

CHAPTER 2 RESIDENTIAL STATUS

- 1) Residential status is to be determined for:
 - a. previous year
 - b. assessment year
 - c. accounting year
 - d. both previous year and assessment year

- 2) Incomes which accrue or arise outside India but are received directly into India are taxable in case of:
 - a. resident only
 - b. both ordinarily resident and not ordinarily resident
 - c. non-resident
 - d. all the assesses

- 3) Income deemed to accrue or arise in India is taxable in case of:
 - a. resident only
 - b. both ordinarily resident and not ordinarily resident
 - c. non-resident
 - d. all the assesses

- 4) Income which accrue or arise outside India from a business controlled from India is taxable in case of:
 - a. resident only
 - b. not ordinarily resident only
 - c. both ordinarily resident and not ordinarily resident
 - d. all the assesseees

- 5) Income which accrue or arise outside India and also received outside India is taxable in case of:
 - a. resident only
 - b. not ordinarily resident
 - c. both ordinarily resident and not ordinarily resident
 - d. none of the above

- 6) R, a person of Indian origin visited India on 2.10.2022 and plans to stay here for 185 days. During 4 years prior to previous year 2022-23, he was in India for 750 days. Earlier to that he was never in India. His total income (excluding from foreign sources) was ₹25,00,000. For assessment year 2023-24, R shall be:

- a. resident and ordinarily resident in India
 - b. "resident but not ordinarily resident in India"
 - c. non-resident
 - d. none of the above
- 7) R, a foreign national visited India during previous year 2022-23 for 180 days. Earlier to this he never visited India. R in this case shall be:
- a. resident in India
 - b. non-resident in India
 - c. not ordinarily resident in India
 - d. resident and ordinarily resident in India
- 8) R, a foreign national but a person of Indian origin visited India during previous year 2022-23 for 181 days. His total income (excluding from foreign sources) was ₹ 14,00,000. During 4 preceding previous years he was in India for 400 days. R shall be:
- a. resident in India
 - b. non-resident in India
 - c. not ordinarily resident in India
 - d. resident and ordinarily resident in India
- 9) Where a non-resident has any income from a business connection in India, such income:
- a. shall be taxable in India as it accrues or arises in India
 - b. shall be taxable in India as it is deemed to accrue or arise in India
 - c. shall not be taxable as it accrues or arises outside India
 - d. none of the above
- 10) R, a citizen of India left India for U.S. on 16.8.2022 for booking orders on behalf of an Indian company for exporting goods to U.S. He came back to India on 5.5.2023. He had been resident in India for the past 10 years. For assessment year 2023-24, R shall be:
- a. resident and ordinarily resident in India
 - b. "resident but not ordinarily resident in India"
 - c. non-resident
 - d. none of the above
- 11) Where a non-resident has a business connection in India but its operation are confined to purchase of goods in India for the purpose of export, such income shall—
- a. be taxable in India as it is deemed to accrue or arise in India
 - b. not be taxable in India as it shall not be deemed to accrue or arise in India
 - c. be taxable as it is accrues or arises in India

d. be taxable in all cases

12) Royalty paid by a resident in India to a non-resident outside India—

- a. shall be taxable in India in the hands of non-resident unless it is paid for the acquisition of any right/information/property used for the purpose of business or profession carried on outside India.
- b. shall be taxable in India whether such right/information/property for which royalty was paid, was used by the resident for the purpose of carrying on business or profession in India or outside India.
- c. shall not be taxable in India.
- d. none of the above

13) Fee for technical services paid outside India by a non-resident in India to a non-resident in India shall—

- a. not be taxable in India;
- b. be taxable in India provided the know-how for which royalty was paid, was used for the purpose of carrying on any business or profession or earning a source of income in India.
- c. be taxable in India provided the know-how, for which royalty was paid, was used for the purpose of carrying on any business or profession in India.
- d. none of the above

14) R, a citizen of India is employed on an Indian ship. During the previous year 2022-23 he leaves India for Germany on 15.9.2022 for holidays and returned on 1.4.2023. He had been non-resident for the past 3 years. Earlier to that he was permanently in India. For assessment year 2023-24, R shall be:

- a. resident and ordinarily resident in India
- b. resident but not ordinarily resident in India
- c. non-resident in India.
- d. none of the above

15) Interest payable outside India by a non-resident in India to a non-resident in India shall—

- a. not be taxable in India
- b. be taxable in India provided the interest is paid in respect of money borrowed and used for a business or profession carried on in India or earning from any source of income in India
- c. be taxable in India provided the interest is paid in respect of money borrowed and used for a business or profession carried on in India
- d. none of the above

16) R Ltd., is an Indian company whose place of effective management is situated outside India. R Ltd., shall be:

- a. resident in India
- b. non-resident in India
- c. not ordinarily resident in India
- d. resident and ordinarily resident in India

17) Gift of money amounting to ₹2,00,000 made by a resident on 15.06.2022 to a non-resident outside shall be

- a. exempt
- b. be fully taxable in the hands of the resident
- c. taxable to the extent of ₹ 1,50,000
- d. fully taxable in the hands of non-resident

18) Gift of money amounting to ₹2,00,000 made by a resident on 16.08.2022 to a non-resident in India shall be

- a. exempt
- b. be fully taxable in the hands of the resident
- c. taxable to the extent of ₹ 1,50,000
- d. fully taxable in the hands of non-resident

19) Gift of movable property valuing ₹4,00,000 made by a resident on 16.08.2022 to a non-resident outside India shall be

- a. exempt
- b. be fully taxable in the hands of the resident
- c. taxable to the extent of ₹3,50,000
- d. fully taxable in the hands of non-resident

20) R Ltd., is registered in U.K. The place of its effective management in the previous year is in India. R Ltd., shall be:

- a. resident in India
- b. non-resident in India
- c. not ordinarily resident in India
- d. resident and ordinarily resident in India

**ANSWERS**

QUE	ANS	QUE	ANS	QUE	ANS	QUE	ANS
1	A	6	B	11	B	16	A
2	D	7	B	12	A	17	A
3	D	8	B	13	B	18	B
4	C	9	B	14	C	19	A
5	A	10	C	15	C	20	A