



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answer Key 51

Sub: Costing & Taxation

Class: XII

Chapter: Unit II: Income from Capital Gain

F.M.: 15

Topic: Transfer of Capital Assets

Date: 14/11/2020

Choose the correct alternatives:

1 x 15

1. What do you mean by 'Transfer of Capital Asset'?
(a) Sale; (b) Exchange; (c) Relinquishment; **(d) all of these.**
2. If any loss arises due to the transfer of capital asset, then under which head will it be assessed?
(a) Income from business; **(b) Income from capital gain;** (c) Income from other sources; (d) none of these.
3. Stock-in-trade of business is
(a) capital asset; **(b) current asset;** (c) fictitious asset; (d) tangible asset.
4. Which are not included in 'Jewellery'
(a) Ornaments made of gold; (b) Precious stone sewn into any wearing apparel; **(c) 7% Gold Bond, 1980;**
(d) Precious stone which are set in furniture.
5. Mr. Dey purchased a house in Kolkata on 1st April, 2015 and sold in on 15th December, 2016.
Therefore, what type of asset will this house be treated as
(a) Long-term capital asset; **(b) Short-term capital asset;** (c) Current asset; (d) Fictitious asset.
6. How much tax rate on short-term capital gain at present?
(a) 15%; (b) 20%; (c) 25%; (d) 30%
7. How much tax rate on long-term capital gain at present?
(a) 15%; **(b) 20%;** (c) 25%; (d) 30%
8. Capital assets under Income Tax Act, 1961, can be short-term capital assets or long-term capital assets on the basis of their
(a) cost price; (b) sale price; (c) mode of transfer; **(d) period of holding of asset by the assessee preceding the date of transfer.**
9. Which of the following is not a capital assets under Income Tax Act, 1961?
(a) House; (b) Goodwill of a business; (c) Route permit; **(d) Rural agricultural land in India.**
10. Mr.X purchased 100 shares of Y Ltd. As on 1.1.19 and was sold on 31.12.19. Profit from sale of shares as per Income Tax Act, 1961 will be
(a) Long-term capital gain; **(b) Short-term capital gain;** (c) Business gain; (d) none of these.
11. Which of the following is short-term capital asset?
(a) House property is sold after 5 years of purchase; **(b) House property is sold within 2 years of purchase;** (c) Jewellery is sold after 6 years from the date of purchase; (d) Jewellery is sold after 7 years from the date of purchase.
12. Under Income Tax Act, 1961 period of holding of listed shares just preceding the date of transfer to become long-term capital asset will be
(a) More than 12 months; (b) 12 months; (c) 8 months; (d) 9 months.
13. Under Section 2(47) of Income Tax Act, which of the following is not a capital asset?
(a) sale; (b) exchange; (c) relinquishment; **(d) gift.**
14. Under Income Tax Act, 1961, which of the following is not a capital asset?
(a) jewellery; (b) self-occupied house; **(c) stock-in-trade of a business;** (d) share in a company.
15. Aloke Ghosh purchased a land in Kolkata on 16.4.2012. The land will be treated as short-term capital asset if it is sold in which of the following dates?
(a) 1.4.15; (b) 1.7.15; (c) 1.1.16; (d) 31.1.16.

Compiled by
Partha Datta, Asst. Teacher