1. Who is responsible for the collection and disbursement of Zakat in Saudi Arabia?

a) Ministry of Finance

b) Zakat, Tax and Customs Authority

c) Saudi Central Bank

d) Ministry of Commerce

Answer: b) Zakat, Tax and Customs Authority

2. What is the minimum Zakat ratio applied to Zakatable funds for the real estate sector?

a) 1.5%

b) 2%

c) 2.5%

d) 3%

Answer: c) 2.5%

3. Zakat base for real estate is calculated using which of the following methods?

a) Gross income

b) Net asset method

c) Direct expenses method

d) Zakatable asset method

Answer: b) Net asset method

4. The concept of Al-Hawl in Zakat calculation refers to:

a) One fiscal year

b) One lunar year

c) One calendar year

d) One financial quarter

Answer: b) One lunar year

5. For Zakat purposes, a Zakatable year has how many days?

a) 354 days

b) 365 days

c) 360 days

d) 400 days

Answer: a) 354 days

6. Short-term liabilities that finance deductible assets are:

a) Excluded from Zakat base

b) Added to Zakat base

c) Only partially added

d) Deducted from net income

Answer: b) Added to Zakat base

7. Which Royal Decree formalized the Zakat collection system?

a) Decree No. (M/40)

b) Decree No. (2216)

c) Decree No. (2082)

d) Decree No. (465)

Answer: a) Decree No. (M/40)

