

**CMA INTER - TEST  
CAPITAL GAINS**

**Max. Time: 1Hour**

**Max. Marks: 50**

- (1) The charging section of the income under the head capital gains is:  
(a) Section 15  
(b) Section 17  
(c) Section 28  
(d) Section 45
- (2) What are the conditions to be fulfilled for charging of income under the head capital gains:  
(a) There must be a capital asset.  
(b) There must be a transfer of capital asset.  
(c) There must be a transfer of any asset  
(d) There must be transfer of stock-in-trade
- (3) The following shall not be regarded as capital asset:  
(a) Urban Land  
(b) Archaeological Collections  
(c) Jewellery  
(d) Motor Car used for personal purposes
- (4) The following shall be regarded as capital asset:  
(a) Gold Jewellery held by jeweler as stock-in-trade  
(b) Gold Jewellery held as investments  
(c) Motor car held by motor car manufacturer as Stock-in-trade  
(d) None of above
- (5) The following shall not be regarded as capital asset:  
(a) Jewellery  
(b) Archaeological Collections  
(c) Rural Agricultural land  
(d) Personal residential house
- (6) The following shall be regarded as capital asset:  
(a) Jewellery  
(b) Archaeological Collections  
(c) Sculptures  
(d) All of the above
- (7) Rural area means any area which is outside-----Kilometers from the local limits of the jurisdiction of a municipality or a cantonment board, if the population of municipality or cantonment board is more than 10,00,000.  
(a) 2  
(b) 6  
(c) 4  
(d) 8
- (8) Capital asset excludes all except  
(a) Stock-in-trade  
(b) Jewellery  
(c) Personal effects  
(d) Rural agricultural land in India.
- (9) Transfer of which of the following assets will not be considered as capital gain:  
(a) Jewellery  
(b) Gold Certificates issued under Gold Monetization scheme, 2015  
(c) Paintings  
(d) Sculpture
- (10) A residential house shall be treated as short-term capital asset if it is held by the assessee for not more than:  
(a) 12 months immediately preceding the month of  
(b) 24 months immediately preceding the date of its transfer  
(c) 36 months immediately preceding the date of its transfer  
(d) None of the above.
- (11) In terms of section 2(42A), unlisted debentures are treated as long-term capital asset, if they are held for a period of more than-  
(a) 12 Months  
(b) 24 Months  
(c) 36 Months

- (d) 48 Months
- (12) In terms of section 2(42A), listed securities are treated as long-term capital asset, if they are held for a period of more than:  
 (a) 12 Months  
 (b) 24 Months  
 (c) 36 Months  
 (d) 48 Months
- (13) Cost of Acquisition in case of bonus shares allotted before 1-4-2001 will be:  
 (a) Nil  
 (b) FMV as on 1-4-2001  
 (c) Face Value on the date of allotment  
 (d) Cost of Original shares on the basis of which bonus shares are allotted.
- (14) Compute the capital gains if Mr. Rohit sells his personal motorcar on 11-4-2023 for 2,55,000, which was acquired on 31-1-2022 for 6,50,000. The expenses on transfer are 2% of selling price.  
 (a) Nil  
 (b) 3,95,000  
 (c) 3,82,000  
 (d) (-) 4,00,100
- (15) Compute the capital gains if Mr. Kamal Khan sells his personal Jewellery on 11-4-2023 for 12,50,000, which was acquired on 31-1-2022 for 6,50,000. The expenses on transfer are 2% of selling price:  
 (a) Nil  
 (b) 5,75,000  
 (c) 6,00,000  
 (d) 6,25,000
- (16) Mr. Kabir Singh has sold his land for a consideration of 25,00,000 to Mr. Arjun Reddy on 15-04-2023. Mr. Reddy has paid stamp duty of 3,00,000 @ 10% of stamp value. The said land was acquired by Mr. Singh on 15-07-2021 for 12 lakhs. M. Singh was not satisfied with the stamp value and his case was referred to Valuation officer. The valuation officer determined the value 28 lakhs. The taxable capital gains in hands of Mr. Singh will be:  
 (a) 13 Lakhs  
 (b) 16 Lakhs  
 (c) 11 Lakhs  
 (d) 18 Lakhs
- (17) Mr. Kabir Singh has sold his land for a consideration of 25,00,000 to Mr. Arjun Reddy on 15-04-2023. Mr. Reddy has paid stamp duty of 3,00,000 @ 10% of stamp value. The said land was acquired by Mr. Singh on 15-07-2021 for 12 lakhs. M. Singh was not satisfied with the stamp value and his case was referred to Valuation officer. The valuation officer determined the value 35 lakhs. The taxable capital gains in hands of Mr. Singh will be:  
 (a) 13 Lakhs  
 (b) 16 Lakhs  
 (c) 11 Lakhs  
 (d) 18 Lakhs
- (18) Ms. Pooja Kumari has sold her house for a consideration of 80,00,000 to Mr. Angad Agnihotri on 12-1-2024. Stamp duty valuation was 92,00,000. Mr. Angad has paid advance money of 8,00,000 in cash on 1-10-2022 being the date of agreement. Stamp duty valuation on the date of agreement was 89,00,000. The full value of consideration for computing capital gains in hands of Ms. Pooja in accordance with the provisions of Section 50C will be:  
 (a) 89 Lakhs  
 (b) 92 Lakhs  
 (c) 88 Lakhs  
 (d) None of the above
- (19) Any advance or other money received and retained by the assessee shall be:  
 (a) Deducted from cost of acquisition  
 (b) Treated as income from other sources  
 (c) Added in full value of consideration  
 (d) Treated as Business Income
- (20) Mr. X received an advance of 51,000 occasion of agreement of sale of a capital asset on 15-07-2023. The same was forfeited by him. The said advance money will be----- and shall-----  
 (a) Taxable as Income from other sources, be reduced from cost of acquisition of the asset.  
 (b) Taxable as Capital Gains, be reduced from cost of acquisition of the asset.  
 (c) Taxable as Income from other sources, not be reduced from cost of acquisition of the asset.  
 (d) Taxable as Capital Gains, not be reduced from cost of acquisition of the asset.

