

Taxation Interview Questions And Answers Guide.



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Taxation Job Interview Preparation Guide.

Question # 1

Tell me what is taxation?

Answer:-

Taxation is a mean by which governments finance their expenditure by imposing charges on citizens and corporate entities.

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Question # 2

What does government use taxation for?

Answer:-

Governments use taxation to encourage or discourage certain economic decisions. For example, reduction in taxable personal (or household) income by the amount paid as interest on home mortgage loans results in greater construction activity, and generates more jobs.

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Question # 3

Tell me what is taxation without representation?

Answer:-

The taxation without representation refers to the inhabitants of the colonies being taxed by the government despite not having a representative government official to express the views of the citizens of the colonies.

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Question # 4

What is the effect accounting taxation?

Answer:-

Effects on accounting taxation is the appropriation of income taxes during the time the taxes incurred instead of when the taxes need to be paid.

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Question # 5

Tell me what is a property taxation?

Answer:-

The levy and collection of property tax on lands and buildings. Property taxation is levied on lands and buildings declared as rating areas by the government. Property Taxation is one of the major taxes collected by the department.

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Question # 6

What is the aim of taxation papers?

Answer:-

The aim of the "Taxation papers" is twofold:

- * To facilitate the spreading of the analysis of the Commission's Taxation and Customs Union.
- * To contribute to the debate on taxation in the European Union.

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Question # 7

Tell me about infrastructure cess taxation?

Answer:-

Infrastructure Cess tax regime is applicable to all the goods entering the province through sea or air. A Cess @ 0.85% (@0.125% of Gold only) is levied on the C and



F value of goods as determine by the customs department.

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Question # 8

Tell me what is hotel taxation?

Answer:-

Assessment for hotel tax is made during every financial year on the basis of return documents filed, inspection carried by the field staff and after giving the representative of the hotel an opportunity of being heard. Assessment order is issued and demand is raised in demand register.

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Question # 9

What is motor registration fee and taxation?

Answer:-

Motor vehicle Tax is levied on every motor vehicle registered in any district with registration fee. Vehicle registration involves the recording of a motor vehicle in the official records after due verification. Vehicle registration is mandatory/compulsory under the law and is essential to prove the ownership of a vehicle. It is also required during the sale of a vehicle and transfer of its ownership.

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Question # 10

What is professional Taxation?

Answer:-

Professional taxation, also known as an occupation taxation or a professional privilege taxation, is a taxation that a professional must pay to receive the right to practice a professional service. Professional taxation regime produces manually prepared taxation challans for business entities on annual basis. Criteria for calculating professional taxation is fixed, depending upon number of directors, employees and paid-up capital and annual turnover of establishment.

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Question # 11

What do the taxation principles include?

Answer:-

These include:

Adequacy:

Taxes should be just enough to generate revenue required for provision of essential public services.

Broad Basing:

Taxes should be spread over as wide as possible section of the population or sectors of economy, to minimize the individual tax burden.

Compatibility:

Taxes should be coordinated to ensure tax neutrality and overall objectives of good governance.

Convenience:

Taxes should be enforced in a manner that facilitates voluntary compliance to the maximum extent possible.

Earmarking:

Tax revenue from a specific source should be dedicated to a specific purpose only when there is a direct cost and benefit link between the tax source and the expenditure, such as use of motor fuel tax for road maintenance.

Efficiency:

Tax collection efforts should not cost an inordinately high percentage of tax revenues.

Equity:

Taxes should equally burden all individuals or entities in similar economic circumstances.

Neutrality:

Taxes should not favor any one group or sector over another and should not be designed to interfere-with or influence individual decisions making.

Predictability:

Collection of taxes should reinforce their inevitability and regularity.

Restricted exemptions:

Tax exemptions must only be for specific purposes (such as to encourage investment) and for a limited period.

Simplicity:

Tax assessment and determination should be easy to understand by an average taxpayer.

[Read More Answers.](#)

Question # 12

Tell me about the taxation principles?

Answer:-

Taxation principles are the basic concepts by which a government is meant to be guided in designing and implementing an equitable taxation regime.

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Question # 13

Tell me what is an income tax?

