

RETAIL BANKING AND WEALTH MANAGEMENT (RBWM)

Q:1 _____ are taxes that are imposed directly on individuals or entities and cannot be transferred or shifted to others. These taxes are typically levied on income, wealth, or property and are paid directly by the taxpayer to the government.

- a) Direct Tax
- b) Indirect Tax
- c) Excise Duty
- d) None of the above

Q:2 Indirect Taxes are taxes that are imposed Indirectly on individuals or entities and can be transferred or shifted to others. These taxes are typically levied on the consumption, expenditure, or transactions of goods and services. Which of this statement is correct regarding Indirect Tax?

- I. The taxpayer may be one person, but the tax bearer is always the consumer.

- II. The burden of tax can be shifted on to someone other.
 - III. Persons consuming goods will have to bear equal burden regardless of this capacity to bear tax.
 - IV. Income tax is an example of Indirect Tax
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,

Q:3 An income tax is a tax imposed on individuals or businesses in respect of the income or profits earned by them. Taxpayers should pay taxes based on their ability to pay. What is the correct explanation of the term "ability to pay" in relation to income tax?

- a) Everyone should pay the same amount of tax regardless of income.
- b) Taxes should be collected only from businesses, not individuals.
- c) Taxes should only be paid by those who are employed by the government.
- d) People who earn more money should pay more tax because they can afford it

Q:4 According to Section 2(7) of the Income Tax Act, which of the following qualifies as an "Assessee"?

- I. A person by whom any tax or sum of money is payable under the Act

- II. A person in respect of whom any proceeding for the assessment of income or loss has been taken
 - III. A person assessable in respect of the income or loss of another person
 - IV. Every person deemed to be an Assessee under any provision of the Act
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III, IV



Q:5 If income is earned between April 1, 2023, and March 31, 2024, which of the following will be the assessment year?

- a) 2023-24
- b) 2024-25
- c) 2022-23
- d) 2025-26

Q:6 _____ refers to the income earned by an individual from a property they own or have a legal interest in. The primary component of income from this head is the rental income received by the property owner from tenants who occupy the property.

- a) Income From Salary
- b) Income From House Property
- c) Income From Capital Gains
- d) None of the above

Q:7 Under the head "Income from Profits and Gains of Business or Profession," which of the following is considered as Profession income?

- a) Fees earned from legal services
- b) Profits from operating a retail store

- c) Interest income from fixed deposits
- d) Winnings from lottery

Q:8 Which of the following types of income is categorized under "Income from Other Sources"?

- I. Earnings from savings accounts, fixed deposits.
- II. Dividends received from shares or stocks.
- III. Winnings from Lotteries or Gambling
- IV. Salary earned from employment

- a) I, III, IV
- b) II, III, IV
- c) I, II, IV
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Q:9 Maya works full-time as a marketing manager, earning a yearly salary of Rs. 8,00, 000. She owns a small apartment that she rents out for Rs. 3,00,000 annually. Maya utilizes her weekends and evenings for freelance graphic design projects, bringing in Rs. 2,00,000 per year. During the year, Maya sold some old shares for a profit of Rs. 1,00,000. She also won Rs. 25,000 in a photography contest. Match the sources of Maya's income with the correct head of income under the Income-tax Act, 1961.

Column A: Source of Income	Column B: Head of Income
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1. Salary as a marketing manager (Rs. 8,00,000)	A. Income from House Property
2. Rental income from apartment (Rs. 3,00,000)	B. Capital Gains
3. Freelance graphic design income (Rs. 2,00,000)	C. Income from Salary
4. Profit on sale of shares (Rs. 1,00,000)	D. Profits and Gains from Business or Profession
5. Prize from photography contest (Rs. 25,000)	E. Income from Other Sources

- a) 1 – C, 2 – A, 3 – E, 4 – B, 5 – D
- b) 1 – C, 2 – A, 3 – D, 4 – B, 5 – E
- c) 1 – A, 2 – C, 3 – D, 4 – E, 5 – B
- d) 1 – C, 2 – D, 3 – A, 4 – B, 5 – E

Q:10 Deductions in income tax refer to specific expenses or allowances that taxpayers can subtract from their total income to reduce their taxable income .What is the maximum amount of deduction allowed under Section 80C?

- a) 100000
- b) 150000
- c) 200000
- d) 250000

Deductions in income tax refer to specific expenses or allowances that taxpayers can subtract from their total income to reduce their taxable income.

