

MULTIPLE CHOICE QUESTIONS**RESIDENTIAL STATUS OF INDIVIDUAL**

(1) Residential status to be determined for:

- (a) Previous year
(b) Succeeding Year
(c) Calendar year
(d) None of the above

(2) To claim the status of Not Ordinarily Resident for individual-

- (a) Only one basic condition needs to be satisfied.
(b) One basic & one additional condition are to be satisfied
(c) Need not satisfy any of the conditions.
(d) Only additional condition is to be satisfied

(3) To claim the status of Non-resident for individual-

- (a) Only one basic condition need to be satisfied.
(b) One basic & One additional condition is to be satisfied
(c) Need not satisfy any of the conditions.
(d) Only additional conditions are to be satisfied.

(4) Amongst the following which is the basic condition to identify the residential status of the individual -

- (a) Person must be in India for or more 182 days during the previous year.
(b) Person must be in India for less than 60 days during the previous year and 365 days on more during the four years preceding the previous year.
(c) He must be in India in nine out of ten previous years preceding that year.
(d) All of these.

(5) Amongst the following which is the basic condition to identify the residential status of the individual -

- (a) Person must be in India for less than 180 days during the previous year.
(b) Person must be in India for 60 days or more during the previous year and 365 days on more during the four years preceding the previous year.
(c) He must not be in India in nine out of ten previous years preceding that year.
(d) None of these

(6) Suresh is a foreign citizen. His father was born in Delhi in 1951 and mother was born in England in 1950. His grandfather was born in Delhi in 1922. Suresh visited India to see Taj Mahal and visit other historical places. He came to India on 1st November, 2019 for 200 days. He has never come to India before. His residential status for assessment year 2020-21 will be (Dec. 2014)

- (a) Non resident in India
(b) Not ordinarily resident in India
(c) Resident in India
(d) None of the above

- (7) Determine the residential status of Mr. X a foreign citizen who came to India for the first time on 15 April, 2019 for a period of just 200 days -
- (a) Resident (b) Non-Resident
(c) Not ordinarily Resident (d) Any of these
- (8) The following additional conditions are to be satisfied by a person to be resident and ordinarily resident in India _ (Dec. 2014)
- (a) He is a resident in at least any two out of the ten previous years immediately preceding the relevant previous year (b) He has been in India for 730 days or more during the seven previous years immediately preceding the relevant previous year
(c) Both (a) and (b) of above (d) None of the above
- (9) X, an Indian citizen, who is living in Delhi since 1980, left for Japan on 1st July, 2018 for employment. He came back to India on 1st January, 2020 on a visit and stayed for 4 months. His residential status for the assessment year 2020-21 would be - (Dec. 2014)
- (a) Resident and ordinarily resident (b) Not ordinarily resident
(c) Non resident (d) Resident.
- (10) Rahul, a software engineer at ABC Ltd. left India on 10th August, 2019 for the treatment of his wife. For income-tax purpose, his residential status for the assessment year 2020-21 will be - (June, 2015)
- (a) Resident (b) Non-resident
(c) Not ordinarily resident (d) Cannot be determined from the given information.
- (11) Determine the residential status of X for A/Y 20/21, a person of Indian origin who came for visiting India on 15th April, 2018. He left India on 30th April 2019.
- (a) Resident (b) Non-Resident
(c) Not ordinarily Resident (d) Any of these
- (12) If Karta is resident and ordinarily resident in India but control and management of HUF is situated partly outside India in the previous year, the HUF is - (Dec. 2014)
- (a) Resident and ordinarily resident (b) Not ordinarily resident
(c) Non resident (d) Resident.
- (13) Determine the residential status of Ms.Riya a person of Indian origin who has been visiting India for 100 days every year since last 10 years -
- (a) Resident (b) Non-Resident
(c) Not ordinarily Resident (d) Any of these
- (14) Determine the residential status of Ms.Cook, a US citizen who has been visiting India for 100 days every year since last 10 years-
- (a) Resident (b) Non-Resident
(c) Not ordinarily Resident (d) Any of these
- (15) Determine the residential status of Mr. X, an Indian citizen who has left India for the first time on 15th July 2019 for the purpose of employment outside India
- (a) Resident (b) Non-Resident
(c) Not ordinarily Resident (d) Any of these
- (16) Determine the residential status of Mr. Prakash, an Indian citizen who has left India for the first time on 15th July 2019 for the purpose of visit outside India. He came back to India on 17th March 2020
- (a) Resident (b) Non-Resident
(c) Not ordinarily Resident (d) Any of these

