

## ✓ Employability Skills MCQs (with Answers)

### 1. Effective communication means...

- a) Speaking loudly
- b) Sharing information clearly
- c) Using difficult words
- d) Interrupting others

**Answer: b**

### 2. Which of the following is a non-verbal communication?

- a) Email
- b) Phone call
- c) Facial expressions
- d) Letter

**Answer: c**

### 3. MS Word is used for...

- a) Making presentations
- b) Creating documents
- c) Calculating data
- d) Browsing internet

**Answer: b**

### 4. A budget helps in...

- a) Spending more money
- b) Planning income and expenses
- c) Increasing problems
- d) Reducing income

**Answer: b**

### 5. An entrepreneur is a person who...

- a) Works for others
- b) Starts and manages a business
- c) Avoids taking risks
- d) Only follows orders

**Answer: b**

## **6. Teamwork improves...**

- a) Conflict
- b) Efficiency
- c) Isolation
- d) Stress

**Answer: b**

## **7. The full form of ICT is...**

- a) Indian Communication Technology
- b) Information and Communication Technology
- c) Interpersonal Communication Tool
- d) Internal Computer Training

**Answer: b**

## **8. What is the shortcut for Copy in a computer?**

- a) Ctrl + V
- b) Ctrl + C
- c) Ctrl + X
- d) Ctrl + Z

**Answer: b**

## **9. A resume mainly highlights...**

- a) Personal problems
- b) Skills, education, experience
- c) Family background
- d) Hobbies only

**Answer: b**

## **10. Time management helps to...**

- a) Increase workload
- b) Reduce productivity
- c) Complete tasks efficiently
- d) Delay work

**Answer: c**

## Financial Statement Preparation – MCQs (with Answers)

### **1. Which of the following is prepared first in the accounting cycle?**

- a) Trial Balance
- b) Balance Sheet
- c) Journal
- d) Cash Flow Statement

**Answer: c**

### **2. The main purpose of a Trial Balance is to...**

- a) Prepare GST returns
- b) Check arithmetical accuracy of ledger balances
- c) Calculate profit
- d) Pay salary

**Answer: b**

### **3. In which financial statement is profit shown?**

- a) Balance Sheet
- b) Income Statement
- c) Cash Book
- d) Ledger

**Answer: b**

### **4. Assets are shown on which side of the Balance Sheet?**

- a) Debit
- b) Credit
- c) Both sides
- d) None

**Answer: a**

### **5. Which of the following is a current asset?**

- a) Land
- b) Debtors
- c) Machinery
- d) Capital

**Answer: b**

**6. Depreciation is recorded for...**

- a) Increasing value of assets
- b) Decreasing value of assets
- c) Increasing profits
- d) Reducing expenses

**Answer: b**

**7. Which statement shows cash inflow and outflow?**

- a) Income Statement
- b) Balance Sheet
- c) Cash Flow Statement
- d) Ledger

**Answer: c**

**8. Closing stock appears in...**

- a) Trading Account
- b) Cash Flow Statement
- c) Bank Reconciliation
- d) Journal

**Answer: a**

**9. An expense that is paid in advance is called...**

- a) Outstanding expense
- b) Prepaid expense
- c) Accrued income
- d) Deferred liability

**Answer: b**

**10. Net profit is transferred to...**

- a) Cash Book
- b) Capital Account
- c) Debtors Account
- d) Creditors Account

**Answer: b**

**11. Which of the following is a liability?**

- a) Furniture
- b) Creditors
- c) Cash
- d) Inventory

**Answer: b**

**12. Sales returns should be recorded in...**

- a) Purchase Book
- b) Sales Return Book
- c) Journal Proper
- d) Cash Book

**Answer: b**

**13. Which accounting concept assumes the business will continue operating?**

- a) Money Measurement
- b) Going Concern
- c) Conservatism
- d) Cost Concept

**Answer: b**

**14. Goodwill is a...**

- a) Current asset
- b) Fictitious asset
- c) Intangible asset
- d) Liability

**Answer: c**

**15. Which item will NOT appear in the Balance Sheet?**

- a) Capital
- b) Drawings
- c) Discount allowed
- d) Machinery

**Answer: c**

## Payroll and Statutory Compliance MCQs (with Answers)

### **1. Payroll refers to...**

- a) The list of employees and their salaries
- b) Office inventory
- c) Only deductions
- d) Only bonuses