Answer:-

Income tax is an annual tax charged on income of a person by the government. It is charged for the corresponding assessment year at the rates laid down by the Finance Act for the assessment year in respect of the previous year.

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Question # 14

Can you please define assessment year for taxation?

Answer:-

An assessment year is the period that starts from 1 April and ends on 31 March. It is the year immediately succeeding the financial year wherein the income of the previous financial year is assessed. Government use assessment year for calculating tax on the previous year.

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Question # 15

Give an example of an assessment year?

Answer:-

Example:

If the current assessment year is 2015-16, which starts from 1 April 2015 and ends on 31 March 2016. To this assessment year financial year is 2014-15, starting from 1 April 2014 and ends on 31 March 2015. You will be calculating income tax for financial year in the assessment year.

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Question # 16

Please tell me about previous year?

Answer:-

Previous year is the year in which the income earned becomes taxable in the following assessment year. It can be stated as the Financial year preceding the Assessment year. For example- If the present assessment year is 2015-16 then the previous year will be 2014-2015.

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Question # 17

Tell me about financial year?

Answer:-

A twelve month period starting from 1 April and ending at 31 March which is used for calculating various annual financial statements in businesses and organization is known as financial year.

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Question # 18

Please define the term person under taxation?

Answer:-

A person means an individual, an ordinary partnership, a non-juristic body of person and an undivided estate. The term person under the Income Tax Act includes an individual, a Hindu Undivided Family, a Company, a Firm, an Association of Persons, a Local Authority and Artificial Juridical persons.

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Question # 19

Tell me about the total income?

Answer:-

Total income is the amount on which the Income Tax is paid. Total income include all income that accrue, arise, earned or received. Total Income is the total amount earned by an individual or organization, including income from employment or providing services, revenue from sales, payments from pension plans, income from dividends or other sources. Total income is generally calculated for the assessment of taxes, evaluating the net worth of a company or determining an individual or organization's ability to make payments on a debt.

[Read More Answers.](#)

Question # 20

List the names of heads under total income?

Answer:-

There are five heads under total income which are given below:

- * Income from Salaries.
- * Income from house property.
- * Profits and gains of business or profession.
- * Capital gains.
- * Income from other sources.

[Read More Answers.](#)

Question # 21

Tell me what rate firms are required to pay tax at?

Answer:-

Income Tax is paid at 30% of taxable income. Surcharge is charged at 10% of the Income Tax, where taxable income is more than Rs. 1 crore. (Marginal Relief in Surcharge, if applicable) and Education Cess is 3% of the total of Income Tax and Surcharge.

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Question # 22



Tell me who is an assessee?

Answer:-

An Assessee is a person who is liable to pay tax or any other sum of money under the Act. It includes:

- * Every person in respect of whom any proceeding under this Act has been taken for the assessment of his income or of the income of any other person in respect of whom he is assessable, or of the loss sustained by him or by such other person or of the amount of refund due to him or to such other person.
- * Every person who is deemed to be an assessee under any provision of this Act.
- * Every person who is deemed to be an assessee in default under any provision of this Act.

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Question # 23

Tell me how would you conclude the residential status of an individual?

Answer:-

As per the provisions of Income Tax Act residential status of an individual is categorized as Resident and Non Resident. Under Section 6(1), an individual is said to be resident in country in any previous year if he satisfies any one of the following basic conditions:

- * He is in country in the previous year for a period of at least 182 days or,
- * He is in country for a period of at least 60 days during the relevant previous year and at least 365 days during the four years preceding that previous year.
- * The above provisions are applicable only to those who are residents of country irrespective of their nationality otherwise they are included in Non resident.

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Question # 24

Please explain tax liability of an individual get affected due to his residential status?

Answer:-

Tax liability of an individual does gets affected due to his residential status as per Section 6 of the Income Tax Act 1961 and is also dependent on place and time of accrual or receipt of income.

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Question # 25

Tell me what is the difference between country income and foreign income?

Answer:-

The difference between country income and foreign income as:

- * Country's income is always taxable in India in accordance with the residential status of the taxpayer.
- * Country's income is categorized as:
 - * Income received or deemed to be received in country during previous year and simultaneously accrual income or deemed accrual in country during previous year.
 - * Income received or deemed to be received in country during the previous year but it accrues outside country during the previous year or Income received outside country during the previous year but accrues in country during the previous year.