- (17) Determine the residential status of Rahul who came to India for the first time on 15th December, 2020 for a period of just 200 days-
- (a) Resident (b) Non-Resident
(c) Not ordinarily Resident (d) Any of these
- (18) Rahim was citizen of Afghanistan. His mother was born in a village near Kathmandu. He came to India for first time since 1982 on 02-10-2019 for a visit of 190 days. What is the residential status of Rahim ?
- (a) Resident (b) Non-Resident
(c) Not ordinarily Resident (d) Any of these
- (19) An individual is said to be resident in India in a previous year (in which the February month has 29 days) if he is in India in that year for a period or periods amounting in all to : *(June, 2008)*
- (a) 182 Days or more (b) 60 Days or more
(c) 183 Days or more (d) 150 Days or more

RESIDENTIAL STATUS OF HUF

- (20) The residential status of HUF depends upon the ----
- (a) Control and management of affairs. (b) Place of residence of Karta
(c) Place of residence of Karta its members (d) Location of the head office
- (21) Determine the residential status of a HUF if HUF's control and management is wholly situated in India and Karta of HUF is a Non-resident in India for that previous year.
- (a) Resident and Ordinary Resident (ROR) (b) Resident but not ordinary resident (RNOR)
(c) Non-Resident (NR) (d) ROR or RNOR
- (22) Find the residential status of HUF whose control and management is partly in India and the Karta stays in India for 360 days during the period of 7 years.
- (a) Resident (b) Non-Resident
(c) Not Ordinarily Resident (d) Any of these
- (23) Find the residential status of HUF whose control and management is wholly outside in India and the Karta stays in India for 360 days during the period of 7 years.
- (a) Resident (b) Non-Resident
(c) Not Ordinarily Resident (d) Any of these
- (24) Find the residential status of HUF whose control and management is partly in India and the Karta stays in India for 750 days during the period of 7 years preceding the previous year and is resident in last 4 years preceding the previous year.
- (a) Resident (b) Non-Resident
(c) Not Ordinarily Resident (d) Any of these
- (25) Shyam who was born and brought up in India left for employment in Dubai on 20th August, 2019. His residential status in respect of the assessment year 2020-21 would be - *(Dec. 2015)*
- (a) Resident and ordinarily resident (b) Non-resident
(c) Not ordinarily resident (d) None of the above.
- (26) Naresh was born in New Jersey in 1976 and his father was born in China in 1948 whereas Naresh's grandfather was born in India in 1932. Naresh visited India for 180 days during the previous year. His residential status is-
- (a) Resident (b) Not Ordinarily Resident
(c) Not Resident (d) Any of these

- (27) Cool Bros.HUF was partly controlled from India by its Karta, Suresh who is citizen of India but stays outside India. For the purpose of managing affairs of the HUF, Suresh regularly visits India. Determine the residential status of the HUF for the Assessment Year 2020-21, if during the last 12 years Mahesh visited India for 110 days every year.
- (a) Resident (b) Non-Resident
(c) Not ordinarily Resident (d) Any of these
- (28) Which of the following may be a 'Not Ordinarily Resident' in India (Dec. 2012)
- (a) Partnership firm (b) Joint stock company
(c) Association of persons (d) Hindu Undivided Family.
- (29) HUF of Rahul consisting of himself, his wife and 2 sons is assessed to income-tax. The residential status of HUF would be non-resident, when - (Dec. 2015)
- (a) The management and control of its affairs is wholly in India (b) The management and control of its affairs is wholly outside India
(c) The status of *karta* is non-resident for that year (d) When majority of the members are nonresident.