**Answer: a**

### **2. PF stands for...**

- a) Professional Fund
- b) Provident Fund
- c) Public Finance
- d) Production Fund

**Answer: b**

### **3. The employee PF contribution percentage (basic + DA) is...**

- a) 8 percent
- b) 10 percent
- c) 12 percent
- d) 15 percent

**Answer: c**

### **4. Which form is used to file monthly PF returns?**

- a) Form 10C
- b) ECR
- c) Form 16
- d) GSTR 1

**Answer: b**

### **5. ESI applies when employee wages are up to...**

- a) ₹15,000 per month
- b) ₹18,000 per month
- c) ₹21,000 per month
- d) ₹25,000 per month

**Answer: c**

**6. ESI employee contribution rate is...**

- a) 1 percent
- b) 0.75 percent
- c) 3.25 percent
- d) 4 percent

**Answer: b**

**7. Payment of Bonus Act applies to employees earning up to...**

- a) ₹15,000 per month
- b) ₹18,000 per month
- c) ₹21,000 per month
- d) ₹25,000 per month

**Answer: b**

**8. Gratuity becomes payable after...**

- a) 2 years of service
- b) 3 years of service
- c) 4 years of service
- d) 5 years of service

**Answer: d**

**9. Which of the following is a statutory deduction?**

- a) Festival advance
- b) Bonus
- c) PF
- d) Incentive

**Answer: c**

**10. Form 16 is issued for...**

- a) GST
- b) PF transfer
- c) TDS on salary
- d) ESI claim

**Answer: c**

**11. Payroll processing starts with...**

- a) Bank reconciliation
- b) Employee attendance and leave records
- c) Vendor payments
- d) Purchase register

**Answer: b**

**12. TDS is deducted when salary crosses...**

- a) The basic exemption limit
- b) PF wage limit
- c) ESI wage limit
- d) GST threshold

**Answer: a**

**13. Which law governs minimum wages?**

- a) Factories Act
- b) Payment of Wages Act
- c) Minimum Wages Act
- d) Bonus Act

**Answer: c**

**14. Employer contribution to PF is...**

- a) Fully part of salary
- b) A statutory liability
- c) Optional
- d) Not allowed

**Answer: b**

**15. Salary slip must include...**

- a) Only net salary
- b) Only gross salary
- c) Earnings and deductions both
- d) Employer PF only

**Answer: c**

## GST Returns and Tax Compliance MCQs (with Answers)

### **1. GST stands for...**

- a) Goods and Simple Tax
- b) Goods and Services Tax
- c) General Sales Tax
- d) Government Service Tax

**Answer: b**

### **2. GST in India is regulated by...**

- a) RBI
- b) Ministry of Finance
- c) Income Tax Department
- d) SEBI

**Answer: b**

### **3. The threshold limit for GST registration for normal taxpayers (services) is...**

- a) ₹10 lakh
- b) ₹20 lakh
- c) ₹40 lakh
- d) ₹50 lakh

**Answer: b**

### **4. GSTR-1 is used to file...**

- a) Purchase details
- b) Outward supplies
- c) Monthly summary return
- d) Annual return

**Answer: b**

### **5. GSTR-3B is filed...**

- a) Annually
- b) Quarterly only
- c) Monthly or quarterly (depending on scheme)
- d) Once in lifetime

**Answer: c**

**6. ITC stands for...**

- a) Input Tax Credit
- b) International Tax Code
- c) Internal Tax Control
- d) Integrated Tax Calculation

**Answer: a**

**7. IGST applies to...**

- a) Intra-state supply
- b) Inter-state supply
- c) Local market supply
- d) Only services

