1. The implementing regulations for Zakat levying for financing activities were issued under which Ministerial Resolution?

a) 2200

b) 2215

c) 2216

d) 2220

Answer: c) 2216

2. The Zakat base for financing activities is calculated by:

a) Assets - Liabilities

b) Sources of funds x (zakatable assets ÷ total assets)

c) Income - Expenses

d) Equity x Total Assets

Answer: b) Sources of funds x (zakatable assets ÷ total assets)

3. What is the minimum Zakat limit for financing activities based on gross profit?

a) 40%

b) 50%

c) 30%

d) 25%

Answer: a) 40%

4. The Zakat year can be:

a) Only Hijri

b) Only Gregorian

c) Hijri or Gregorian

d) Only fiscal quarter

Answer: c) Hijri or Gregorian

5. Who licenses banks and finance companies subject to Zakat in Saudi Arabia?

a) Saudi Ministry of Finance

b) Saudi Central Bank (SAMA)

c) Zakat, Tax and Customs Authority

d) Ministry of Commerce

Answer: b) Saudi Central Bank (SAMA)

6. The maximum limit for Zakat base in financing activities can be:

a) 5x net profit

b) 6x gross profit

c) 8x net profit

d) 10x gross profit

Answer: c) 8x net profit

7. Net profit in financing activities refers to:

a) Profit after tax

b) Profit before Zakat provision

c) Gross profit

d) Revenue

Answer: b) Profit before Zakat provision

8. What is excluded from Zakat calculation for non-residents?

a) Assets in Saudi Arabia

b) Liabilities

c) External sources

d) None

Answer: c) External sources

9. Which of the following assets is deductible in Zakat calculation for financing activities?

a) Non-zakatable assets

b) Investment in government bonds

c) Intangible assets

d) Net fixed assets

Answer: b) Investment in government bonds

10. The Zakat base for financing activities excludes:

a) Net fixed assets

b) Total assets

c) Net profit

d) Total liabilities

Answer: a) Net fixed assets

11. In financing Zakat, hedging refers to:

a) Reducing liabilities

b) Financial instruments to hedge cash flows

c) Increasing Zakat rate

d) Lowering Zakat base

Answer: b) Financial instruments to hedge cash flows

12. Consolidation of financial statements is allowable if:

a) Zakat payer owns all assets

b) Zakat payer subject to same rules owns company

c) No equity shares

d) Zakat payer has 50% ownership

Answer: b) Zakat payer subject to same rules owns company

13. Zakat on investments in government bonds is:

a) Deducted from Zakat base

b) Included in total assets

c) Added to liabilities

d) Excluded as government pays on behalf

Answer: d) Excluded as government pays on behalf

14. Which formula represents the Zakat base calculation?

a) Net profit x total assets

b) Gross profit - liabilities

c) Sources of funds x (zakatable assets ÷ total assets)

d) Capital - liabilities

Answer: c) Sources of funds x (zakatable assets ÷ total assets)

15. Who is considered a resident for Zakat purposes?

a) Anyone in Saudi Arabia

b) Person meeting residency in Article 3

c) Only Saudi citizens

d) Anyone with property in Saudi Arabia

Answer: b) Person meeting residency in Article 3

16. The minimum Zakat limit for net profit in financing activities is:

a) 4x net profit

b) 5x net profit

c) 8x net profit

d) 6x net profit

Answer: a) 4x net profit

17. Total liabilities are classified as:

a) Non-zakatable

b) Sources of funds

c) Net assets

d) Excluded

Answer: b) Sources of funds

18. Equity in financing Zakat base is treated as:

a) Deductible

b) Non-zakatable

c) Source of funds

d) Excluded

Answer: c) Source of funds

19. Gross profit is defined as:

a) Total income - indirect costs

b) Total income - direct expenses

c) Revenue only

d) Profit after Zakat provision

Answer: b) Total income - direct expenses

20. If a Zakat payer has no income, the Zakat base is calculated by:

a) Minimum net profit requirement

b) Maximum limit

c) Standard Zakat percentage

d) No Zakat levied

Answer: a) Minimum net profit requirement

21. The concept of hedging in Zakat calculation involves:

a) Reducing Zakat liability

b) Protecting against asset fluctuations

c) Income generation

d) Lowering tax base

Answer: b) Protecting against asset fluctuations

22. Real estate under mortgage execution is:

a) Deductible

b) Zakatable asset

c) Source of funds

d) Non-zakatable

Answer: b) Zakatable asset

23. Zakat is levied on financing activities at a rate of:

a) 1%

b) 2%

c) 2.5%

d) 3%

Answer: c) 2.5%

24. The consolidation of financial statements for Zakat purposes is:

a) Optional

b) Mandatory

c) Restricted to same-rule companies

d) Not allowed

Answer: c) Restricted to same-rule companies

25. Financing activities include:

a) Manufacturing

b) Retail

c) Banking and finance companies

d) Real estate

Answer: c) Banking and finance companies

26. Sources of funds subject to Zakat exclude:

a) Equity

b) Capital

c) Government grants

d) Liabilities due in one year

Answer: c) Government grants

27. Financial derivatives due after a year are classified as:

a) Non-deductible

b) Zakatable asset

c) Non-zakatable asset

d) Source of funds

Answer: d) Source of funds

28. Non-residents are excluded from Zakat calculation if:

a) Assets are overseas

b) Under SAMA regulations

c) They hold no Saudi assets

d) Registered in another country

Answer: c) They hold no Saudi assets

29. In Zakat, 'hedging' is used for:

a) Limiting losses

b) Enhancing returns

c) Offsetting Zakat liabilities

d) Protecting against financial fluctuations

Answer: d) Protecting against financial fluctuations

30. What is the primary regulator for financing Zakat?

a) Zakat, Tax and Customs Authority

b) Saudi Central Bank

c) Ministry of Commerce

d) Saudi Revenue Department

Answer: b) Saudi Central Bank

31. For Zakat, the term 'Zakatable assets' means:

a) Total assets

b) Assets excluded from liabilities

c) Zakatable portion of assets

d) Gross profit

Answer: c) Zakatable portion of assets

32. Zakat on financing activities must consider:

a) Capital value only

b) Sources of funds

c) Total gross profit

d) Expenditure

Answer: b) Sources of funds

33. Which assets are deductible from Zakat base?

a) Gross income

b) Non-zakatable assets

c) Total equity

d) Sales revenue

Answer: b) Non-zakatable assets

34. Investment in foreign entities is subject to:

a) Full Zakat

b) Partial Zakat

c) Separate Zakat per regulation

d) No Zakat

Answer: c) Separate Zakat per regulation

35. Which assets are added to Zakat base in financing activities?

a) Debt-only assets

b) Government-issued investments

c) Long-term liabilities

d) Equity

Answer: d) Equity

38. The method for calculating Zakat in financing includes:

a) Fixed rate

b) Direct asset calculation

c) Proportional allocation

d) Simple subtraction

Answer: c) Proportional allocation

39. Which is NOT a Zakatable asset for financing?

a) Real estate under mortgage

b) Debt over one year

c) SAMA deposits

d) Foreign investment

Answer: d) Foreign investment

40. Government bonds exempt Zakat because:

a) Liabilities are deferred

b) Government pays on behalf

c) They are deductible

d) Not considered assets

Answer: b) Government pays on behalf