1. Income from let out of vacant land, it will be taxable under the head ………
   a. Income from House Property
   b. Income from Business or Profession
   c. **Income from Other Sources**
   d. Income from Capital gain.

2. If Income is from sale house property, it will be taxable under the head ………
   a. Income from House Property
   b. Income from Business or Profession
   c. Income from Other Sources
   d. **Income from Capital gain.**

3. The house property is used in own business and profession income will be taxable under ………
   a. Income from House Property
   b. **Income from Business or Profession**
   c. Income from Other Sources
   d. Income from Capital gain.

4. Mr. X has two house properties, both are self-occupied. The Gross Annual Value for A.Y. 2020-21:
   a. One House will be Nil
   b. **Both House will be Nil**
   c. No House will be Nil
   d. None of the above

5. The Fair Rented value of a house is Rs.1,50,000, Standard Rent 1,20,000, Actual Rent Rs.1,30,000. The Gross Annual Value will be.
   a. 1, 50,000,
   b. 1, 20,000,
   c. **1, 30,000**
   d. None of the above

6. Compute the GAV of the house whose municipal value is 3,36,000, fair rent 3, 35,000, Standard rent 3,30,000 and Actual rent received/receivable is 3,38,000.
   a. 3, 36,000
   b. 3, 35,000
   c. **3, 38,000**
   d. 3, 30,000
7. The fair rental value is 3,50,000, actual rent 3,30,000, Standard rent 3,20,000. Municipal tax paid during the previous year for the last 7 years is 3,40,000. The net annual value will be:
   a. Loss 10,000
   b. 10,000
   c. 3,30,000
   d. Loss 3,30,000

8. Unrealized rent is equal to ………
   a. Amount of rent payable but not paid by a tenant.
   b. Amount of rent payable and paid by a tenant.
   c. Amount of rent payable neither payable nor paid by tenant.
   d. None of the above.

9. If the municipal tax is due but not paid, in this case ………
   a. Will be allowed
   b. Is not allowed
   c. May be allowed
   d. May not be allowed.

10. If annual Value of the Let-out house property is negative (Loss) then deduction will be allowed u/s 24.
    a. No. deductions.
    b. All deductions
    c. 30 % of G.A.V.
    d. Deduction only Interest on loan.

11. During the year municipality has levied taxes Rs. 24,500, but the assessee has paid Rs. 20,500. What amount of deduction will be allowed to the assessee?
    a. 24,500
    b. 20,500
    c. 4,000
    d. Nil

12. NAV of house is 5,00,000 and actual expenditure incurred on repairs is Rs. 60,000. What amount of deduction is allowed under section 24(a)?
    a. 3,50,000
    b. 1,50,000
    c. 4,40,000.
    d. 2,90,000
13. The deductions which will be allowed in the case of one self-occupied house property whose annual value is nil.:
   a. 30% of net annual value
   b. Insurance Premium
   c. Annual Charge
   d. **Interest on money borrowed 30,000 or 2,00,000 as the case may be.**

14. The maximum limit of deduction under section 24 (b) for interest on borrowed capital on or after 1.4.1999 for acquisition or construction of self-occupied house is:
   a. 30,000
   b. **2,00,000**
   c. 1,50,000
   d. 60,000

15. A person repays housing loan of Rs 4 lakh annually out of which Rs 2 lakh is the interest component. He has also incurred a pre-construction interest of Rs 3 lakh. He is earning Rs 7000 monthly from a let-out property and also pays municipal taxes of Rs 3000 for the house. Calculate his Income from house property.
   a. 2,60,000
   b. 2,03,000
   c. **2,00,000**
   d. None of the above

**Ans:**

<table>
<thead>
<tr>
<th>Type of House Property</th>
<th>Let Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross annual Value (Rent paid - 7000*12)</td>
<td>84,000</td>
</tr>
<tr>
<td>Less: Municipal Taxes or Taxes paid to local authorities</td>
<td>3,000</td>
</tr>
<tr>
<td>Net Annual Value (NAV)</td>
<td>81,000</td>
</tr>
<tr>
<td>Less: Standard Deduction (30% of NAV)</td>
<td>24,300</td>
</tr>
</tbody>
</table>
Remember, maximum loss set off allowed in a financial year is limited to Rs 2 lakh. Remaining loss can be carried forward to future years – 8 years in total. However, in these 8 years, it can only be set off from income from house property.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Interest on Housing Loan</td>
<td>200,000</td>
</tr>
<tr>
<td>Less: Pre-construction interest (1/5th of 3 Lakhs)</td>
<td>60,000</td>
</tr>
<tr>
<td>Income from House Property</td>
<td>(203,300)</td>
</tr>
<tr>
<td>Overall loss restricted to</td>
<td>(200,000)</td>
</tr>
</tbody>
</table>