**Answer: b**

**8. Which tax applies within the same state?**

- a) IGST
- b) GSTX
- c) CSGT
- d) CGST + SGST

**Answer: d**

**9. Reverse Charge Mechanism means...**

- a) Customer pays tax on behalf of supplier
- b) Government pays tax
- c) Supplier pays tax twice
- d) No tax is paid

**Answer: a**

**10. The due date for monthly GSTR-3B filing is usually...**

- a) 1st of next month
- b) 11th of next month
- c) 20th of next month
- d) 30th of next month

**Answer: c**

**11. GST return filing portal is...**

- a) incometax.gov.in
- b) pfesic.gov.in
- c) gst.gov.in
- d) mca.gov.in

**Answer: c**

**12. Composition scheme GST rate for traders is...**

- a) 1 percent
- b) 5 percent
- c) 12 percent
- d) 18 percent

**Answer: a**

**13. Which form is used for Annual GST Return?**

- a) GSTR-9
- b) GSTR-2A
- c) GSTR-3B
- d) GSTR-7

**Answer: a**

**14. TDS under GST is deducted at...**

- a) 2 percent
- b) 10 percent
- c) 12 percent
- d) 18 percent

**Answer: a**

**15. HSN code is used to classify...**

- a) Customers
- b) Goods
- c) Employees
- d) Services only

**Answer: b**

## Income Tax and Other Compliances MCQs (with Answers)

### **1. Income tax in India is governed by the...**

- a) Companies Act 2013
- b) Income Tax Act 1961
- c) GST Act 2017
- d) RBI Act

**Answer: b**

### **2. The financial year (FY) runs from...**

- a) January to December
- b) April to March
- c) July to June
- d) October to September

**Answer: b**

### **3. PAN stands for...**

- a) Permanent Account Number
- b) Personal Access Number
- c) Public Account Number
- d) Personal Account Note

**Answer: a**

### **4. The form used to file individual income tax returns is...**

- a) GSTR 3B
- b) ITR
- c) FORM 16B
- d) ECR

**Answer: b**

### **5. Form 16 is issued by...**

- a) Supplier
- b) Customer
- c) Employer
- d) GST officer

**Answer: c**

**6. TDS stands for...**

- a) Tax Deducted at Source
- b) Total Direct Salary
- c) Tax Due Settlement
- d) Tax Division System

**Answer: a**

**7. The basic exemption limit for individuals below 60 years (old regime) is...**

- a) ₹1 lakh
- b) ₹1.5 lakh
- c) ₹2.5 lakh
- d) ₹3.5 lakh

**Answer: c**

**8. Income tax return filing due date for individuals is usually...**

- a) March 31
- b) July 31
- c) December 31
- d) January 1

**Answer: b**

**9. Section 80C allows deductions up to...**

- a) ₹25,000
- b) ₹50,000
- c) ₹1,00,000
- d) ₹1,50,000

**Answer: d**

**10. HRA exemption is calculated under...**

- a) Section 24
- b) Section 80G
- c) Section 10
- d) Section 194C

**Answer: c**

**11. Advance tax is payable when tax liability exceeds...**

- a) ₹2,500
- b) ₹5,000
- c) ₹10,000
- d) ₹20,000

**Answer: c**

**12. Income from rent is taxed under...**

- a) Salary
- b) House Property
- c) Capital Gains
- d) Other Sources

**Answer: b**

**13. Short term capital gain on shares (STCG under section 111A) is taxed at...**

- a) 5 percent
- b) 10 percent
- c) 15 percent
- d) 20 percent

**Answer: c**

**14. Agricultural income is...**

- a) Fully taxable
- b) Taxable at 50 percent
- c) Exempt subject to certain conditions
- d) Always treated as business income

**Answer: c**

**15. Which form contains details of TDS deducted?**

- a) ITR 7
- b) Form 26AS
- c) GSTR 9
- d) ESI Form 1

**Answer: b**

**16. What is the primary purpose of a code of conduct in an organization?**

- a) To promote employee morale
- b) To ensure compliance with laws and regulations
- c) To establish a positive work culture