RESIDENTIAL STATUS OF OTHER PERSON

- (30) _____ will be resident in India even if its place of effective management, is outside India during the previous year.
- (a) Indian Company (b) Foreign Company
(c) Partnership firm (d) All of these
- (31) XYZ LLP will be _____ in India if control and management of its affairs is wholly situated outside India during the previous year.
- (a) Resident (b) Non-Resident
(c) Not Ordinarily Resident (d) Any of these
- (32) A company is said to be a resident in India in previous year, if:
- (a) It is an Indian company (b) Its place of effective management, is in India.
(c) Either it is an Indian company or its place of effective management, is in India. (d) It is both an Indian Company and its place of effective management, is in India.
- (33) ABC Ltd. an Indian company will be _____ in India if its place of effective management is wholly situated outside India during the previous year.
- (a) Resident (b) Non-Resident
(c) Not Ordinarily Resident (d) Any of these
- (34) An Indian company would:
- (a) be resident in India if its control and management is in India (b) be resident in India if its its place of effective management, is in India
(c) be resident in India if its place of effective management, is outside India (d) be always resident in India irrespective of its place of effective management.
- (35) _____ will be resident in India if its place of effective management, is in India during the previous year.
- (a) Indian Company (b) Foreign Company
(c) Domestic Company (d) All of these

- (36) Residential status of an Indian company is resident and ordinarily resident for the year - (Dec. 2015)
- (a) If the entire control and management is wholly in India (b) If part of the control and management is in India
- (c) Regardless of the place of control and management (d) If it is listed on recognised stock exchange.
- (37) Gama Ltd. is an Indian company, It carries its business in Delhi and London. Total control and management of the company is situated in London. More than 85% of its business income is from the business in England. If so, its residential status will be - (June 2016)
- (a) Resident (b) Non-resident
- (c) Not ordinarily resident (d) Foreign company
- (38) Y Ltd. is an Indian Company. It carries on business in Mumbai and New York and its place of effective management, is situated outside India. Further, 80% of total Income of the company is from the business in London. What is the residential status of X Ltd?
- (a) Resident (b) Non-Resident
- (c) Not ordinarily Resident (d) Any of these.
- (39) An foreign company would be resident in India:
- (a) if its control and management is partly in India (b) if its place of effective management, is in India
- (c) if its place of effective management, is outside India (d) if its control and management is wholly in India

INCIDENCE OF TAX

- (40) Income which accrue outside India from a business controlled from India is taxable in case of:
- (a) Resident only (b) Both ordinarily resident and NOR
- (c) Non-resident (d) All the assesses
- (41) Income deemed to accrue or arise in India is taxable if the person is -
- (a) Resident (b) Not Ordinarily Resident
- (c) Non Resident (d) Any of these
- (42) Income which accrues outside India but is received in India is taxable if the person is -
- (a) Resident (b) Not Ordinarily Resident
- (c) Non Resident (d) Any of these
- (43) Income which received outside India but is deemed to accrue in India is taxable if the person is -
- (a) Resident (b) Not Ordinarily Resident
- (c) Non Resident (d) Any of these
- (44) Income accrued outside India and received outside India is taxable in case of:
- (a) Resident and ordinary resident (ROR) only (b) Resident but not ordinary resident (RNOR) only
- (c) Non resident only (d) ROR, RNOR and Non-Resident
- (45) The following income is deemed to be received in India:
- (a) Employer's contribution to a recognised provident fund in excess of 12% of salary; & interest credited thereon in excess of 9.5% p.a.;
- (b) Transferred balance in a recognised provident fund to the extent of employer's contribution and interest thereon;

