1. What is Zakat?

* A. A form of prayer
* B. A tax on income
* C. An essential financial obligation for Muslims
* D. A type of savings

Answer: C

2. Who is responsible for collecting and managing Zakat in Saudi Arabia?

* A. Ministry of Finance
* B. General Authority of Zakat & Tax (GAZT)
* C. Local Mosque Committees
* D. Islamic Development Bank

Answer: B

3. What percentage of a Zakat payer's wealth is generally subject to Zakat?

* A. 2.5%
* B. 5%
* C. 10%
* D. 1%

Answer: A

4. What is the purpose of Zakat?

* A. Wealth accumulation
* B. Poverty alleviation and social solidarity
* C. Increasing government revenue
* D. None of the above

Answer: B

5. How often must Zakat be paid on eligible wealth?

* A. Monthly
* B. Annually
* C. Biannually
* D. Only once in a lifetime

Answer: B

6. What type of assets are not deductible from the Zakat base?

* A. Buildings
* B. Fixed assets used for business
* C. Personal assets
* D. Inventory intended for sale

Answer: C

7. Which of the following is considered a deductible item in Zakat calculation?

* A. Cash on hand
* B. Personal loans owed
* C. Employee pensions
* D. Machinery for production

Answer: D

8. What is the formula for calculating Zakat if the fiscal year does not match the Hijri year?

* A. 2.5% \* number of Hijri days
* B. (2.5% / 354) \* number of actual fiscal days
* C. Total assets \* 2.5%
* D. None of the above

Answer: B

9. Zakat is obligatory on which of the following sectors?

* A. Educational institutions
* B. Commercial activities
* C. Charitable organizations
* D. Government employees

Answer: B

10. Which of the following expenses may be deducted from the Zakat base?

* A. Non-business-related expenses
* B. Capital expenses
* C. Bad debts
* D. Personal loan payments

Answer: C

11. Which authority issues the Zakat declaration form?

* A. Ministry of Commerce
* B. Saudi Central Bank
* C. General Authority of Zakat & Tax (GAZT)
* D. Ministry of Finance

Answer: C

12. What is the purpose of a Zakat declaration?

* A. To collect tax revenue
* B. To identify the Zakat base of an entity
* C. To apply for tax exemptions
* D. To register business assets

Answer: B

13. When is the Zakat year considered complete for a Zakatable fund?

* A. After one Gregorian year
* B. After 365 days
* C. After twelve lunar months (354 days)
* D. None of the above

Answer: C

14. What is the calculation rate for Zakat on profits generated within the year?

* A. 1.5%
* B. 2.5%
* C. 3.5%
* D. 4%

Answer: B

15. Who is exempt from paying Zakat in Saudi Arabia?

* A. Government employees
* B. Residents with low income
* C. Non-residents without taxable income
* D. All business entities

Answer: C

16. How should bad debts be treated in Zakat calculation?

* A. Deduct them fully
* B. Report only if previously counted as revenue
* C. Ignore them
* D. Count as an asset

Answer: B

17. What type of assets are added to the Zakat base?

* A. Non-business-related personal assets
* B. Long-term investments
* C. Zakatable assets funded by internal sources
* D. Assets exempt from Zakat

Answer: C

18. What is considered a deductible asset?

* A. Cash on hand
* B. Inventory for sale
* C. Property and equipment
* D. Fair value reserves

Answer: C

19. How often are Zakat declarations submitted?

* A. Quarterly
* B. Semi-annually
* C. Annually
* D. Only at business registration

Answer: C

20. What percentage is applied to adjusted profits for Zakat?

* A. 1.5%
* B. 2%
* C. 2.5%
* D. 5%

Answer: C

21. What is considered a deductible expense in Zakat calculations?

* A. Employee salaries
* B. Donations
* C. Long-term investment income
* D. Depreciation of personal assets

Answer: A

22. Which financial year end aligns with Zakat obligations?

* A. Gregorian year-end
* B. Hijri year-end
* C. Half-year fiscal period
* D. Quarterly year-end

Answer: B

23. Who is responsible for determining Zakat rules and guidelines in Saudi Arabia?

* A. Ministry of Finance
* B. General Authority of Zakat & Tax (GAZT)
* C. Islamic Development Bank
* D. Saudi Central Bank

Answer: B

24. Which type of asset is generally excluded from the Zakat base?

* A. Cash reserves
* B. Inventory
* C. Fixed assets
* D. Personal loans

Answer: C

25. What is the Zakat rate applied on adjusted profits?

* A. 1%
* B. 2%
* C. 2.5%
* D. 5%

Answer: C

26. How is Zakat calculated if the fiscal year is shorter than the Hijri year?

* A. Using the full year rate
* B. Adjusting based on the number of days
* C. Applying half the standard rate
* D. Ignoring the fiscal year length

Answer: B

27. What happens to unpaid dividends in Zakat calculations?

* A. They are ignored
* B. They are considered distributed
* C. They are added to retained earnings
* D. They are deducted from the Zakat base

Answer: B

28. How is a partnership's Zakat obligation affected if a partner exits mid-year?

* A. The remaining partners bear full Zakat
* B. The partner's Zakat obligation ends immediately
* C. Zakat is prorated for the partner
* D. Zakat is waived

Answer: C

29. What percentage of unpaid loans can be deducted from Zakat base?

* A. 25%
* B. 50%
* C. 75%
* D. 100% if loan is uncollectable

Answer: D

30. What does GAZT stand for?

* A. General Authority of Zakat and Tax
* B. Global Authority for Zakat Transactions
* C. General Authority of Taxes
* D. General Assessment of Zakat Transfers

Answer: A

31. What types of investments are deductible from the Zakat base?

* A. All international investments
* B. Only investments in non-trading Saudi companies
* C. Long-term trading assets
* D. Investments in real estate

Answer: B

32. In which circumstances can bad debts be deducted from the Zakat base?

* A. If debts are confirmed by a chartered accountant
* B. When debts are from related parties
* C. Only if debts were never counted as revenue
* D. In the case of international debt only

Answer: A

33. Which assets are always excluded from the Zakat base?

* A. Inventory
* B. Personal property not used for business
* C. Accounts receivable
* D. Prepaid expenses

Answer: B

34. How are deferred tax assets treated in Zakat calculations?

* A. They are fully deductible
* B. Added to Zakat base
* C. Deducted if meeting specific conditions
* D. Ignored

Answer: C

35. What happens to the Zakat base if long-term liabilities exceed deductible assets?

* A. The Zakat base increases
* B. The base remains unchanged
* C. Zakat base is reduced by excess liability
* D. All liabilities are added to the base

Answer: C

36. What types of investments are deductible from the Zakat base?

* A. All international investments
* B. Only investments in non-trading Saudi companies
* C. Long-term trading assets
* D. Investments in real estate

Answer: B

37. In which circumstances can bad debts be deducted from the Zakat base?

* A. If debts are confirmed by a chartered accountant
* B. When debts are from related parties
* C. Only if debts were never counted as revenue
* D. In the case of international debt only

Answer: A

38. Which assets are always excluded from the Zakat base?

* A. Inventory
* B. Personal property not used for business
* C. Accounts receivable
* D. Prepaid expenses

Answer: B

39. How are deferred tax assets treated in Zakat calculations?

* A. They are fully deductible
* B. Added to Zakat base
* C. Deducted if meeting specific conditions
* D. Ignored

Answer: C

40. What happens to the Zakat base if long-term liabilities exceed deductible assets?

* A. The Zakat base increases
* B. The base remains unchanged
* C. Zakat base is reduced by excess liability
* D. All liabilities are added to the base

Answer: C