- d) To outline employee benefits

**Answer: b) To ensure compliance with laws and regulations**

**17. Which of the following is an example of professional behavior?**

- a) Gossiping about colleagues
- b) Meeting deadlines and delivering quality work
- c) Taking credit for someone else's work
- d) Sharing confidential information

**Answer: b) Meeting deadlines and delivering quality work**

**18. What should you do if you encounter a conflict of interest at work?**

- a) Ignore it and continue with your work
- b) Discuss it with your colleagues
- c) Report it to your supervisor or HR
- d) Try to resolve it on your own

**Answer: c) Report it to your supervisor or HR**

**19. Which of the following is a key aspect of maintaining confidentiality?**

- a) Sharing sensitive information with colleagues
- b) Protecting sensitive information from unauthorized access
- c) Discussing confidential matters in public areas
- d) Sharing confidential information on social media

Answer: b) Protecting sensitive information from unauthorized access

**20. How should you handle a difficult customer or client?**

- a) Argue with them and prove your point
- b) Listen to their concerns and offer a solution
- c) Ignore them and hope they go away
- d) Escalate the issue to your supervisor

Answer: b) Listen to their concerns and offer a solution

**21. What is the primary goal of a workplace health and safety program?**

- a) To reduce costs
- b) To increase productivity
- c) To prevent injuries and illnesses
- d) To improve employee morale

Answer: c) To prevent injuries and illnesses

**22. Who is responsible for ensuring a safe work environment?**

- a) Employees
- b) Employers
- c) Government agencies
- d) All of the above

Answer: d) All of the above

**23. What should you do if you identify a hazard in the workplace?**

- a) Ignore it and continue working
- b) Report it to your supervisor or safety officer
- c) Try to fix it yourself
- d) Warn your colleagues

Answer: b) Report it to your supervisor or safety officer

**24. What is the purpose of a risk assessment?**

- a) To identify potential hazards
- b) To evaluate the effectiveness of safety measures
- c) To determine the cause of an accident
- d) To assign blame for an incident

Answer: a) To identify potential hazards

**25. What should you do in case of a fire emergency?**

- a) Use the elevator to evacuate
- b) Try to fight the fire yourself
- c) Evacuate the area and call the fire department

d) Hide under your desk

**26. You have to reconcile the ITC figures on the GST portal with the Purchase and sales records from the client's books, the auto populated data on the portal shows a discrepancy with your books, especially regarding the purchase invoices from one of the vendors. What should be your first step I recording the ITC discrepancy?**

a. Ignore the discrepancy as the portal's figure are always correct

**b. Reconcile the data based on the total sales and purchase figure rather than individual invoices**

c. Compare the purchase invoice details in your records with the auto populated purchase data on the portal and verify the accuracy of both

d. Assume that the discrepancy is due to errors in the portal's auto-population and proceed with filing the return.

**27. You handle tax filing for multiple clients and notice a significant amount of paper waste from printed tax documents, invoices, and reports. What is the best environmentally sustainable approach to handle this?**

a. Print multiple copies of each document to ensure a backup exists

b. Use single -sided printing instead of double-sided to avoid smudging

c. Encourage clients to submit physical copies instead of digital files

**d. Print only the final version of the tax column and store other documents digitally**

**28. A newly hired HR executive at XYZ Pvt ltd prepare the monthly payroll but mistakenly calculates the provident Fund(PF) and employee state Insurance (ESI)based on the entire gross salary instead of the basic salary plus dearness allowance. The employees receive their salary slips and notices discrepancies in deductions. The finance Manager asks the consultant (Chartered tax practitioner) to rectify the issue and ensure compliance with statutory deductions. How should the consultant (Chartered tax practitioner) correct the payroll calculations to ensure accurate PF and ESI deductions?**