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Question # 26

Tell me about the basic and additional conditions for Resident and ordinarily resident (ROR)?

Answer:-

The basic conditions for being resident and ordinarily resident is the same condition that satisfies the residential status of an individual and additional conditions for Resident and ordinarily resident in country in a given previous year are mentioned below:

- * If you are resident in country in at least 9 out of 10 previous years as per the basic conditions that satisfies the residential status of an individual preceding the relevant previous year.
- * If you are in country for a period of at least 730 days during 7 years preceding the relevant previous year.
- * An individual or HUF becomes ROR in country if the individual fulfills at least one of the basic conditions that satisfies the residential status of an individual both the additional conditions.

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Question # 27

Do you know who is resident but not ordinary resident?

Answer:-

A resident but not ordinary resident is the one who is not the resident in country for 9 out of the 10 preceding previous years or he has during the 7 preceding years been in country for a period of or period amounting to 729 days or less.

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Question # 28

Tell me what is considered as accrued income?

Answer:-

Income which has been earned but not yet received is known as accrued income. Income is recorded in the same accounting period in which it is earned rather than in the subsequent period in which it will be received.

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Question # 29

Do you know what is FBT?

Answer:-



FBT stands for Fringe Benefit Tax which is a tax that an employer has to pay in respect of the benefits that are given to his/her employees. Fringe benefits is something that an employer provides to his employees in addition to the cash salary. Fringe Benefit Tax is payable in lieu of the value of fringe benefits provided or deemed to have been provided by an employer to his employees during the previous year.

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Question # 30

Tell me what is tax audit?

Answer:-

A tax audit is assessment of an organization's or individual's tax return by Internal Revenue Service (IRS) in order to find out that the income and deductions are recorded accurately.

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Question # 31

Tell me about the Tax refund?

Answer:-

The excess tax paid by an individual than the actual owed is returned by the government which is known as tax refund. After taking into consideration income tax, with holdings, tax deductions or credits and other factors, you file income tax for the year, after that you will receive a tax refund .

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Question # 32

Tell me about the capital gain?

Answer:-

Capital gains means the profit earned from the sale of an asset. When the Capital Asset is being sold or transferred, the profit or gains arising out of it or you can term that as the difference between the actual price at which the asset was acquired and the price at which it is sold or transferred.

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Question # 33

Can you explain long term capital gains?

Answer:-

A long-term capital gain is the profit that arises with the sale of an asset that has been on hold for a definite period. This period ranges from one year to three years across different asset classes.

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Question # 34

Tell me why is long term capital gain different from short term capital gain?

Answer:-

Long term capital gain is different from short term capital gains because short term capitals are kept for short period only that is less than a year.

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Question # 35

Can you tell me what is deferred tax?

Answer:-

A tax liability that a company has to pay but does not pay at that current point and it will be responsible for paying it in future is termed a deferred tax. Deferred tax occurs due to the difference in a company's balance sheet, due to the differences between accounting practices and tax regulations.

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Question # 36

Tell me about the working capital?

Answer:-

Working capital is the difference between a company's current assets and its current liabilities. Working Capital is used into day to day operations of any business.

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Question # 37

What do you know about alternative minimum tax (AMT)?

Answer:-

The Alternative Minimum Tax (AMT) is a way to restrict wealthy taxpayers from tax evasion. AMT uses a separate set of rules to calculate taxable income after allowed deductions. This is generally for higher income group as AMT sets a limit on certain benefits that reduces a taxpayer's regular tax amount. As a result, if the benefits on tax reduce total tax below AMT limit, taxpayer has to pay the higher AMT amount.

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Question # 38

Tell me how would a taxpayer get a refund for an over payment of taxes?



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Answer:-

There is a provision in country to get a refund for an over payment of taxes along with interest. When you have to claim a refund you need to file the income tax return within a specified period. You can even track your refund status from the NSDL-TIN website by clicking in Status of Tax refunds and can track your refund by entering PAN and Assessment year for which the refund is to be claimed.

