

Direct Tax – I

1. The principle of importance in Income Tax lies in:-
 - a) Determining the year of receipt
 - b) Ascertaining the incidence of taxation
 - c) **Both of the above**
 - d) None of the above

2. What is the max. limit of exemption of the Retrenchment Compensation?
 - a) **Rs. 5,00,000**
 - b) Rs. 6,00,000
 - c) Rs. 3,00,000
 - d) Rs. 3,50,000

3. What do you mean by CCA?
 - a) Certified Custom Audit
 - b) **City Compensatory Allowance**
 - c) Cash Clearance A/c
 - d) Any of the above

4. Leave Travel Concession is exempt from tax on _____ basis.
 - a) 50% Due 50% paid
 - b) **Payment**
 - c) Due
 - d) None of the above

5. It is the diversification of income where a partner having a 10% interest in the Partnership firm has assigned 50% therein to a trust (excluding capital) as a partner in a firm.
 - a) May be
 - b) True
 - c) **False**
 - d) In the certain cases

6. Compensation of the termination of the distributorship agreement is the receipt on a/c of the:-
 - a) **Casual**
 - b) Recurring
 - c) Either (a) or (b)
 - d) Both (a) & (b)