- a) Deduct PF and ESI based on the gross salary as all correspondents are part of an employee's earnings
- b) Ignore PF and ESI deductions for employees earning above Rs.21000 per month as they are exempt from contribution.
- c) Apply the correct statutory rate of PF (12% of basic + DA) and ESI (0.75% employee)
- d) Correctly calculate pf and Esi deduction only on the Basic + DA portion of the salary**

**29. You have received an email from a client asking for a “detailed reconciliation statement” for their tax filing. However, they have not specified the financial year what should you do first?**

- a. Prepare a reconciliation statement for the most recent financial year and send it
- b. Reply to the client asking them to specify the financial year before proceeding
- c. Ignore the email until the client follows up with more details
- d. Assume the client wants a profit and loss statement instead and send that

**30. While preparing tax documentation for an MSME client, you need to access several folders containing sensitive financial data your system prompts you for permissions to open a directory and you’re unsure whether you have the correct level of access to retrieve the documents what should you do to gain access to the necessary folders while maintaining security and privacy?**

- a) Share your login credentials with a colleague who has the correct access level to retrieve the documents
- b) Work without accessing the folders and proceed with the task going incomplete data
- c) Attempt to open the folder multiple times until it works assuming the system will grant access
- d) Contact the system administrator or IT support to require the necessary permission for the folder while assuming the request again with company proceeds.**

**31. A business purchase new machinery worth Rs.500000 and records it as an expense under “Repairs & Maintenance” instead of classifying it under “Fixed Assets” What is the correct course of action?**

- a) Leave it as it won't affect financial reporting significantly
- b) Split the amount between “Repairs & maintenance” and Fixed assets
- c) Keep it under “Repairs & maintenance” to reduce taxable profit
- d) Reclassify the amount under “Fixed Assets” and calculate depreciation**

**32. DEF Ltd has claimed depreciation on certain assets, but the income tax department has disallowed part of the depreciation claim, stating that the assets were not eligible for such deductions. The company disagree and asks the consultants (Chartered tax practitioner) to help them prepare the grounds of appeal. The company argues that the assets are eligible for depreciation as per the tax rules. How should the consultant prepare the grounds of appeals for DEF Ltd, regarding the department issue?**

- a) Review the relevant provisions of the income tax act related to depreciation provide a detailed breakdown of the assets and the corresponding depreciation claims and include supporting documents such as purchase invoice and asset details
- b) Argue that depreciation should not be allowed on any assets under any circumstance
- c) Deny the disallowed depreciation claims without providing further explanation or legal support
- d) Prepare the appeal by suggesting that the disallowed depreciation amount should be rolled over the next fiscal year

**32. A client approaches you with sensitive financial data including tax returns and bank statement for tax planning you are working remotely and need to share certain documents with your assistant. What is the best way to ensure client confidentiality, while sharing the information?**

- a) Print and courier the documents without informing the clients
- b) sent the document via a personal email to speed up the process
- c) Upload the documents to a free cloud storage service without security checks
- d) Share the files through the encrypted and password protected channel

**33. A Colleague accidentally cuts their hand deeply while opening a package in the office and blood is flowing heavily what should you do first?**

- a) Immediately apply pressure that wound and call for medical help
- b) Wait to see if the bleeding stops on its own
- c) Ignore it, assuming someone else will help
- d) Ask the colleague to wash the wound with soap and continue working

**34. A tax audit report with high resolution image and table exceeds the email attached limit what is the best way to share this report with stakeholders?**

- a) Print and courier the report instead of sending it digitally
- b) compress the file or use a cloud storage service with restricted access

- c) Share the report through social media for easy accessibility
- d) Split the document into multiple emails to attach the attachment

**35. Your Organization's internal server which stores clients' financial data, and you cannot access critical files required for filing tax returns what is the most appropriate action?**

- a) wait for the issue to resolve itself without informing anyone
- b) **Contact the IT department and provide details of the issue**
- c) Start storing client data on personal external drives
- d) Attempt to repair the server yourself using online tutorials