- (c) Contribution made by the Central Government or other employer in the previous year, under a pension scheme u/s 80CCD
- (d) All of these.
- (46) Interest credited to RPF in excess of _____ is taxable as deemed receipt.
- (a) 8.00% (b) 8.50%
- (c) 9.50% (d) 9.00%
- (47) Which of the following incomes is deemed to accrue or arise in India?
- (a) Income from any business connection in India. (b) Income from a property in India.
- (c) Income through transfer of capital asset situated in India. (d) All of these.
- (48) Which of the following incomes is not deemed to accrue or arise in India ?
- (a) Income from any business connection in India. (b) Income from a salary for services rendered in India.
- (c) Income through transfer of capital asset situated outside India. (d) Dividend paid by an Indian company outside India.
- (49) Which of the following incomes is deemed to accrue or arise in India?
- (a) Income which falls under the head "Salaries", if it is earned in India. (b) Income chargeable under the head "Salaries" payable by the Government to a citizen of India for service rendered outside India.
- (c) Income by way of interest payable by the Government (d) All of these.
- (50) Which of the following incomes is deemed to accrue or arise in India ?
- (a) Income by way of fees for technical services payable by non-resident, where it is payable in respect of any services utilised in a business or profession carried on by such person in India. (b) Income by way of royalty payable by resident where it is payable in respect of any right used for the purposes of a business or profession carried on by such person outside India
- (c) Income chargeable under the head "Salaries" payable by the Indian Company to a citizen of India for service rendered outside India. (d) Income earned by a foreign company engaged in the business of mining of diamonds through or from the activities which are confined to the display of uncut and unassorted diamond in any special zone notified by the Central Government in the Official Gazette in this behalf
- (51) Income chargeable under the head "Salaries" payable by the Government to a citizen of India for service rendered outside India is taxable if the person is _____
- (a) Resident (b) Not Ordinarily Resident
- (c) Not Resident (d) Any of these
- (52) The person who concludes contracts on behalf of the non-resident is known as _
- (a) Concluding agent (b) Stocking agent
- (c) Indenting agent (d) None of these
- (53) Business activity carried on with which of the following agent is not a business connection?
- (a) Concluding agent (b) Stocking agent
- (c) Indenting agent (d). None of these

(54) Fees for technical services means any consideration for rendering of any:

- (a) Managerial service
(b) Technical service
(c) Consultancy service
(d) All of these

(55) Which of the following activity will be considered as business connection in India?

- (a) All the operations of a firm are not carried in India.
(b) An office set up by non-resident for carrying out business activity in India.
(c) The profits earned by assessee on supplies of fabricated platforms.
(d) All of these.

(56) Employer's contribution in excess of 12% of salary is :

- (a) Income but not Taxable
(b) Taxable Income
(c) Deemed Income
(d) None of these

(57) Mr. X is an Indian citizen. He has an income from artwork in USA and spent for medical treatment in France ₹15,000 and Income from publishing magazine in UK by collecting news and views in India (80% attributable to operations in India is ₹50,000. What will be his total Income if he is a NOR?

- (a) ₹15,000
(b) ₹40,000
(c) ₹55,000
(d) ₹65,000

(58) Following are the particulars of Income of Nitin -

- (i) Income from agriculture in Indonesia being invested there only : ₹12,350
(ii) Income from business in Bangladesh being controlled from India : ₹10,150.

If Nitin is NOR what is his total income?

- (a) ₹12,350
(b) ₹10,150
(c) ₹22,500
(d) ₹ 2,200

(59) What would be your answer in question no 58, If Nitin is Resident what is his total Income?

- (a) ₹12,350
(b) ₹10,150
(c) ₹22,500
(d) ₹ 2,200

(60) What would be your answer in question no 58, If Nitin is Non-Resident what is his total Income?

- (a) ₹ 12,350
(b) ₹10,150
(c) ₹ 22,500
(d) Nil

(61) Mohit earns the following income during the previous year ended 31st March, 2020 :

(Dec. 2014)

- Interest on U.K. Development Bonds (1/4th being received in India) : ₹2,00,000
-Profits on sale of a building in India but received in Holland: ₹2,00,000

The income liable to tax for the assessment year 2019-20, if Mohit is resident and not ordinarily resident in India, is -

- (a) ₹2,50,000
(b) ₹4,00,000
(c) ₹ 2,00,000
(d) ₹50,000.

(62) Following are the particulars of Income of Shyam -

- (i) Past untaxed profits brought in India during the previous year - ₹ 75,000
(ii) Income from agriculture in Japan being invested there only - ₹ 12,350
(iii) Income from business in Bangladesh being controlled from India - ₹10,150.

If Shyam is Resident what is his total income?

