



# Bombay Chartered Accountants' Society

## Quiz 62 Topic - Penalty Provisions Under Income Tax Act, 1961 Special Focus On Section 270A & 271AAD by CA. Pankaj K. Jain

- 1) Mr. Ram, a residential individual aged 55 years, has not furnished his return of income for AY 2018-19. However, the total income assessed in respect of such year under section 144 is Rs. 12 lakhs. Determine the quantum of penalty leviable under section 270A.
- a) Penalty leviable is Rs. 1,79,400/-, being tax payable on total income of Rs. 12 Lakhs
  - b) Penalty leviable is Rs. 89,700/-, being 50% tax payable on Rs. 12 Lakhs**
  - c) Penalty leviable is Rs. 53,300/-, being 50% of tax payable on under-reported income of Rs. 9.5 Lakhs (i.e. 12 lakhs – basic exemption limit of Rs. 2.5 Lakhs)
  - d) Penalty leviable is Rs. 1,06,600/- being tax payable on under-reported income of Rs. 9.5 Lakhs (i.e. 12 lakhs – basic exemption limit of Rs. 2.5 Lakh)

**Ans : b)**

- 2) The Assessee may seek immunity from imposition of penalty under section 270A from the AO under section
- a) 273B
  - b) 273AA
  - c) 270AA**
  - d) 271AAB

**Ans : c)**

- 3) Where the amount of under reported income is estimated and the books are correct and complete to the satisfaction of the specified authority but the method employed does not enable proper determination of income
- a) It shall be treated as under reporting
  - b) It shall be treated as mis reporting
  - c) Both (a) and (b)
  - d) None of the above**

**Ans : d)**

- 4) Failure to record an international transaction shall be treated as
- a) under reporting
  - b) Mis reporting**
  - c) Both (a) and (b)
  - d) None of the above

**Ans : b)**

5) The penalty leviable in case of mis reporting under section 270A is

- a) 100% of the misreported income
- b) 200% of the misreported income
- c) 200% of the tax on misreported income
- d) 50% of the tax on the misreported income

**Ans : c)**

6) Proposed Penalty Under section 271AAD is applicable w.e.f.

- a) 1<sup>st</sup> April, 2019
- b) 1<sup>st</sup> September, 2019
- c) 1<sup>st</sup> April, 2020
- d) 1<sup>st</sup> September, 2020

**Ans : c)**

7) Proposed Penalty Under section 271AAD for:

- a) A false entry
- b) An Omission of relevant entry to evade tax liability
- c) Any one from a) & b)
- d) Both a) & b) must be there

**Ans : c)**

8) False entry is includes use or intention to use:

- a) Forged documents, forged invoice or false documentary evidence.
- b) invoice issued without issue of goods or services
- c) invoice issued by a person who does not exist
- d) All of the above

**Ans : d)**

9) What will be Effective Tax Rate u/s 115BBE (If Income is disclosed in Return filed and Tax is paid on / before end of PY)

- a) 84%
- b) 74%
- c) 68%
- d) 78%

**Ans : d)**

10) What will be Effective Tax Rate u/s 115BBE (If Income is disclosed but Tax is not paid before end of PY & Income determined by the AO)

- a) 84%
- b) 74%
- c) 68%
- d) 78%

**Ans : a)**