Deposits Made In Provident Funds	80C
Payment Of Life Insurance Premium	80C
Amount Invested In National Savings Certificates	80C
Amount Deposited with National Housing Bank	80C
Deposit In Sukanya Samridhi Account	80C
Term Deposits with Banks	80C
Deduction In Respect of Contribution to Pension Fund	80CCC
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Deduction In Respect of Purchase of An Electric Vehicle	80EEB
Deduction In Respect of Donations To Certain Funds, Charitable Institutions Etc	80G

Q:11 ABC Enterprises deducts ₹5,000 from Mr. Raj's ₹50,000 monthly fee for consulting services, resulting in a net payment of ₹45,000 to Mr. Raj and ABC Enterprises remits the deducted amount to the government as per the specified due date for tax compliance? This mechanism is known as_____.

- a) Tax Collection at Source (TCS)
- b) Tax Deducted at Source (TDS)
- c) Goods and Services Tax (GST)
- d) None of the above

Section	Nature of Payment	Threshold	TDS Rate
192A.	Payment of accumulated balance of provident fund which is taxable in the hands of an employee	50,000	10%
193	Interest on securities	2,500	10%
194	Dividend	5,000	10%
194B	Winnings from lotteries, crossword puzzles, card games and other games of any sort	10,000	30%
194EE	Payment in respect of deposit under National Savings scheme	2,500	10%
194H	Commission or brokerage	15,000	5%
194J	Sum paid or payable towards fees for technical services	30,000	2%

Q:12 Residential status of an assessee determines the scope of chargeability of his income. Which of this statement is correct regarding Residential status ?

- a) Residential status is determined in respect of each previous year. residential status of a person may vary from one previous year to another previous year.
- b) Citizenship and residential status are two different concepts. A citizen of India may not be a resident in India for the purpose of income-tax.

- c) A person can have same residential status in more than one country.
- d) All of the above



Q:13 Which of the following conditions must be fulfilled for an individual to be classified as Resident in India?

- I. Stay in India for a year of 182 days or more
 - II. He/she must be in India for a period of 60 days or more during the previous year and for 365 or more days during preceding four years.
- a) Only Condition I
 - b) Only Condition II
 - c) Either Condition I or Condition II
 - d) Both Condition I and Condition II

Q:14 Which of the following conditions must be fulfilled for an individual to be classified as Ordinarily Resident in India?

- a) He has been resident in India in at least 2 out of 10 previous years immediately preceding the relevant previous year.
- b) He/she must be in India for a period of 600 days or more during the previous year and for 365 or more days during 4 previous
- c) He has resided in India for a period of 730 days or more during 7 previous years immediately preceding the relevant previous year.
- d) Both a and c

Q:15 According to the amendment from FY 2020-21, a citizen of India who isn't liable to pay tax in any other country will be considered

a resident in India if their total income (excluding foreign sources) exceeds_____.

- a) ₹10 Lakh
- b) ₹15 Lakh
- c) ₹20 Lakh
- d) ₹25 Lakh

Q:16 Which of the following is true about the income tax applicability on a Resident and Ordinarily Resident (ROR) in India?

- a) They are taxed only on income earned in India.
- b) They are taxed only on income earned outside India.
- c) They are exempt from taxes on foreign income.
- d) They are taxed on both income earned in India and foreign income.

Q:17 Mr. John, a Non-Resident (NR) in India, is a US citizen. During the financial year 2023-24, he earned income from both India and abroad. Which income is taxable under income tax in India?

- I. Mr. John worked as a consultant for an Indian company and earned ₹5,00,000 in consulting fees in India.

II. Mr. John also earned \$10,000 from a consultancy project in the United States.

- a) Only Income from India is taxable
- b) Only Income from USA is taxable
- c) Both Income are taxable
- d) Neither of the incomes are taxable

Q:18 Which of the following sections of income tax act 1961 allow tax benefits on the payment of interest and principal repayment for a home loan in India?

- I. Section 24(b) for Home Loan Interest Deduction
 - II. Section 80EE for Home Loan Interest Deduction
 - III. Section 80C for Home Loan Principal Repayment Deduction
- a) Only I and III
 - b) Only II and III
 - c) Only I and II
 - d) I, II, and III

Q:19 Which of the following conditions must be satisfied to claim a tax deduction under Section 24(b) for interest on a housing loan?

- I. Loan has been taken on or after 1st April 1999 and Interest payment of home loan must be taken for a self-occupied property.
- II. A loan is for purchase or construction of a residential property or as re-finance (takeover) of the principal amount outstanding under a earlier home loan .
- III. The property must be acquired or construction must be completed within 5 years from the end of the financial year in which the loan was taken.

