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Self-Made Assignment - Advanced Accounting

Advance Accounting - Module 36

1. Which of the following income is fully exempt from tax?

- A. Salary income
- B. Agricultural income
- C. Business income
- D. Interest income

2. Income from agricultural land is:

- A. Partially taxable
- B. Fully taxable
- C. Fully exempt
- D. Taxable after deduction

3. Who is eligible for exemption on income received from HUF?

- A. Employee
- B. Director
- C. Member of HUF
- D. Partner in firm

4. Dividend from equity mutual funds can be:

- A. Partially exempt
- B. Fully exempt
- C. Always taxable
- D. Always deductible

5. Interest on tax-free bonds is:

- A. Taxable
- B. Partially taxable
- C. Fully exempt
- D. Deferred

6. Scholarships are exempt when:

- A. For any purpose
- B. For cost of education
- C. For travel
- D. Given as a gift

7. Gratuity received on retirement is:

- A. Fully exempt always
- B. Exempt up to limits
- C. Not exempt
- D. Exempt for all employees



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8. Which of these is *not* an exempt income?

- A. Lottery winnings
- B. Agricultural income
- C. Scholarship
- D. Interest on tax-free bonds

9. Which income is exempt only up to a limit?

- A. Scholarship
- B. Agricultural income
- C. Long-term capital gains on equities
- D. Provident fund interest

10. What is the exemption limit for HRA based on?

- A. Basic salary only
- B. Salary and rent paid
- C. Gross income
- D. Tax paid

11. Gratuity is exempt for:

- A. All employees
- B. Government employees only
- C. Retired or terminated employees
- D. Freelancers

12. Employee Provident Fund (EPF) interest is:

- A. Taxable every year
- B. Fully exempt always
- C. Exempt under conditions
- D. Exempt only for self-employed

13. Scholarships are exempt under which condition?

- A. Used for rent
- B. Used for travel
- C. Used for studies
- D. Used for entertainment

14. Which income is related to education and is exempt?

- A. Bonus
- B. Scholarship
- C. Dividend
- D. Gratuity



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15. Income from HUF property distributed to a member is:

- A. Taxable under salary
- B. Taxable under income from other sources
- C. Exempt
- D. Deducted from HUF's income

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