

Department of Commerce

Subject: Income Tax I

Course: B Com

Paper: BC 305

Group: Computers

Semester: III

Credits: 5

Syllabus

UNIT-I: INTRODUCTION:

Direct and Indirect Taxes – Canons of Taxation - Features and History of Income Tax in India – Definitions and Basic Concepts of Income Tax: Assessee – Deemed Assessee – Assessee-in-default – Assessment Year – Previous Year - Income Tax general rule and Exemptions to the Rule– Person – Income – Gross Total Income – Total Income -- Incomes Exempt from Tax. Residential Status and Scope of Total Income: Meaning of Residential Status – Conditions applicable to an Individual Assessee – Incidence of Tax – Types of Incomes – Problems on computation of Total Income of an Individual based on Residential Status.

UNIT-II: AGRICULTURAL INCOME:

Introduction – Definition – Tests to determine Agricultural Income – Partly Agricultural and partly Non-Agricultural Income – Integration: conditions – provisions – computation of Tax on Integration process. Heads of income: Gross Total Income – Taxable Income – Income Tax Rates.

UNIT-III: INCOME FROM SALARIES:

Definition of „Salary“ – Characteristics of Salary – Computation of Salary Income: Salary u/s 17(1) – Annual Accretion – Allowances – Perquisites – Profits in lieu of Salary – Deductions u/s. 16 – Problems on computation of Income from Salary.

UNIT-IV: INCOME FROM HOUSE PROPERTY:

Definition of „House Property“ – Exempted House Property incomes– Annual Value – Determination of Annual Value for Let-out House and Self-occupied House – Deductions u/s.24 – Problems on computation of Income from House Property.

UNIT-V: PROFITS AND GAINS OF BUSINESS OR PROFESSION:

Definition of „Business and Profession“ – Procedure for computation of Income from Business – Rules – Revenue and Capital nature of Incomes and Expenses – Allowable Expenses u/s. 30 to 37 – Expenses expressly disallowed – Deemed Profits – Valuation of Stock – Miscellaneous provisions u/s 44. Depreciation: Meaning – Conditions for charge of depreciation – Assets used for Business – Block of Assets – Rates of Depreciation – Miscellaneous Provisions about depreciation – Computation of Depreciation –problems on computation of Income from Business. Income from Profession: Rules– procedure – problems on computation of Income from Profession.

SUGGESTED READINGS:

1. Income Tax Law and Practice: V.P. Gaur & D.B Narang, Kalyani Publishers.
2. Direct Taxes Law & Practice: Dr. Vinod K. Singhania & Dr. Kapil Singhania, Taxmann
3. Income Tax: B.B. Lal, Pearson Education.
4. Taxation: R.G. Saha, Himalaya Publishing House Pvt. Ltd.
5. Income Tax: Johar, McGrawHill Education.
6. Taxation Law and Practice: Balachandran & Thothadri, PHI Learning

UNIT-I: INTRODUCTION**Theory Questions:**

1. Explain about Direct and Indirect Taxes?
2. Write about Canons of Taxation?
3. Write about the Tax structure of India?
4. What are the Income Tax Rules and regulations?
5. How do you determine the residential status of Individual?
6. Write about the Incidence of tax?
7. Write any 15 Exempted Income u/s 10?
8. Short notes:
 1. Assessee
 2. Income
 3. Permanent Account Number
 4. Indian Income and Foreign Income
 5. Flat rate of Tax
 6. Components of GST

Problems: (for practise)

Refer Text book page number:

1. A-70 to 73 All Problems.

UNIT-II: AGRICULTURAL INCOME**Theory Questions:**

1. What is Agricultural Income and how it is treated for tax purposes?
2. What is Agricultural Income? Explain partly agricultural and partly business income?
3. Short notes:
 1. Integration of Income.
 2. Kinds of Agricultural Income.
 3. Basic operations or activities classified in agriculture.

Problems: (for practise)

Refer Text book page number:

1. B-11 to 13. All Problems.

UNIT-III: INCOME FROM SALARIES

Theory Questions:

1. What incomes are chargeable under the head salary explain briefly.
2. What kind of allowances may be received by an employee and what are the provisions as to exemption or deduction of each of them.
3. Explain the procedure of valuation of the following perquisites.
 1. Rent free accommodation.
 2. Interest free loans.
 3. Motor Car.
4. Explain in detail the perquisites, which are taxable in specified cases.
5. Explain the provisions as per Income Tax Act for the following:
 - a) Gratuity
 - b) Leave encashment
 - c) Commutation of pension
6. Short notes:
 1. Entertainment Allowance
 2. Salary payment methods.
 3. Rent free Accommodation
 4. Gifts
 5. Provident Funds

Problems: (for practise)

Refer Text book page number:

1. C-8,9,13,17,18,22,23,34,41,76 and 100 All Problems

UNIT-IV: INCOME FROM HOUSE PROPERTY

Theory Questions:

1. Discuss the method of computation of Income from House Property.
2. What are the provisions of Income Tax Act regarding a house which is let out for part of the year and self-occupied for remaining period.
3. Explain the provisions relating to:
 1. Deemed owner
 2. Co owner
 3. Incentive deduction
 4. Annual Value for Self occupied House.
4. Short notes:
 1. Standard Deduction
 2. Un-realised rent
 3. Deductions u/s 24(b)
 4. Interest on loan
 5. Gross Annual Value

Problems: (for practise)

Refer Text book page number:

1. D-46 to 51 all problems

UNIT-V: PROFITS AND GAINS OF BUSINESS OR PROFESSION

Theory Question

1. Explain the method of computing the income from business profits when
 - (i) Receipts and payments Account is given
 - (ii) Profits and loss Account is given
2. Differentiate between revenue expenditure and capital expenditure.
3. Explain the following items treatment for calculating profits from business.
4. Short notes:
 1. Written down value
 2. Unabsorbed depreciation
 3. Balancing charge
 4. Terminal depreciation
 5. Income and Casual Income

Problems: (for practise)

Refer Text book page number:

1. E-70 to 85 all problems

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