- (21) Manoj acquired 1,000 equity shares 10 each in a listed company for 35,000 on 1st July, 2016. The company issued 1,000 rights shares in April, 2018 at 15 per share. The company issued 2,000 bonus shares in June, 2023. The market price was 50 per share before bonus issue and 25 after such issue. The cost of acquisition of bonus shares would be:
- Nil
  - 50,000
  - 20,000
  - 1,00,000
- (22) The Government compulsorily acquired the land of Mr. X. The Government fixed his consideration at 5,00,000, half of which was received by X on 23-6-2023 and rest of the amount was paid to X in the year 2024-25. What will be the assessment year of chargeability of the capital gain to X?
- 2021-22
  - 2023-24
  - 2022-23
  - 2024-25
- (23) If in the above case government enhanced the compensation by 2,00,000 in the year 2024-25 and paid it in the year 2025-26. what will be the previous year of chargeability of enhance compensation?
- 2024-26
  - 2024-25
  - 2022-23
  - 2023-24
- (24) Capital gain on sale of residential house property is exempted u/ s 54 if it is:
- Long term capital gain
  - Short term capital gain
  - Any of the above two
  - None of these
- (39) The benefit of exemption under Section 54 is available to:
- Individual
  - HUF
  - Both Individual and HUF
  - Any person
- (25) The benefit of exemption under Section 54 is available when following capital asset is transferred:
- Long term residential house property
  - Long term residential plot of land
  - Short term residential house property
  - Short term residential plot of land
- (26) For claiming the benefit of exemption under Section 54, new residential house property must be purchased within \_\_\_ after date of transfer of capital asset:
- 1 year
  - 3 years
  - 2 years
  - 4 years
- (27) For claiming the benefit of exemption under Section 54, new residential house property must be constructed within ----- after the date of transfer of capital asset:
- 1 year
  - 2 years
  - 3 years
  - 4 years
- (28) Under section 54, in case if the new asset is transferred within \_\_\_\_\_ of its purchase or construction, then its cost of acquisition shall be reduced by the amount of the capital gains exempted earlier for the purpose of computing capital gains on transfer of such new asset.
- 1 year
  - 3 years
  - 2 years
  - 4 years
- (29) For claiming exemption under Section 54B, Short term or long term capital asset being agricultural land which, in the immediately \_\_\_\_\_ preceding the date on which the transfer took place, was being used by the HUF or individual or his parents for agricultural purposes.
- 1 year
  - 2 years
  - 3 years
  - 4 years