- (a) ₹12,350
(b) ₹10,150
(c) ₹ 22,500
(d) ₹ 97,500

(63) Profits of ₹1,00,000 for the year 2017-18 of a business in Germany remitted to India during the previous year 2019-20 (not taxed earlier) would be:

- (a) Taxable in India for ROR only
(b) Not taxable in India for all (ROR, RNOR & NR)
(c) Taxable in India for all (ROR, RNOR and NR)
(d) Taxable only for RNOR and NR

(64) Profits of ₹ 2,00,000 is earned from a business in USA which is controlled in India, half of the profits being received in India. How much amount is taxable in India for a Non-resident Individual?

- (a) ₹2,00,000
(b) Nil
(c) ₹1,00,000
(d) ₹3,00,000

(65) Dividend from American Co. of ₹2,00,000 received in USA will be taxable in case of ;

- (a) Resident and ordinary resident (ROR) only
(b) Not ordinary resident (NOR) only
(c) Non resident (NR) only
(d) ROR, NOR and NR all

(66) Income of non-resident when attributed from operations in India relating to the following is taxable in India;

- (1) Profits of business
(2) Fee for technical services
(3) Royalty
(4) Income from house property in India

Select the correct answer from the options given below _

(Dec. 2015)

- (a) (1) and (4)
(b) (1), (3) and (4)
(c) (1) and (3)
(d) (1), (2) (3) and (4).

(67) From the following particulars of Income furnished by Mr. Prakash pertaining to the year ended 31-03-2020,-

Particulars	Amount ₹
(i) Profit on sale of shares of private limited Indian Company received in Germany	15,000
(ii) Dividend from a Japanese Company received in Japan	10,000
(iii) Agricultural income from lands in Gujarat	27,000

If Prakash is Non-Resident what is his total income?

- (a) ₹ 15,000
(b) ₹10,000
(c) ₹ 27,000
(d) ₹25,000

(68) From the following particulars of Income furnished by Mr.Rakesh pertaining to the year ended 31-03-2020,

Particulars	Amount ~
(i) Interest received from Indian Government bonds outside India	15,000
(ii) Royalty received in India from non resident who used the rights for business outside India	10,000
(iii) Agricultural income from lands in Japan received in India If	37,000

Rakesh is Non- Resident what is his total income?

- (a) ₹15,000
(b) ₹10,000
(c) ₹25,000
(d) ₹62,000

(69) From the following particulars of Income furnished by Mr.Sarthak pertaining to the year ended 31-03-2020,

Particulars	Amount ₹
(i) Interest received from Indian Government bonds outside India	15,000
(ii) Royalty received outside India from non resident who used the rights for business outside India	20,000
(iii) Agricultural income from lands in Japan (20% is received in India)	37,000

If Sarthak is Non- Resident what is his total income?

- (a) ₹15,000
(b) ₹20,000
(c) ₹7,400
(d) ₹22,400

(70) From the following particulars of Income furnished by Ms.Parul pertaining to the year ended 31-03-2020,

Particulars	Amount ₹
(i) Profit on transfer of building situated in Delhi received in London	15,000
(ii) Business Income carried in Singapore received there, and subsequently remitted to India	37,000

If Parul is Non- Resident what is her total income?

- (a) ₹15,000 (b) ₹37,000
(c) ₹52,000 (d) Nil

(71) From the following particulars of Income furnished by Ms.Priya pertaining to the year ended 31-03-2020,-

Particulars	Amount ₹
(i) Profit on transfer of building situated in Delhi received in London	35,000
(ii) Business Income carried in Singapore controlled from India, received there and subsequently remitted to India	37,000

If Priya is Not ordinarily Resident what is her total income?

- (a) ₹35,000 (b) ₹37,000
(c) ₹72,000 (d) Nil

(72) Following are the particulars of income of Mr. Ram Lal , an Indian citizen-

- (a) Income from activity of purchasing goods in India and exporting to USA : ₹ 50,000
(b) Income from the shooting of cinematograph films in India (90% attributable to the operations in India): ₹ 5,00,000
(c) Dividends from foreign company received in India : 20,000.

(i) If Mr. Ram Lal is resident what is his total Income?

