1. What is the primary purpose of Zakat in Islamic finance?

* A. Revenue generation
* B. Social welfare
* C. Business regulation
* D. Promoting foreign investment

Answer: B

2. Who is responsible for Zakat collection in Saudi Arabia?

* A. Ministry of Commerce
* B. General Authority of Zakat & Tax
* C. Ministry of Finance
* D. Zakat Committee

Answer: B

3. What percentage of Zakat is generally applied to Zakatable assets?

* A. 1%
* B. 2.5%
* C. 5%
* D. 7.5%

Answer: B

4. Which entity is exempt from Zakat?

* A. Fixed assets used for business
* B. Cash on hand
* C. Inventory
* D. Accounts receivable

Answer: A

5. What does 'Al-Hawl' refer to in the context of Zakat?

* A. A fiscal year
* B. A full lunar year
* C. One business quarter
* D. A month

Answer: B

6. For entities maintaining commercial books, Zakat is calculated using:

* A. Direct assessment
* B. Addition and deduction method
* C. Proportional method
* D. Estimated assessment

Answer: B

7. What is the role of the General Authority of Zakat & Tax?

* A. Business promotion
* B. Regulating imports
* C. Zakat collection and oversight
* D. Auditing corporate taxes

Answer: C

8. Zakat must be paid within how many months of the fiscal year-end?

* A. 1 month
* B. 3 months
* C. 6 months
* D. 12 months

Answer: B

9. What is the purpose of the Zakat declaration form?

* A. Registering business
* B. Calculating personal tax
* C. Declaring Zakatable assets
* D. Applying for exemptions

Answer: C

10. What is the minimum Zakat base for businesses?

* A. Fixed income
* B. Zakatable assets minus liabilities
* C. Gross revenue
* D. Only profits

Answer: B

11. Who is tasked with overseeing compliance of Zakat regulations?

* A. Local councils
* B. Zakat, Tax, and Customs Authority
* C. Ministry of Labor
* D. Local municipality

Answer: B

12. For foreign investments, Zakat is applied if:

* A. Not paid in the country of origin
* B. Business exceeds SAR 1 million
* C. Investor is non-resident
* D. Subject to Saudi taxation

Answer: A

13. In the Information and Communication Services sector, Zakat rate of 2.5% applies to:

* A. Only inventory
* B. Liquid and Zakatable assets
* C. Revenue
* D. Salaries

Answer: B

14. Which item is NOT deducted from the Zakat base?

* A. Fixed assets
* B. Cash held for operations
* C. Loans
* D. Inventory

Answer: A

15. If the Zakat base is lower than adjusted profit, Zakat is calculated on:

* A. Adjusted profit
* B. Zakat base
* C. Net income
* D. Total assets

Answer: A

16. What document must each Zakat payer submit annually?

* A. Zakat Statement
* B. Profit & Loss Account
* C. Zakat Declaration
* D. Financial Summary

Answer: C

17. Who is tasked with overseeing compliance of Zakat regulations?

* A. Local councils
* B. Zakat, Tax, and Customs Authority
* C. Ministry of Labor
* D. Local municipality

Answer: B

18. For foreign investments, Zakat is applied if:

* A. Not paid in the country of origin
* B. Business exceeds SAR 1 million
* C. Investor is non-resident
* D. Subject to Saudi taxation

Answer: A

19. In the Information and Communication Services sector, Zakat rate of 2.5% applies to:

* A. Only inventory
* B. Liquid and Zakatable assets
* C. Revenue
* D. Salaries

Answer: B

20. Which item is NOT deducted from the Zakat base?

* A. Fixed assets
* B. Cash held for operations
* C. Loans
* D. Inventory

Answer: A

21. If the Zakat base is lower than adjusted profit, Zakat is calculated on:

* A. Adjusted profit
* B. Zakat base
* C. Net income
* D. Total assets

Answer: A

22. What document must each Zakat payer submit annually?

* A. Zakat Statement
* B. Profit & Loss Account
* C. Zakat Declaration
* D. Financial Summary

Answer: C

23. Who is tasked with overseeing compliance of Zakat regulations?

* A. Local councils
* B. Zakat, Tax, and Customs Authority
* C. Ministry of Labor
* D. Local municipality

Answer: B

24. For foreign investments, Zakat is applied if:

* A. Not paid in the country of origin
* B. Business exceeds SAR 1 million
* C. Investor is non-resident
* D. Subject to Saudi taxation

Answer: A

25. In the Information and Communication Services sector, Zakat rate of 2.5% applies to:

* A. Only inventory
* B. Liquid and Zakatable assets
* C. Revenue
* D. Salaries

Answer: B

26. Which item is NOT deducted from the Zakat base?

* A. Fixed assets
* B. Cash held for operations
* C. Loans
* D. Inventory

Answer: A

27. If the Zakat base is lower than adjusted profit, Zakat is calculated on:

* A. Adjusted profit
* B. Zakat base
* C. Net income
* D. Total assets

Answer: A

28. What document must each Zakat payer submit annually?

* A. Zakat Statement
* B. Profit & Loss Account
* C. Zakat Declaration
* D. Financial Summary

Answer: C

29. Who is tasked with overseeing compliance of Zakat regulations?

* A. Local councils
* B. Zakat, Tax, and Customs Authority
* C. Ministry of Labor
* D. Local municipality

Answer: B

30. For foreign investments, Zakat is applied if:

* A. Not paid in the country of origin
* B. Business exceeds SAR 1 million
* C. Investor is non-resident
* D. Subject to Saudi taxation

Answer: A

31. In the Information and Communication Services sector, Zakat rate of 2.5% applies to:

* A. Only inventory
* B. Liquid and Zakatable assets
* C. Revenue
* D. Salaries

Answer: B

32. Which item is NOT deducted from the Zakat base?

* A. Fixed assets
* B. Cash held for operations
* C. Loans
* D. Inventory

Answer: A

33. If the Zakat base is lower than adjusted profit, Zakat is calculated on:

* A. Adjusted profit
* B. Zakat base
* C. Net income
* D. Total assets

Answer: A

34. What document must each Zakat payer submit annually?

* A. Zakat Statement
* B. Profit & Loss Account
* C. Zakat Declaration
* D. Financial Summary

Answer: C

35. Which of these expenses is NOT deductible for Zakat purposes?

* A. Business expenses
* B. Personal expenses
* C. Loans for operations
* D. Depreciation

Answer: B

36. For Zakat calculation, a Hijri year (Al-Hawl) is equivalent to:

* A. 12 calendar months
* B. 354 days
* C. 365 days
* D. 300 days

Answer: B

37. When should Zakat be paid if the financial year ends in December?

* A. By March of the following year
* B. By December 31
* C. Within one month
* D. Anytime within the year

Answer: A

38. The General Authority of Zakat & Tax also handles:

* A. Income tax collection
* B. Import regulations
* C. Foreign investments
* D. Personal taxes

Answer: A

39. Which of the following is a Zakatable asset?

* A. Real estate for personal use
* B. Inventory held for sale
* C. Fixed equipment
* D. Business vehicles

Answer: B

40. Zakat is not applicable to assets:

* A. Used for charity
* B. Owned by minors
* C. Generating income
* D. Held for personal use

Answer: D