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Question # 39

Tell me what are the Streamlined Sales and Use Tax Agreement?

Answer:-

The Streamlined Sales and Use Tax Agreement was introduced in 1999 by the National Governor's Association (NGA) and the National Conference of State Legislatures (NCSL) in order to simplify the collection of sales tax as sales tax is second largest source of state revenue after personal income taxes. It resulted in developing a simpler and business friendly sales tax system.

The Agreement decreases costs and administrative burdens of sales tax collection on retailers, especially those operating in multiple states.

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Question # 40

Can you explain me the deferred tax asset?

Answer:-

When a firm has overpaid on taxes then the amount is recorded in the balance sheet as deferred asset tax which is also known as provision for future taxation. Deferred tax asset arises when the firm , pays taxes early or have paid excess of tax and is entitled to get some money back from the tax authorities.

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Question # 41

Please define me the deferred tax Liability?

Answer:-

A tax liability that a company owes and does not pay at that current point, although it will be responsible for paying it at some point in the future. Deferred tax liability (DTL) is a balance sheet item that accounts for the temporary difference between taxes that will come due in the future and taxes paid today.

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Question # 42

How would you define amortization?

Answer:-

When the assets of the company are written off over a number of years for the purpose of their replacement or renewal and not depending on the life of asset is termed as amortization. It is different from depreciation, which is periodic writing off of the asset based on its normal life expectancy.

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Question # 43

How would you define impairment?

Answer:-

Impairment can be termed as the fall in the value of the asset due to any physical damage to the asset, obsolescence or due to technological innovation. Impairments can be written off. Simply you can say that impairment is the difference between the fair value and the carrying value of an asset.

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Question # 44

Tell me about the inter company reconciliation?

Answer:-

Every year commonly controlled company prepares a combined or consolidated financial statement for tax and reporting purposes. Inter Company Reconciliation is the process that helps parent company to split from its subsidiaries companies by location. Each year, commonly controlled business must prepare a combined or consolidated financial statement for tax and reporting purposes. The inter company accounting process is an important process for parent companies with subsidiaries or companies split by location. Inter Company Reconciliation helps in avoiding double counting of transactions as it also helps in maintaining accurate reports. Even it helps the companies to avoid misrepresentation of a firm's financial position.

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Question # 45

Do you know what is the Securities Transaction Tax?

Answer:-

Securities Transaction Tax was introduced in India at time of 2004 budget and is applicable from 1 October 2004. Securities Transaction Tax is the tax which is payable on the amount of taxable securities transaction.

Securities Transaction Tax is just levied on purchase and sale of those securities that are listed on the Indian Stock Exchanges.

Securities Transaction Tax was introduced by the Finance Minister, to restrict people from evading tax on capital gains.

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Question # 46

Tell me what is permanent account number (PAN)?

**Answer:-**

Permanent Account Number (PAN) is a ten digit alphanumeric number, which is issued by the Income Tax Department in the form of laminated card as PAN enables the department to link all kinds of transactions of the person with the department. Transactions include tax payments, TDS/TCS credits, returns of income/wealth/gift/FBT, specified transactions, correspondence, etc.
PAN helps the department in maintaining a fair record of every persons transactions through a ten digit number in order to avoid tax evasion in any case.

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Question # 47

Do you know who is non resident?

Answer:-

An individual who does not fulfill the below mentioned conditions in that previous year will be considered as Non Resident:

* You have to be in country atleast 182 days in that year.

* You have to atleast be in country for 365 days during 4 years preceding that year and atleast 60 days in that year.

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Question # 48

Do you know what is the difference between profit and gain?

Answer:-

Profit is the amount that is left after deducting expenses from revenue that makes the receipt of revenue possible. There are two streams of earnings that is direct earnings and indirect earnings. Direct earnings are incurred from main activities and indirect earnings are incurred from other activities so the profits is calculated as gross profit and net profit.

Gross profit is the amount of revenue from which trading expenses has been deducted (expenses related to main activities of the business). Net profit is the amount of revenue that includes incomes from other activities.

Gain is the amount that is earned on selling assets which is not included in the inventory of the business. This sales activity is not the actual trading and these sales does not includes goods that are sold on regular basis.

