

MCQ Question bank with answers

1. Club membership is example of
 - a. Benefits
 - b. **Perquisites**
 - c. deduction
2. Red circle employee has
 - a. Salary equal to minimum figure of band
 - b. **Salary more than maximum figure of band**
 - c. Salary in between min and max range of band
3. Wage agreement is done for union for period of
 - a. **3 to 5 yrs**
 - b. 1 yr
 - c. 15 years
4. LWF is deducted
 - a. On monthly basis
 - b. On quarterly basis
 - c. **Twice a year**
5. Contract labour act is applicable if employee strength is ___ or more
 - a. 50
 - b. **20**
 - c. 10
6. Following are national holidays
 - a. 26th January
 - b. 1st May
 - c. 15th August
 - d. 2nd Oct
 - e. **All except option B**
7. For employee pension scheme, the amount is 8.33% of employer PF contribution subject to max of
 - a. **15000**
 - b. 21000
 - c. 7500
8. Green circle employee has
 - a. Salary equal to minimum figure of band
 - b. Salary more than maximum figure of band
 - c. **Salary less than minimum figure of band**
9. Employee contribution for PF can be

- a. 10 Or 15%
 - b. **10 Or 12%**
 - c. 8 or 20%
10. Payment of wages act talks about
- a. **Pay date of the salary**
 - b. Minimum pay that has to be paid
 - c. Statutory holidays
11. There are total _____ national holidays which have to be paid
- a. Four
 - b. Five
 - c. **Three**
12. Minimum employee strength for ESIC rule applicability is
- a. 20
 - b. 50
 - c. **10**
13. Mumbai shop establishment Act gives _____ mandatory EL
- a. 15
 - b. 18
 - c. **21**
14. In India, income tax slabs are different for different age groups. Can you write down age group related senior citizen
- a. **Up to 60 yrs of age**
 - b. **Between 60 to 80 yrs. of age**
 - c. **More than 80 yrs of age**
15. In India, income tax slabs are different for different income groups. Can you write down tax slabs w. r. t. income more than 5 lakhs but less than 10 lakhs
- a. **5%**
 - b. **20%**
 - c. **30%**
16. List down tiers described in National Pension Scheme
- a. **Tier I**
 - b. **Tier II**
 - c. **both**
17. Write down full form of ESOP –
- a. **Employee Stock Option**
 - b. **Employee Seniority Operation**
 - c. **Early Sanction Of Pension**

18. As per IT Act, how much HRA is tax exempted in metro cities –
- 50%**
 - 40 %
 - 100%
19. As per IT Act, how much HRA is tax exempted in non-metro cities –
- 30%
 - 35%
 - 40%**
20. What is annual minimum contribution to NPS –
- Rs. 21000 /-
 - Rs 6000/-**
 - Rs. 6500 /-
21. What should be minimum one time contribution to NPS –
- Rs. 500/-**
 - Rs. 1000 /-
 - Rs. 5000 /-
22. What is info type number range in case of UK specific payroll –
- Info type 0580 to 0591
 - Info type 0084 to 0088**
 - Info type 0167 to 0171
23. What is minimum maturity period in case of PPF –
- 3 years
 - 5 years
 - 15 years**
24. Canteen facility is
- Perquisite
 - Reward
 - benefit**
25. After maturity of PPF account, it can be extended for how many years –
- 5 years**
 - 1 year
 - 3 years
26. What is % of employee contribution in case of ESIC –
- 1.75%**
 - 4.75%
 - 12%
27. What is % of employer contribution in case of ESIC –

- a. **8%**
 - b. **20%**
 - c. **4.75%**
28. What is minimum uninterrupted service required in case of gratuity –
- a. **5 years**
 - b. **No such condition**
 - c. **3yrs 11 months**
29. What is full form of LWF –
- a. **Least Wage Factor**
 - b. **Largest Work Factory**
 - c. **Labour Welfare Fund**
30. What are eligible criteria for LWF as per the employee income –
- a. **Income up to Rs. 3500 p.m.**
 - b. **Income up to Rs 15000 pm**
 - c. **Income up to 21000 pm**
31. _____ is taxable in hands of employee
- a. Benefits
 - b. **Perquisites**
 - c. PF
32. What are main categories of employees in Minimum Wages Act –
- a. **Unskilled,**
 - b. **Semiskilled**
 - c. **Skilled**
 - d. **All three**
33. What is eligible criteria for LWF deduction as per the employee's designation –
- a. **less than supervisory cadre**
 - b. **less than executive cadre**
 - c. **Apprentice / trainees**
34. There is no income tax in following region of the world
- a. UK
 - b. **Middle east**
 - c. China
35. Under 80 C section, salaried people get tax rebate on investment (maximum)of
- a. **Rs. 1.5Lakh**
 - b. **Rs. 2.5 lakh**