- a) Only I and III
- b) Only II and III
- c) Only I and II
- d) I, II, and III

Q:20 Which of the following statements is true regarding tax benefits under Section 24(b) of the Income-tax Act?

- a) If the property is not acquired or construction is not completed within 5 years, the tax benefit is reduced from ₹2,00,000 to ₹30,000.
- b) If the loan is availed for repair or renewal of house an amount of 30,000 is only allowed under Section 24(b).
- c) Tax benefits under Section 24(b) are not available for loans taken for the purchase or construction of a residential property.
- d) Both a and b

Q:21 How much tax deduction is available under Section 24 for interest on a home loan if the property is rented or deemed to be rented?

- a) Up to Rs. 1,50,000 per year
- b) Up to Rs. 2,00,000 per year
- c) Up to Rs. 2,50,000 per year
- d) The entire interest amount can be claimed

Q:22 Which of the following properties are eligible for a deduction on the principal repayment of a home loan under Section 80C?

- a) Only self-occupied properties
- b) Only let-out properties
- c) Only properties under construction
- d) Both self-occupied and let-out properties

Q:23 Which of the following is the correct condition for availing tax benefits under Section 80C for home loan principal repayment?

- a) A deduction can be availed only if the construction of property is complete and have received a completion certificate for the same.
- b) No deduction would be allowed for those years during which the property was under construction.

- c) Taxpayer does not sell a property within 5 years of acquiring it on which the tax benefits claimed under Section 80C for the principal repayment of the home loan
- d) All of the above

Q:24 What happens if a taxpayer sells a property within 5 years of acquiring it purchased from home loan and had previously claimed deductions under Section 80C?

- a) If a taxpayer sells a property within 5 years, the deductions claimed under Section 80C will be automatically refunded to the taxpayer.
- b) Selling a property within 5 years will have no impact on the current tax benefits claimed under Section 80C.
- c) The tax deductions claimed earlier will be deducted from the taxpayer's taxable income in the year of sale, reducing their overall tax liability
- d) The total deductions previously claimed under Section 80C will be added to the taxpayer's income in the year of sale, resulting in tax liability on that amount.

Q:25 What is the maximum deduction allowed under Section 80C for the principal repayment of a home loan?

- a) ₹2,00,000

- b) ₹1,50,000
- c) ₹1,00,000
- d) ₹30,000

Q:26 Under section 80EE deductions is available on the interest paid on the home loan by taxpayer . The quantum of deduction is 50,000 for interest paid on the home loan. But his deduction is only available to _____.

- a) Senior citizens
- b) First-time home buyers
- c) Home loan refinancers
- d) All taxpayers

Q:27 Which of the following is a condition for availing tax benefit under Section 80EE for interest paid on a home loan?

- a) The value of property for which the loan has been taken should be less than 50 Lakh.
- b) The home loan amount should not exceed 35 Lakh.
- c) The property can be either self-occupied or non-self-occupied.
- d) All of the above

Q:28 _____ is the process of handling financial assets and other investments to help individuals or organizations grow their wealth and meet financial goals. This involves selecting and managing a mix of investments, such as stocks, bonds, real estate, and mutual funds.

- a) Financial Planning
- b) Wealth Distribution
- c) Risk Management
- d) Investment Management

Q:29 Which of these is not an objective of investment management?

- a) **Capital Appreciation** – Increasing the value of the initial investment over time
- b) **Maximizing Return** – Aiming for the highest possible profits from investments
- c) **Minimizing Risk** – Reducing the chance of financial loss through diversification
- d) None of the above

CASE STUDY ON PORTFOLIO MANAGEMENT

PORTFOLIO MANAGEMENT is a professional practice of strategically **managing a collection of investments**, known as a portfolio, on behalf of individuals, institutions, or entities to **achieve specific financial objectives**. The primary goal of portfolio management is to optimize the risk-return trade-off to achieve the investor's financial objectives.

Q: 1 In a discretionary portfolio management account, who makes the final investment decisions?

- a) The investor
- b) The portfolio manager
- c) A financial advisor

d) A robo-advisor

Q: 2 In non-discretionary portfolio management, what is the role of the portfolio manager?

- a) To make all investment decisions without consulting the investor.
- b) To provide investment recommendations to the investor.
- c) To manage the investor's overall business .
- d) All of the above

Q: 3 Which type of portfolio management involves frequent buying, selling, and adjustment of investments to outperform the market or a specific benchmark?