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Question # 49

Tell me when does Deferred Tax Asset arise?

Answer:-

Deferred tax asset arises when the expenses are recorded in the income statement before they are required to be recognized by the taxing authority. Also when revenue is being taxed before it is taxable in the income statement.

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Question # 50

When does Deferred tax liability arise?

Answer:-

Deferred tax liability arises from different depreciation methods being used for tax as depreciable assets are reported as non current.

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Question # 51

Do you know the difference in between Fund flow and Cash Flow?

Answer:-

Difference between Fund flow and Cash flow:

*Fund flow is based on working capital. Cash flow is based on only one element of working capital that is cash.

* Fund flows tells about the various sources from where the funds are generated. Cash flow starts with the opening balance of cash and closes with the closing balance of cash.

* Fund flow is useful for understanding long term financial strategy. Cash flow is useful for understanding short term strategies that affects liquidity of the business.

Changes in current assets and current liabilities are shown through the schedule of changes in working capital.

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Question # 52

Tell me if you know what is excise duty?

Answer:-

Excise Duty is an indirect tax imposed on goods that are manufactured and produced within the country. This is paid by the manufacturer on the finished good when it goes out of the factory. Excise Duty is levied on all goods, except certain goods that are exempted.

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Question # 53

Tell me about the sales tax?

Answer:-

Sales Tax is imposed on the finished product which is paid by the consumer. Sales tax is imposed on sale or purchase within the State. Different states levy different levels of sales tax, while there is a Central Sales Tax levied on sale or purchase in the course of interstate trade.

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Question # 54

What does fair rent mean?

Answer:-

Fair rent is the rent charged for a private property that is fixed and registered by a rent officer. Fair rent is decided on the basis of size, condition and usefulness of the property.

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Question # 55

How is fair rent calculated?

Answer:-

Fair rent is calculated in place of mortgage interest, other financing costs and depreciation related to certain property, including land, buildings and non movable equipment. It is calculated only once, at the time the facility begins operation.

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Question # 56

Tell me about the Excise tax?

Answer:-

Excise tax is an indirect tax that is imposed on the manufacture, sale or use on certain types of goods and products. Excise taxes are generally imposed on goods such as cigarettes or alcohol, also in the price of an activity such as gambling. Excise taxes may be imposed by both Federal and state authorities.

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Question # 57

Tell me what is a service tax?

Answer:-

Service tax is an indirect tax imposed by the government on service providers on certain service transactions, but is actually paid by the customers. Services provided by air-conditioned restaurants and short term accommodation provided by hotels, inns, etc are included in the taxable services.

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Question # 58

What is the major difference between excise tax and service tax?

Answer:-

The major difference between excise tax and service tax is that excise tax is charged on manufactured goods and sales tax is imposed on certain services provided.

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Question # 59

Do you know what is luxury tax?

Answer:-

A tax imposed on goods and services that are non-essential or not included in the necessities. Luxury tax is included in the indirect tax and is incurred by those who purchase or use the product.

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Question # 60

What does a commercial tax mean?

Answer:-

Commercial Tax is a tax imposed on the scheduled Commercial goods as indirectly collected by the seller or purchaser against his business transaction which now comprises of Sales Tax, Entertainment, Luxury Tax, Entry Tax and Profession Tax.

[Read More Answers.](#)

Question # 61

List the names of items which are deducted under Salary Head?

Answer:-

Deductions that are made under salary head are Entertainment allowance and Professional tax:

* Entertainment Allowance:

Entertainment allowance received is already included in the income of the employee and then a deduction is made only for government employees.

* Professional Tax:

Professional Tax is imposed by the government on employment by whatever name called.

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Question # 62

Tell me about the form c in sales tax?

Answer:-

Form C:

The sales tax on inter-state sale is 4% or the applicable sales tax rate for sale within the State whichever is lower if the sale is to a dealer registered under CST and the



goods are covered in the registration certificate of the purchasing dealer. The purchasing dealer is eligible to get these goods at concessional rate if a declaration in C form is submitted to the selling dealer.

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Question # 63

Tell me about the form d in sales tax?