- c. **Rs. 30000/-**
36. Salary can be paid on
- Weekly basis**
 - Bi-weekly basis**
 - Monthly**
 - All options are correct**
37. Apart from employer contribution towards employee PF; employer also has to pay
- EDLI contribution**
 - PF admin charges**
 - Both of above**
38. What is applicable annual professional tax in case of Maharashtra State –
- Rs. 2500/-**
 - Rs. 300/-**
 - Not applicable**
39. Which components of salary are considered for Provident Fund contribution –
- Basic and DA**
 - Gross salary**
 - Net salary**
40. While calculating gratuity, which digit is in denominator –
- 26**
 - Numbers of years of service**
 - 15**
41. What is percentage of PF contribution in case of employee –
- 12%**
 - 20%**
 - 24%**
42. Before introduction of std. deduction benefit by Mr. Arun Jetley , what was the amount of conveyance allowance which was tax exempted-
- Rs. 200 p.m.**
 - Rs. 1600 p. m.**
 - Rs. 1250 p.m.**
43. Due introduction of std. deduction benefit, which allowances were removed from for tax exemption
- Medical allowance**
 - Travel or conveyance allowance**

- c. **A & B**
 - d. **Educational allowance**
44. Petrol allowance, mobile bill, periodical & journal allowance; all these are clubbed under which head –
- a. **Flexi pay**
 - b. **Adhoc allowance**
 - c. **Additional DA**
45. Maternity Bonus under the Act is -
- a. **Rs. 2500 /-**
 - b. **Rs 3500/-**
 - c. **Rs. 8000/-**
46. Minimum statutory bonus under Bonus Act is –
- a. **8.33%**
 - b. **12%**
 - c. **4.75%**
47. SAP info type used to stop payroll processing of absconding employee is –
- a. **Info type 0008**
 - b. **Info type 0003**
 - c. **Info type 0009**
48. SAP info type used to store details of various company loans availed by employee is –
- a. **Loans - 0045**
 - b. **Objects on loan - 0040**
 - c. **Bank details - 0009**
49. 401K plan is feature of which country payroll –
- a. **USA payroll**
 - b. **UK payroll**
 - c. **Middle East payroll**
50. No tax on income if individual is working in –
- a. **Sikkim state of India**
 - b. **No tax area**
 - c. **UAE**
 - d. **ALL**
51. Name tax areas in US payroll –
- a. **Residential**
 - b. **Work**
 - c. **No tax**

- d. **All of above**
52. COBRA is which type of benefit in US payroll –
- a. **Health insurance plan**
 - b. **Flexi spending plan**
 - c. **Savings plan**
53. LTA block is of how many years –
- a. **2 years**
 - b. **4 years**
 - c. **5 years**
54. What is current LTA block -
- a. **2018 to 2019**
 - b. **2018 to 2021**
 - c. **2017 to 2021**
55. Lifetime employment concept is seen in which country –
- a. **Japan**
 - b. **India**
 - c. **Australia**
56. Employer contribution for EPS is –
- a. **8.33%**
 - b. **12%**
 - c. **0.85%**
57. Amendment in Maternity benefit Act increased; maternity leave to how many weeks –
- a. **12 weeks**
 - b. **26 weeks**
 - c. **20 weeks**
58. Tax free limit for gratuity is -
- a. **20 lakhs**
 - b. **10 lakhs**
 - c. **5 lakhs**
59. What is tax free limit for mediclaim premium paid for self, spouse or dependent children –
- a. **Rs 25000/-**
 - b. **Rs 30000/-**
 - c. **Rs. 75000 /-**
60. What is tax free limit for mediclaim premium paid for dependent senior citizen parents –

