



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answer Key 39

Sub: Costing & Taxation

Class: XI

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

F.M. 15

Topic: B: Basis of Charge & Perquisites

Date: 23/1/2021

Choose the correct alternatives:

1 x 15 = 15

1. If furniture provided by the employer for the personal use of the employee then what will be the value of perquisite?
(a) 10% of cost of furniture; (b) 20% of cost of furniture; (c) 15% of cost of furniture; (d) none of these.
2. What is the exemption limit of conveyance allowance in the Assessment Year 2020-21?
(a) fully exempt; **(b) fully taxable;** (c) exempt to the extent to office use; (d) none of these.
3. Transport allowance given to the employee to travel between the residence and place of business is exempt from tax to what extent in the Assessment Year 2020-21 ?
(a) ₹1,800 per month; (b) ₹3,200 per month; **(c) ₹3,200 per month to disabled persons;** (d) none of these.
4. Amount of standard deduction u/s 16(ia) in the Assessment Year 2020-21 is
(a) ₹50,000; (b) ₹40,000; (c) ₹30,000; (d) none of these.
5. If professional tax paid by the employer then it is considered as
(a) allowance; (b) benefit; **(c) perquisites;** (d) none of these.
6. If employer provided residential accommodation to the employee and deducted rent from the salary, then it is known as
(a) Rent free accommodation; (b) House rent allowance; **(c) Accommodation at concessional rate;** (d) none of these.
7. Perquisites are
(a) cash emoluments; **(b) non-cash emoluments;** (c) benefits; (d) none of these.
8. Allowances are
(a) cash emoluments; (b) non-cash emoluments; (c) benefits; (d) none of these.
9. Free use of laptop is
(a) taxable perquisites; (b) taxable allowance; **(c) tax-free perquisites;** (d) none of these.
10. An employee can enjoy _____ house rent allowance and/or/nor rent free accommodation from the same employee in the same previous year.
(a) either; (b) both; (c) neither; (d) none of these.
11. Standard deduction u/s 16(ia) is _____ on pension.
(a) not applicable; **(b) applicable;** (c) often applicable; (d) none of these.
12. Cost of refreshment provided during office hours is
(a) taxable perquisites; (b) taxable allowance; **(c) tax-free perquisites;** (d) none of these.
13. For computing exemption u/s 10(13A) , salary means
(a) Basic salary only; (b) Basic Salary + DA; **(c) Basic Salary + DA + Fixed Percentage Commission on Sales;** (d) none of these.
14. Perquisites are taxable in the hands of
(a) employee; (b) employer; (c) both employee and employer; (d) none of these.
15. Rent free accommodation provided to the judges of Supreme Court is
(a) fully taxable; (b) partly taxable; **(c) fully exempt from tax;** (d) none of these.

Compiled by
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