- a) Active portfolio management
- b) Passive portfolio management
- c) Discretionary portfolio management
- d) Non-discretionary portfolio management

Q: 4 Which of the following is a characteristic of passive portfolio management?

- a) Frequent trading and rebalancing.
- b) A high level of active management.
- c) Minimal buying and selling of securities.
- d) All of the above



Q:30 Which of this statement is correct regarding Tax?

- a) A tax is a mandatory fee or financial charge levied by any government.
- b) It is levied on an individual or an organization to collect revenue.
- c) Collected revenue used for public works providing the best facilities and infrastructure.
- d) All of the above

Q:31 _____ are taxes that are imposed directly on individuals or entities and cannot be transferred or shifted to others. These taxes are typically levied on income, wealth, or property and are paid directly by the taxpayer to the government.

- e) Direct Tax
- f) Indirect Tax
- g) Excise Duty
- h) None of the above

Q:32 Indirect Taxes are taxes that are imposed Indirectly on individuals or entities and can be transferred or shifted to others. These taxes are typically levied on the consumption, expenditure, or transactions of goods and services. Which of this statement is correct regarding Indirect Tax?

- V. The taxpayer may be one person, but the tax bearer is always the consumer.
 - VI. The burden of tax can be shifted on to someone other.
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 - VIII. Income tax is an example of Indirect Tax
- e) I, III, IV
 - f) II, III, IV
 - g) I, II, IV
 - h) I, II, III,

Q:33 Which of this statement defines Income Tax?

- I. An income tax is a tax imposed on individuals or businesses in respect of the income or profits earned by them.
- II. The provisions governing the Income-tax are covered in the Income-tax Act, 1961.
- III. Taxpayers should pay taxes based on their ability to pay.
- IV. Income tax is levied by state government and collected by Central government of India in India.

- a) I, III, IV
- b) II, III, IV
- c) I, II, IV
- d) I, II, III,

Q:34 According to Section 2(7) of the Income Tax Act, which of the following qualifies as an "Assessee"?

- V. A person by whom any tax or sum of money is payable under the Act
- VI. A person in respect of whom any proceeding for the assessment of income or loss has been taken
- VII. A person assessable in respect of the income or loss of another person
- VIII. Every person deemed to be an Assessee under any provision of the Act

- e) I, III, IV
- f) II, III, IV
- g) I, II, IV
- h) I, II, III, IV

Q:35 What is the "Previous Year" in the context of income tax?

- a) The financial year in which income is earned
- b) The financial year in which income is assessed
- c) The calendar year before the current year
- d) The year in which the income tax return is filed



CASE STUDY ON HEADS OF INCOME

Q: 1 Which of these statement defines Income From Salary head under income tax ?

- a) Income earned through employment contracts is subject to taxation under the category of "Income from Salaries."

- b) This encompasses any financial compensation received for the services rendered in the capacity of an employee.
- c) It includes salary, advances, benefits, bonuses, commissions, pensions, and other forms of remuneration.
- d) All of the above

Q: 2 _____ refers to the income earned by an individual from a property they own or have a legal interest in. The primary component of income from this head is the rental income received by the property owner from tenants who occupy the property.

- e) Income From Salary
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Q: 3 Under the head "Income from Profits and Gains of Business or Profession," which of the following is considered as business income?

- e) Fees earned from legal services
- f) Profits from operating a retail store
- g) Interest income from fixed deposits
- h) Winnings from lottery

Q: 4 Income from Other Sources" refers to any earnings that do not fall into the specific categories of income defined under other heads, such as salaries, business profits, capital gains, or income from house property Which of the following types of income is categorized under "Income from Other Sources"?

- V. Earnings from savings accounts, fixed deposits.
- VI. Dividends received from shares or stocks.
- VII. Winnings from Lotteries or Gambling
- VIII. Salary earned from employment

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Q:36 Maya works full-time as a marketing manager, earning a yearly salary of Rs. 8,00, 000.She owns a small apartment that she rents out for Rs. 3,00,000 annually. Maya utilizes her weekends and evenings for freelance graphic design projects, bringing in Rs. 2,00,000 per year. During the year, Maya sold some old shares for a profit of Rs. 1,00,000. She also won Rs. 25,000 in a photography contest. Which of the following is incorrect?

- a) **Income from Salaries:** Maya's earnings from her full-time job fall under this category.
- b) **Income from House Property:** The rental income she receives from her apartment comes under this head.
- c) **Income from Capital Gains:** The profit Maya made from selling her shares is considered capital gains.
- d) **Income from Other Sources:** Both the contest prize and the freelance graphic design project's income fall under this head.

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