



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answer Key 25

Sub: Costing & Taxation

Class: XI

Chapter: Unit 1A: Tax: Brief History of Income Tax in India & Tax Structure in India

F.M.: 15

Topic: Difference between Direct Tax and Indirect Tax & Tax Planning, Tax Avoidance, Tax Evasion

Date: 3/08/2020

Choose the correct alternatives:

1 x 15 =15

1. In direct tax incidence and impact fall on
(a) same person; (b) different persons; (c) Government; (d) none of these.
2. In indirect tax incidence and impact fall on
(a) same person; **(b) different persons;** (c) Government; (d) none of these.
3. Direct tax has _____ collection charges.
(a) maximum; (b) no; **(c) minimum;** (d) none of these.
4. Indirect tax has _____ collection charges.
(a) maximum; (b) no; (c) minimum; (d) none of these.
5. Payment of direct tax is
(a) optional; (b) partly optional and partly mandatory; **(c) mandatory;** (d) none of these.
6. TDS signifies
(a) Tax deducted at savings; **(b) Tax deducted at source;** (c) Tax deducted at salary; (d) none of these.
7. GST is a/an
(a) direct tax; **(b) indirect tax;** (c) duty; (d) none of these.
8. Tax planning is made
(a) at time of earning; (b) after earning; **(c) before earning;** (d) none of these.
9. In tax planning, tax liability
(a) increases; **(b) decreases;** (c) remains same; (d) none of these.
10. Tax planning is made
(a) outside the framework of tax laws; **(b) inside the framework of tax laws;** (c) not making any relationship of tax laws; (d) none of these.
11. Tax avoidance is
(a) legal; (b) illegal; (c) partly legal; (d) partly illegal.
12. Tax evasion is
(a) legal; **(b) illegal;** (c) partly legal; (d) partly illegal.
13. To adopt, tax avoidance one has to know
(a) the tax laws; (b) the loopholes of tax laws; (c) limit of exemptions and deductions; **(d) all of these.**
14. Incomes are suppressed in
(a) tax planning; (b) tax avoidance; **(c) tax evasion;** (d) none of these.
15. In tax evasion, the declared income is
(a) sealed down; (b) showing more; (c) at par with the actual income; (d) none of these.

Compiled by
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