

Programme: B.Com Semester: 4 Paper No. 1 Income Tax
Procedure for computation of Long-term and Short-term Capital Gains/Losses
Self-Assessment (MCQs - Multiple Choice Questions)

MCQs:

Question 1

What are the conditions to be fulfilled for charging of income under the head capital gains ?

- A. There must be a capital asset.
- B. There must be a transfer of such capital asset.
- C. The transfer of such capital asset has been affected during the previous year.
- D. All of the above.

Answer: D)

Question 2

Which of the following is not a requisite for charging income-tax on capital gains –

- A. The transfer must have been effected in the relevant assessment year
- B. There must be a gain arising on transfer of capital asset
- C. Capital gains should not be exempt u/s 54
- D. Capital gains should not be exempt u/s 54EC

Answer: A)

Question 3

The following shall be regarded as capital asset:

- A. Gold Jewelry held by jeweler as SIT trade.
- B. Securities held by FII as per SEBI Act, 1992, held as stock in trade.
- C. Motor car held by motor car manufacturer as SIT
- D. None of above

Answer: B)

Question 4

The following shall not be regarded as capital asset:

- A. Jewellery
- B. Rural Agricultural land
- C. Archaeological Collections
- D. Personal residential house

Answer: B)

Question 5

Rural area means any area which is outside _____ KM from the local limits of the jurisdiction of a municipality or a cantonment board, if the population of municipality or cantonment board is more than 10,00,000.

- A. 2
- B. 4
- C. 6
- D. 8

Answer: D)

Question 6

Short term capital asset means a capital asset held by the assessee for not more than:

- A. 12 months immediately preceding the month of its transfer
- B. 24 months immediately preceding the date of its transfer.

- C. 36 months immediately preceding the date of its transfer.
- D. None of the above.

Answer: C)

Question 7

Long term capital asset means a capital asset held by the assessee for more than:

- A. 12 months immediately preceding the month of its transfer.
- B. 24 months immediately preceding the date of its transfer.
- C. 36 months immediately preceding the date of its transfer.
- D. None of the above.

Answer: C)

Question 8

Which of the following is a long term capital asset if held for more than 12 months but less than 36 months?

- A. A unit of a Mutual Fund other than equity oriented fund specified under section 10(23D).
- B. Shares of a listed company
- C. Shares of an unlisted company.
- D. Gold Jewellery

Answer: B)

Question 9

Section 45 of Income Tax Act, 1961 is related to_.

- A. Capital assets
- B. Assets
- C. Capital expenses
- D. Capital gain

Answer: D)

Question 10

Long-term Capital Loss can only be set off against.....

- A. Long-term capital loss
- B. Short-term capital loss
- C. Long-term capital gain
- D. All of the above.

Answer: C)

Question 11

The charging section of the income under the head capital gains is:

- A. Section 15
- B. Section 17
- C. Section 10
- D. Section 45 (2)

Answer: D)

Question 12

Capital asset excludes all except

- A. Stock-in-trade
- B. Personal effects
- C. Jewellery
- D. Agricultural land in India

Answer: C)