** D. 00.000

2. For A.Y. 2020-21 Standard Deduction is allowed is Rs, ----------------
   A. 40,000
   B. **50,000**
   C. 50,500
   D. Not Allowed
   
   **ANS:** B. **50,000**

3. Which of the following Sections deals with the provisions relating to salary under the Income-Tax act 1961?
   A. Section 14,15 &16
   B. **Section 15,16 &17**
   C. Section 15 to 20
   D. Section 16,17,18,19
   
   **ANS:** B. **Section 15,16 &17**

4. Deduction in respect of entertainment allowance is available to
   A. Government employee
   B. Non-Government employee
   C. Employee of local authority
   D. None of the above
   
   **ANS:** A. Government employee

5. If assess desires to claim exemption for education allowances having three children and out of them last two children are twins born after year 1999 then claim exemption in respect of ......
   A. Two children
   B. **Three children**
   C. One child
   D. None of the above
   
   **ANS:** B. **Three children**
6. Maximum deduction available for Professional tax is Rs. ......  
   A. 5000
   **B. 2500**
   C. There is no limit at all
   D. Entire amount paid by employer

   **ANS: B. 2500**

7. Privet sector Deduction in respect of H.R.A. Sec 10(13A) is available to  
   A. Government employee
   B. employee
   C. Employee of local authority
   D. **All of the above**

   **ANS: D. All of the above.**

8. Children Education allowance is exempted to the extent of ......  
   A. 1200 p.a. for two children
   B. 100 p.m. for two children
   C. 300 p.m. for three children
   D. **100 p.m. per child for two children.**

   **ANS: D. 100 p.m. per child for two children.**

9. Hostel expenditure allowance is exempted to the extent of  
   A. 3600 p.a. for two children
   B. **300 p.m. per child for two children**
   C. 300 p.m. for three children
   D. 200 p.m. per child for two children.

   **ANS: D. 300 p.m. per child for two children**

10. Salary is defined in ............. under the Income tax act 1961.  
    A. Sec 16 (2)
    B. Sec 18 (1)
    C. Sec 19(3)
    D. **Sec 17 (1)**

   **ANS: D. Sec 17 (1)**

11. Tribal area allowances are exempted to extent of  
    A. **200 p.m.**
    B. 800 p.m.
    D. 600 p.a.

   **ANS: A. 200 p.m.**
12. A motor car (CC of engine is 1.8 litters) is provided to Mr. X. The motor car is used both for the private and official work. Expenses on maintenance of private use are borne by Mr. X. Taxable amount is......
   A. 900 p.m.
   B. 2400 p.m.
   C. 1800 p.m.
   D. 1200 p.m.

**ANS: A. 900 p.m.**

13. When motor car having capacity not exceeding 1.6 litters is owned by employer and used both for the private and official work, running and maintenance (including driver salary) are born by the employer the value of motor car taxable in the hands of employee will be...
   A. 1800 p.m. for motor car and 900 p.m. for driver
   B. 2400 p.m. for motor car and 900 p.m. for driver
   C. 1200 p.m. for motor car and 900 p.m. for driver.
   D. 1800 p.m. for motor car and driver.

**ANS: D. 1800 p.m. for motor car and 900 p.m. for driver**

14. Gift in cash is ............
   A. Fully Taxable
   B. Exempt up to Rs. 5000
   C. Exempt up to Rs.10000
   D. Fully Exempted.

**ANS: A Fully Taxable**

15. Employer contribution to R.P.F. is exempted up to...
   A. 12 %
   B. 9.5 %
   C. 12.5 %
   D. 9 %

**ANS: A. 12 %**