Answer:-

Form D:

Sale to government is taxable 4% or applicable sales tax rate for sale within the State whichever is lower. This concession on CST is applicable if Form D is issued by the government department which purchases the goods.

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Question # 64

Tell me what do you mean by transfer income?

Answer:-

Transfer of Income means when someone retains the ownership of an asset but makes an agreement to transfer its income but still the income is considered as your income and it will be added to the total income.

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Question # 65

list the types of Provident funds?

Answer:-

The 4 types of provident funds:

- * Recognized Provident Fund (RPF)
- * Unrecognized Provident Fund (URPF)
- * Statutory Provident Fund (SPF)
- * Public Provident Fund (PPF)

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Question # 66

Please define Recognized Provident Fund (RPF)?

Answer:-

Recognized Provident Fund schemes must be approved by The Commissioner of Income Tax and applicable to an organization which employs 20 or more employees.

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Question # 67

Can you define Unrecognized Provident Fund (URPF)?

Answer:-

Unrecognized Provident Fund are not approved by The Commissioner of Income Tax and is started by employer and employees in an establishment.

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Question # 68

Tell me about Statutory Provident Fund (SPF)?

Answer:-

Statutory Provident Fund is mainly meant for Government, University, Educational Institutes (affiliated to university) employees.

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Question # 69

What do you know about Public Provident Fund (PPF)?

Answer:-

Public Provident Fund (PPF) involves minimum contribution of Rs.500 per annum and the maximum contribution is Rs. 100,000 per annum. The contribution made along with interest earned is repayable after 15 years, unless extended.

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Question # 70

Tell me how would you calculate House Rent Allowance (HRA)?

Answer:-

Minimum of following three amounts is available as HRA exemption:

- * Actual House Rent Allowance provided by employer to employee.
- * House Rent paid in excess of 10% of Salary.
- * 50% of Salary in case House is located in major cities.

For all three conditions mentioned above relevant period is very important. Means if there is any change in Salary, HRA paid to employee, location of rented house and actual rent paid by employee HRA need to calculate from that relevant change Hence one should avoid calculating HRA on annual basis if there is any change in



above factors.

Meaning of Salary for calculating HRA (Basic Salary + Dearness allowance if terms of employment so provide + fixed percentage of turnover achieved by employee).

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Question # 71

Tell me about allowable expenditure?

Answer:-

Allowable expenditure:

- *the cost of goods bought for the business
- *the prime costs of running a business asse
- *wages and salaries of employees
- *heat, light and cleaning of business premises
- *repairs to and maintenance of business premises
- *postage and stationery
- *business telephone and rental
- *bank charges and interest on business loans and overdrafts
- *travel and entertaining if the sole purpose is to retain or acquire business
- *legal costs of defending business rights and renewing leases of less than 50 years duration
- *bad debts and specific doubtful debts
- *protective clothes necessary for the business

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Question # 72

Tell me what are dis-allowable expenditure?

Answer:-

Dis allowable expenditure:

- *private expenditure
- *clothes bought for ordinary everyday wear
- *acquisition and depreciation of business assets
- *your own wages or salary
- *your business partner's wages or salary
- *payments to charities
- *travel expenses between your home and place of business
- *a general (non-specific) provision against doubtful debts
- *legal costs of acquiring land and buildings
- *fines for breaking the law
- *your own life, accident or sickness assurance
- *costs of alterations, additions or improvements to business premises

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Question # 73

Tell me what do you know about dissolution of firm?

Answer:-

Dissolution of firm means assets of firm are realized and liabilities are paid off and the surplus, if any is distributed among the partners according to their right. It is to be noted that dissolution of Firm involves dissolution of partnership but dissolution of partnership may not lead to dissolution of firm.

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Question # 74

Tell me which items fall under the category of securities?

Answer:-

Securities are defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956 (SCRA) to include:

- * Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate.
- * Derivatives.
- * Units or any other instrument issued by any collective investment scheme to the investors in such schemes.
- * Security receipt as defined in Section 2(zg) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- * Such other instruments as declared by the central government.
- * Rights or interest in securities.

Equity-oriented mutual funds (not debt-oriented mutual funds).

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Question # 75

What is an entertainment duty?

