



# ST. LAWRENCE HIGH SCHOOL

*A Jesuit Christian Minority Institution*



## Worksheet 37

**Sub: Costing & Taxation**

**Class: XI**

**Chapter: Unit 3: Taxation: Income under the head 'Salaries'**

**F.M. 15**

**Topic: A: Basis of Charge**

**Date: 16/1/2021**

**Choose the correct alternatives:**

**1 x 15 =15**

1. An income charged to salaries only when there exist the relationship of :  
(a) Buyer and seller; (b) Employer and employee; (c) Principal and agent; (d) Debtors and creditors.
2. Salary must be  
(a) Real; (b) Fictitious; (c) Imaginary; (d) none of these.
3. Salary forgoes by an employee before it accrues, it will  
(a) chargeable to tax; (b) not chargeable to tax; (c) partially non-taxable; (d) none of these.
4. Part-time salary received from an employer is taxable under the head  
(a) Other sources; (b) Profits and Gains from business or profession; (c) Capital gains; (d) Salaries.
5. Partner's remuneration from a Partnership Firm is taxable under the head  
(a) Salaries; (b) Profits and Gains from business and profession; (c) Income from other sources; (d) none of these.
6. Allowance which is given to an employee to compensate against price increases is known as  
(a) Dearness Allowances; (b) City Compensatory Allowances; (c) Food Allowances; (d) none of these.
7. Pension received from the ex-employer is taxable under the head of  
(a) Salaries; (b) Profits and Gains from business and profession; (c) Income from other sources; (d) none of these.
8. Family pension is taxable under the head of  
(a) Salaries; (b) Profits and Gains from business and profession; (c) Income from other sources; (d) none of these.
9. The maximum limit for exemption of Transport Allowance is  
(a) ₹ 3,200 p.m.; (b) ₹ 1,000 p.m.; (c) ₹ 1,600 p.m.; (d) nil.
10. The amount received by the assessee from the payer for the service rendered by him as an employee is called  
(a) Commission; (b) Salary; (c) Income; (d) Profit.
11. Children Education Allowance received by the employee from the employer for the education of their children is exempt at the rate  
(a) ₹ 100 per month per child for a maximum of 2 children; (b) ₹ 200 per month per child for a maximum of 3 children; (c) ₹ 100 per month per child for a maximum of 3 children; (d) ₹ 500 per month per child for a maximum of 2 children.
12. Children Hostel Allowance received by the employee for the boarding facilities of their children is exempt at the rate  
(a) ₹ 400 per month per child for a maximum of 2 children; (b) ₹ 300 per month per child for a maximum of 2 children; (c) ₹ 600 per month per child for a maximum of 1 child; (d) ₹ 300 per month per child for a maximum of 3 children.
13. Under which section, exemption for House Rent Allowance is allowed?  
(a) 10(15); (b) 10(38); (c) 10(13A); (d) 10(14).
14. Under which section, exemption for Children Education Allowance is allowed?  
(a) 10(15); (b) 10(38); (c) 10(13A); (d) 10(14).
15. Under which section, exemption for Children Hostel Allowance is allowed?  
(a) 10(15); (b) 10(38); (c) 10(13A); (d) 10(14).

Compiled by  
Partha Datta, Asst. Teacher.