

Course  
&  
Test Series

**Self-Made Assignment - Advanced Accounting**

**Principal of Taxations - Terms of Taxation**

**Multiple Choice Questions (MCQs)**

1. What is the primary purpose of taxation?

- A) To increase inflation
- B) To fund public services and infrastructure
- C) To reduce employment
- D) To promote imports

2. Who is an assessee?

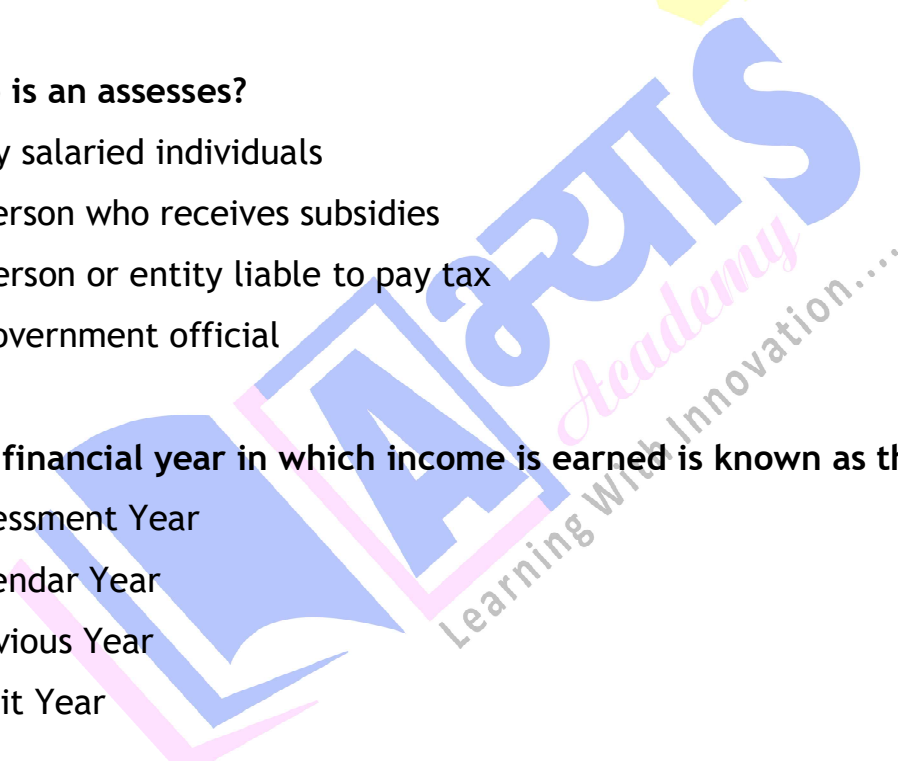
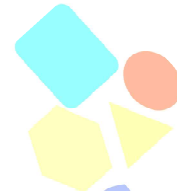
- A) Only salaried individuals
- B) A person who receives subsidies
- C) A person or entity liable to pay tax
- D) A government official

3. The financial year in which income is earned is known as the:

- A) Assessment Year
- B) Calendar Year
- C) Previous Year
- D) Audit Year

4. What is Gross Total Income?

- A) Income after deductions
- B) Total income from all sources before deductions



 **CBSE**

 **ICSE**

 **NTSE**

 **Banking & Insurance**

 **Central Govt. Service**

 **State Govt. Services**

 **LAW Entrance**

 **MBA Entrance**

 **Railways & Metro Services**

...many more

**abhyasonline.in**

Course  
&  
Test Series

**Self-Made Assignment - Advanced Accounting**

**Principal of Taxations -Terms of Taxation**

- C) Only salary income
- D) Net profit of a company

5. What is Net Taxable Income?

- A) Total income without exemptions
- B) Gross income minus taxes
- C) Gross Total Income minus eligible deductions
- D) Business profits only

6. What are deductions in taxation?

- A) Penalties for late filing
- B) Exemptions for foreign income
- C) Amounts subtracted from income to reduce tax
- D) Government grants

7. What is Self-Assessment Tax?

- A) Tax paid by employer
- B) Tax deducted by banks
- C) Tax paid by the assesses before filing the return
- D) Tax collected by the government in advance

8. Which of the following is an example of an exemption?

- A) Late filing fees
- B) House Rent Allowance (HRA)

CBSE

ICSE

NTSE

Banking & Insurance

Central Govt. Service

State Govt. Services

LAW Entrance

MBA Entrance

Railways & Metro Services

...many more

abhyasonline.in

Course  
&  
Test Series

**Self-Made Assignment - Advanced Accounting**

**Principal of Taxations -Terms of Taxation**

C) Bank charges

D) Custom duty

9. What is a rebate in taxation?

A) Extra tax paid

B) A reduction in tax liability

C) A fine for under-reporting income

D) Audit penalty

10. Which section provides deductions for investments like PPF, NSC, etc.?

A) Section 24

B) Section 10

C) Section 80C

D) Section 194C

 **CBSE**

 **ICSE**

 **NTSE**

 **Banking & Insurance**

 **Central Govt. Service**

 **State Govt. Services**

 **LAW Entrance**

 **MBA Entrance**

 **Railways & Metro Services**

...many more

[abhyasonline.in](http://abhyasonline.in)