Answer:-

Entertainment duty is levied on entertainment places like Cinemas, Amusements, Parks, Variety Programmes Sports etc on following rates.

- *Presently no duty is being collected from Cinemas.
- *Dramas, plays, variety Programmes 10% of the payment for admission.
- *Games and Sports 5% of the payment for admission.
- *Items of amusement other than above 25% of the payment for admission.

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Question # 76

Tell me how is income tax calculated?

Answer:-

Income of the person is categorized and calculated under the following five heads:

- * Salaries
- * Income from house property.
- * Profits and gains of business or profession.
- * Capital gains.
- * Income from other sources.

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Question # 77

Tell me what is an excise duty?

Answer:-

The Excise and Taxation Department controls the manufacturing and sale of following excisable articles:

- * Intoxicating liquor.
- * Rectified Spirit.
- * Denatured Spirit.
- * Methanol.

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Question # 78

What is LST Number?

Answer:-

LST Number means Local Sale Tax

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Question # 79

What is rate of vat in raj?

Answer:-

13.5%

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Question # 80

What is Sale in Transit Transaction and what are the forms issued and get form parties?

Answer:-

X Co.in Maharastra place order to Y Co in Kerala for a material and Y Co.in Kerala Place order for that material to Z Co. in Chennai and inform to supply directly to X in Maharashtra .Here X is purchaser of Y and Y is the purchaser of Z and Y asking Z to give the ownersp of material to X insted of Y.This is sale in transit.Here Consiner is Z and Consinee is X.Here other than C form there is E-i and E-11 form also.Y purchaser of Z will give C form to Z in exchange of E-1 and Y the seller of X will get C form from X the purchaser.if X sells that matrl to A in Maharashtra and give A E-II form and should charge 0% tax.this is to avoid double taxation.

[Read More Answers.](#)

Question # 81

Where we show the brought forwarded losses in the Balance Sheet?

Answer:-

Brought forward loss is shown as adjustments under Capital Account and is shown Liability side of Balance Sheet

[Read More Answers.](#)

Question # 82

Suppose Excisable material sold without charging excise duty, Now after 3 months, I am issuing Supplementary bill to party for Excise payment, now please tell me the interest need to pay for this and also is there need to pay interest if i have sufficient amount of cenvate credit balance in these 3 months?

Answer:-

For this you have to pay interest for three month @ 18%

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Question # 83

HOW TO FILE TDS/TCS TAX CHALLAN AND WHAT IS THE LAST DATE FOR THIS?

**Answer:-**

TDS File Challan no.281 last date of challan paid 7th every month. Return filing Last date before 15th every quarter.

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Question # 84

Suppose if we are not able to issue F form and Goods transfer treat as deeded sale and want to paid taxes on that sale. but local tax rate is Zero. in above situation I can transfer of goods without F Form and Without paying any tax?

Answer:-

Indirect Tax : CST

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Question # 85

Last year i have paid income tax rs75000 if i deposit cash in bank rs 300000// wether i have to pay any penalties from income tax department?

Answer:-

No Answer is Posted For this Question

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Question # 86

If my salary is 21855 per month for financial year April 2011 - march 2012 what tax will be deduct?

Answer:-

monthly salary = 21855

annual salary = 21855*12 = 262260/-

as per India TDS rule on TDS will be deducted on annual salary

=>180000

so total annual salary 262260-180000 = 82260/-

TDS 82260*10.3% = 8472.78/-

and per month = 706/-

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Question # 87

What is the difference between Sales Tax and VAT?

Answer:-

Sales tax, as compared to VAT is the percentage of revenue imposed on the retail sale of goods. Unlike VAT, sales tax is levied on the total value of goods and services purchased.

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Question # 88

If A is purchased Excise Duty paid goods i.e. H.R.Sheet. He want to sell the same as vat bill without excise. It can be possible?

Answer:-

Yes it is Possible. As per excise rules 2002 the same goods sold to vat bill in his own firm.

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Question # 89

What is er1?

Answer:-

er1 is excise

[Read More Answers.](#)

Question # 90

Why should vat be removed when calculating the amount to be deducted?

Answer:-

No Answer is Posted For this Question

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