- (30) The exemption available on investment in certain bonds u/s 54EC is available to:
- Individual
  - HUF
  - AOP
  - Any person
- (31) In order to enjoy exemption under section 54EC, the resultant long-term capital gains should be invested in specified bonds within a period of \_\_\_\_\_ from the date of transfer:
- 36 Months
  - 4 Months
  - 6 Months
  - 12 Months
- (32) The maximum amount of investment in bonds during any of the financial year for claiming exemption u/s 54EC is:
- 10 lakhs
  - 25 lakhs
  - No limit
  - 50 lakhs
- (33) A residential house is sold for 90 lakh and the long-term capital gains computed are 50 lakh. The assessee bought two residential houses for 30 lakh and 20 lakh respectively. The amount eligible for exemption u/s 54 would be:
- 50 lakhs
  - 20 lakhs
  - 30 lakhs
  - Nil
- (34) For claiming exemption under section 54EC the investment must be made in bonds of:
- NHAI or NABARD
  - NABARD or PFC
  - REC or NABARD
  - NHAI or REC
- (35) Exemption u/s 54D is available if there is a Compulsory acquisition of:
- any land and building used by an industrial undertaking
  - land and building which has been used by the industrial undertaking for at least 2 years for its activities, immediately preceding the date of compulsory acquisition
  - land and building used for at least 3 years immediately preceding the date of compulsory acquisition
- (36) For claiming exemption under section 54, the assessee should construct the residential property within:
- one year before or 2 years after the date of transfer
  - one year before or 3 years after the date of transfer
  - within 3 years after the date of transfer
  - within 2 years after the date of transfer
- (37) If goodwill of a profession which is self-generated is transferred, there will:
- be capital gain
  - not be any capital gain
  - be a short-term capital gain
- (38) Conversion of personal effect into stock in trade shall:
- be subject to capital gain
  - not be subject to capital gain
  - shall be subject to tax under business head.
- (39) Any advance or other money received and retained by the assessee on or after 01-04-2014 shall be:
- Deducted from cost of acquisition
  - Treated as income from other sources
  - Added in full value of consideration
  - Treated as Business Income
- (40) Mr. X received an advance of 51,000 occasion of agreement of sale of a capital asset on 15-07-2023. The same was forfeited by him. The said advance money will be----- and shall-----
- Taxable as Income from other sources, be reduced from cost of acquisition of the asset.
  - Taxable as Capital Gains, be reduced from cost of acquisition of the asset.
  - Taxable as Income from other sources, not be reduced from cost of acquisition of the asset.
  - Taxable as Capital Gains, not be reduced from cost of acquisition of the asset.
- (41) Ms. Sneha Chauhan inherited a vacant site land consequent to the demise of her father on 10th June, 2012. The land was acquired by her father on 10th April, 1990 for 40,000. The fair market value of the land on 1st April, 2001 was 60,000 and on the date of inheritance, i.e., 10th June, 2012 was 2,00,000. The cost of acquisition for Ms. Sneha is:

- (a) 10,000  
(b) 60,000  
(c) Nil  
(d) 2,00,000
- (42) Indexation benefit on Cost of acquisition is available on the long-term capital asset. However, in certain cases, indexation benefit is not available. In which of the following cases, indexation benefit is not allowed?  
(a) Debentures or Bonds issued by a company  
(b) Sovereign Gold Bonds  
(c) Capital Index Bonds  
(d) Jewellery
- (43) The Government compulsorily acquired the land of Mr. X. The Government fixed his consideration at 5,00,000 halves of which was received by X on 23-6-2022 and rest of the amount was paid to X in the year 2023-24. What will be the assessment year of chargeability of the capital gain to X?  
(a) 2022-23  
(c) 2023-24  
(b) 2024-25  
(d) 2025-26
- (44) If in the above case government enhanced the compensation by 2,00,000 in the year 2022-23 and paid it in the year 2023-24. what will be the previous year of chargeability of enhanced compensation?  
(a) 2024-25  
(b) 2022-23  
(c) 2021-22  
(d) 2023-24
- (45) A residential house is sold for 90 lakh and the long-term capital gains computed are 50 lakh. The assessee bought two residential house for 30 lakh and 20 lakh respectively. The amount eligible for exemption u/ s 54 would be:  
(a) 50 lakh  
(b) 20 lakh  
(c) 30 lakh  
(d) Nil
- (46) In order to enjoy exemption under section 54EC, the resultant long-term capital gains should be invested in specified bonds within a period of \_\_\_\_ from the date of transfer:  
(a) 36 Months  
(b) 4 Months  
(c) 6 Months  
(d) 12 Months
- (47) Mr. Sunil sells the goodwill on 20-01-24 for 38,00,000. It was self-generated by him and he incurred cost of improvement thereof for 5,55,000 on 1-4-2020. Compute his taxable gains.  
(a) 38,00,000  
(b) 32,45,000  
(c) Nil  
(d) 32,11,364
- (48) In the case of compulsory acquisition, the indexation of cost of acquisition or improvement shall be done till the:  
a) Previous year of compulsory acquisition  
b) In which the full compensation received  
c) In which part or full consideration is received