- (a) ₹5,00,000 (b) ₹5,70,000
(c) ₹5,20,000 (d) Nil

(ii) If Mr. Ram Lal is Not Ordinarily Resident what is his total Income?

- (a) ₹ 5,50,000 (b) ₹4,70,000
(c) ₹5,20,000 (d) Nil

(iii) If Mr. Ram Lal is Non-Resident what is his total Income?

- (a) ₹4,70,000 (b) ₹4,50,000
(c) ₹20,000 (d) Nil

(73) Dividends received from an Indian company upto 10 lakhs in USA is _____ in case of a resident, _____ in case of a not ordinarily resident and _____ in case of a non-resident?

- (a) Taxable, exempt, exempt (b) Taxable, taxable, taxable
(c) Taxable, taxable, exempt (d) Exempt, exempt, exempt

(Dec. 2009)

(74) Income accruing in India in previous year is taxable for -

- (a) Resident (b) Not ordinarily resident
(c) Non-resident (d) All of the above.

(June, 2010)

(75) Every year, the residential status of an assessee -

- (a) May change (b) Will certainly change
(c) Will not change (d) None of the above.

STATUS

- (76) Income accruing from agriculture in a foreign country is taxable in the case of an assessee who is - (Dec. 2010)
- (a) Resident (b) Not-ordinarily resident
(c) Non-resident (d) None of the above.
- (77) Foreign income received in India during the previous year is taxable in the case of - (Dec. 2010)
- (a) Resident (b) Not-ordinarily resident
(c) Non-resident (d) All of the above.
- (78) Income earned and received outside India but later on remitted to India, is taxable in the case of - (June, 2012)
- (a) All the assesseees (b) Resident and ordinarily resident in India
(c) Non-resident (d) None of the above.
- (79) Past untaxed profit of the financial year 2010-11 brought to India in 2019-20 is chargeable to tax in the assessment year 2020-21 in the hands of (June 2013)
- (a) All the assesseees (b) Resident and ordinarily resident in India
(c) Non-resident in India (d) None of the above.
- (80) Total income of a person is determined on the basis of his - (June 2013)
- (a) Residential status in India (b) Citizenship in India
(c) Both (a) and (b) above (d) None of the above.
- (81) From the following particulars of Income furnished by Mr. Paresh pertaining to the year ended 31-03-2020,-
- | Particulars | Amount ₹ |
|--------------------------------------------------------------------------------------------------------------------|----------|
| (i) Interest received in Japan on Indian Government bonds. | 35,000 |
| (ii) Business Income carried in Singapore controlled from India, received there and subsequently remitted to India | 37,000 |
- If Paresh is Not ordinarily Resident what is his total income?
- (a) ₹35,000 (b) ₹37,000
(c) ₹72,000 (d) Nil
- (82) From the following particulars of Income furnished by Ms.Radha pertaining to the year ended 31-03-2020,-
- | Particulars | Amount ₹ |
|---------------------------------------------------------------------------------------------------------------------|----------|
| (i) Dividend received from shares of Indian Company | 55,000 |
| (ii) Business Income carried in Singapore controlled from India, received there, and subsequently remitted to India | 37,000 |
- If Radha is Resident what is her total income?
- (a) ₹55,000 (b) ₹ 37,000
(c) ₹92,000 (d) Nil

ANSWER KEY

1. A	2. B	3. C	4. A	5. B	6. A	7. C	8. C	9. C	10. A
11. B	12. A	13. B	14. C	15. B	16. A	17. B	18. B	19. A	20. A
21. D	22. C	23. B	24. A	25. B	26. C	27. A	28. D	29. B	30. A
31. B	32. C	33. A	34. D	35. B	36. C	37. A	38. A	39. B	40. D
41. D	42. D	43. D	44. A	45. D	46. C	47. D	48. C	49. D	50. A
51. D	52. A	53. D	54. D	55. B	56. C	57. B	58. B	59. C	60. D
61. A	62. C	63. B	64. C	65. A	66. A	67. A	68. D	69. D	70. A
71. C	72. (i)b,(ii)b,(iii)a	73. D	74. D	75. A	76. A	77. D	78. D	79. D	80. A
81. C	82. B								