- a. **Rs. 30000/-**
 - b. **Rs 40000/-**
 - c. **No limit**
61. Bi-weekly payroll frequency is seen in which country –
- a. **UK**
 - b. **USA**
 - c. **India**
62. After the cancellation of tax exemption related to conveyance allowance and medical allowance, the govt. has introduced std. deduction; what is the amount of such deduction –
- a. **Rs. 40000/- pa**
 - b. **Rs. 15000/- pa**
 - c. **Rs. 19200/- pa.**
63. What is the purpose of introducing flexi pay –
- a. **To increase take home salary**
 - b. **To reward performance**
 - c. **To reduce taxable salary**
64. Giving monetary incentives is which type of motivation –
- a. **Extrinsic**
 - b. **Intrinsic**
 - c. **Power**
65. Salary is deducted if leave type is entered as
- a. SL
 - b. PL
 - c. **LWP**
66. CTC includes
- a. **Fixed salary**
 - b. **Variable salary**
 - c. **Benefits**
 - d. **All**
67. **What is eligibility for compulsory PF deduction -**
- a. **Rs 15000 gross**
 - b. **Rs. 21000 gross**
 - c. **Rs. 3500 gross**
 - d. **None of the above**
68. Zero (0) percent accident bonus, long service award in cash, suggestion award all are

- a. **Recurring payments**
 - b. **One time payments**
 - c. **Monthly payments**
69. Salary before deduction of PF contribution, Income tax contribution, Prof. Tax is named as
- a. Gross salary
 - b. **Net salary**
 - c. Disposable salary
70. Profit sharing is what type of reward –
- a. **organizational rewards**
 - b. **individual reward**
 - c. **group incentive**
71. Company car, company accommodation, club membership are examples of
- a. **Benefits**
 - b. **Variable salary**
 - c. **Perquisites**
72. Canteen facility, welfare center, providing PF are examples of
- a. **Benefits**
 - b. **Performance award**
 - c. **Annual payments**
73. Following payments are statutory as per various laws
- a. Provident Fund
 - b. Bonus
 - c. Exgratia
 - d. **Except C**
74. In which month, additional professional tax is deducted especially in Maharashtra
- a. **March**
 - b. **February**
 - c. **April**
75. Piece rate is type of which award –
- a. **Individual reward**
 - b. **Group incentive**
 - c. **Adhoc payment**
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76. What is employee contribution in LWF in case of income up to Rs.3000 – **Rs. 6/-**
77. What is employer contribution in LWF in case of income up to Rs.3000 – **Rs. 18/-**
78. What is employee contribution in LWF in case of income between Rs. 3001 and Rs.3500 - **Rs. 12/-**
79. What is employer contribution in LWF in case of income between Rs. 3001 and Rs.3500 - **Rs. 36/-**
80. Rs 300/- is deducted as professional tax in which month – **February**
81. While calculating gratuity, which digit is in numerator – **15**
82. Maximum statutory bonus under Bonus Act is – **20%**
83. SAP info type used to store bank details of employee is – **Bank details 0009**
84. SAP info type used to store monthly salary details of employee is – **Basic pay 0008**
85. SAP info type used to store one-time payment details of employee is – **Additional payment 0015**
86. How many types of performance based rewards are there – **Three**
87. How many types of organizational rewards are present – **Two**
88. Market appreciation and dividend earning is feature of which reward - **ESOP**
89. In Piece rate the pay is linked to? – **units produced by the employee**
90. What type of individual reward is given to sales personnel – **incentives /commission**
91. For paying overtime payment; overtime hours are entered in which info type – **Info type 2005**
92. Car& conveyance related details are stored in which info type – **Info type 583**
93. PF details of employees are stored in which info type – **Info type 587**
94. Company accommodation details are stored in which info type – **info type 581**
95. Previous employment income tax details are stored in which info type – **Info type 580**
96. Long service award will be given through which info type – **info type 0015**
97. Life time employment concept in Japan is called as – **Sushin Koyo**

98. ESI, Prof tax etc. details are stored in which info type – **Info type 588**
99. Income from other sources is covered under which info type – **Info type 0584**
100. EDLI contribution is done by employer only – true or False – **True**
101. Union related annual membership fees are paid through which info type – **Info type 57**
102. Statutory sick pay (SSP) concept is present in which country payroll – **UK**
103. Tax credit concept is present in which country – **UK**
104. How many payroll frequencies are there for employees – **Three**
105. Section 88 related investment details are stored in which info type – **Info type 586**
106. Nominee details regarding PF and gratuity are store in which info type – **Info type 591**