8. Who must submit a Zakat Declaration in Saudi Arabia?

a) Only large businesses

b) All businesses and individuals with Zakatable activities

c) Only individuals

d) Only foreign investors

Answer: b) All businesses and individuals with Zakatable activities

9. The term 'Zakatable Assets' includes:

a) Real estate only

b) Fixed assets only

c) All current assets and inventory

d) All assets regardless of type

Answer: c) All current assets and inventory

10. How are capital increases treated in the Zakat base?

a) Ignored

b) Deducted from Zakat base

c) Added in full if sourced internally

d) Added partially only

Answer: c) Added in full if sourced internally

11. Provisions for end-of-service benefits are:

a) Added to Zakat base

b) Deducted from Zakat base

c) Excluded from base calculation

d) Considered neutral in base

Answer: b) Deducted from Zakat base

12. Real estate held for sale is classified as:

a) Non-Zakatable asset

b) Zakatable asset

c) Short-term liability

d) Excluded from Zakat base

Answer: b) Zakatable asset

13. Net adjusted loss for the Zakat year is treated as:

a) Added to Zakat base

b) Deducted from Zakat base

c) Excluded from calculation

d) Multiplied by 2.5%

Answer: b) Deducted from Zakat base

14. Who supervises Zakat declarations and payments?

a) Saudi Central Bank

b) Zakat, Tax and Customs Authority

c) Ministry of Commerce

d) Finance Ministry

Answer: b) Zakat, Tax and Customs Authority

15. Which item is not deductible from the Zakat base?

a) Cash and cash equivalents

b) Fixed assets

c) Short-term liabilities

d) Non-Zakatable investments

Answer: a) Cash and cash equivalents

16. For a real estate company, Zakatable assets exclude:

a) Inventory

b) Machinery

c) Receivables

d) Cash on hand

Answer: b) Machinery

17. How is Zakat calculated on properties under development?

a) 2.5% annually on net profit

b) Based on projected value at completion

c) 2.5% of the project's current cost

d) Based on total assets

Answer: c) 2.5% of the project's current cost

18. Long-term loans that finance deductible assets are:

a) Excluded from base

b) Partially added

c) Added fully to Zakat base

d) Only partially considered

Answer: c) Added fully to Zakat base

19. The main purpose of Zakat in Islam is to:

a) Generate state revenue

b) Increase individual wealth

c) Support the needy

d) Provide business incentives

Answer: c) Support the needy

20. Who is considered a 'resident' for Zakat purposes?

a) Anyone with property in Saudi Arabia

b) Only Saudi citizens

c) As defined by Article (3) of Zakat Regulation

d) Foreign investors with residency permit

Answer: c) As defined by Article (3) of Zakat Regulation

21. What is the purpose of Zakat Declaration?

a) Tax refund

b) Showcase of assets only

c) To report Zakat base and due amount

d) To apply for exemptions

Answer: c) To report Zakat base and due amount

22. Inventory in a real estate company is:

a) Exempt from Zakat

b) Zakatable asset

c) Partially deductible

d) Ignored in calculations

Answer: b) Zakatable asset

23. What is the rate applied on adjusted profit in Zakat calculation?

a) 1%

b) 3%

c) 2.5%

d) 4%

Answer: c) 2.5%

24. What does 'Hawl' refer to in Zakat?

a) A fiscal quarter

b) A Hijri year

c) A calendar year

d) Half-year period

Answer: b) A Hijri year

25. What is deducted from the Zakat base?

a) Real estate value

b) Net profit

c) Non-Zakatable assets

d) Revenue

Answer: c) Non-Zakatable assets

26. Which liabilities are typically included in the Zakat base?

a) Short-term

b) Long-term obligations financing deductible assets

c) Only accounts payable

d) None

Answer: b) Long-term obligations financing deductible assets

27. Who is exempt from Zakat payments?

a) Foreign investors

b) Agricultural companies

c) Insurance companies

d) Companies following special guidelines

Answer: d) Companies following special guidelines

28. If a Zakat payer misses declaration deadlines, they:

a) File within 60 days

b) Receive penalties

c) Are exempt

d) Can delay further

Answer: b) Receive penalties

29. Zakatable income in real estate activities excludes:

a) Sales

b) Rental income

c) Fixed asset sales

d) Capital gains

Answer: c) Fixed asset sales

30. What role does the General Authority of Zakat play?

a) Sets Zakat rates

b) Manages social benefits

c) Collects and disburses Zakat

d) Oversees Zakat exemptions

Answer: c) Collects and disburses Zakat

31. Equity in a company is considered:

a) A Zakatable asset

b) Non-Zakatable

c) Source of funds

d) Expense item

Answer: c) Source of funds

32. Cash set aside for business operations is:

a) Zakatable

b) Non-Zakatable

c) Partially Zakatable

d) Excluded from base

Answer: a) Zakatable

33. What is considered an internal source of funds?

a) Fixed asset

b) Loan

c) Equity

d) Inventory

Answer: c) Equity

34. Properties under development are deducted if:

a) Their value exceeds 30%

b) They remain unsold

c) 25% or less is sold

d) They are located abroad

Answer: c) 25% or less is sold

35. Which income is Zakatable?

a) Only capital gains

b) Rental income

c) Fixed assets sales

d) Operating expenses

Answer: b) Rental income

36. External funds that are deductible in Zakat include:

a) Loans

b) Short-term obligations

c) Liabilities financing deductible assets

d) Unsecured loans

Answer: c) Liabilities financing deductible assets

37. Properties classified as current assets are:

a) Deducted

b) Excluded

c) Zakatable

d) Not reported

Answer: c) Zakatable

38. Net loss adjusted for Zakat purposes is:

a) Added to base

b) Deducted from base

c) Excluded

d) Multiplied by 2.5%

Answer: b) Deducted from base

39. How often is Zakat calculated?

a) Monthly

b) Quarterly

c) Yearly

d) Biannually

Answer: c) Yearly

40. Investments exempt from Zakat include:

a) Trading properties

b) Non-trading shares in Saudi companies

c) Government bonds

d) All international assets

Answer: b) Non-trading shares in Saudi companies

41. The purpose of the Implementing Regulations is to:

a) Set tax rates

b) Guide Zakat levy application

c) Support tax evasion

d) Regulate only foreign assets

Answer: b) Guide Zakat levy application

42. Zakat on foreign investments requires:

a) Quarterly payment

b) Registration with SAMA

c) Certificate from licensed accountant

d) Direct exemption

Answer: c) Certificate from licensed accountant

43. Zakat base for deemed assets includes:

a) Property value only

b) Capital and retained earnings

c) Estimated imports

d) Commercial book records only

Answer: b) Capital and retained earnings

41. For construction, retained earnings are:

a) Deducted from base

b) Added to Zakat base

c) Excluded

d) Only included if distributed

Answer: b) Added to Zakat base

42. Projects classified as long-term assets are:

a) Fully Zakatable

b) Partially Zakatable

c) Non-Zakatable

d) Exempt

Answer: c) Non-Zakatable

43. Which of the following must be excluded from Zakat base?

a) Cash

b) Loans

c) Inventory

d) Fixed assets

Answer: d) Fixed assets

44. The principle of Al-Hawl applies to Zakat over:

a) 354 days

b) 360 days

c) 365 days

d) Monthly

Answer: a) 354 days

45. Zakatable income for construction sector includes:

a) Capital expenses

b) Revenue from services

c) Personal expenses

d) Depreciation

Answer: b) Revenue from services