

B.Com. : Semester III Academic Year 2021-22**Paper BC 3.2: INCOME TAX LAW & PRACTICE****Duration: 3 Hrs.****Marks: 100****Credits: 6****Course Objective**

Dr SB Rathore M.Com; M.Phil; LL.B; Ph.D. Former Associate Professor of Commerce
9811116835 www.taxclasses.in YouTube Dr Rathore's Tax Video Lectures

To impart knowledge of laws pertaining to levy of income tax in India and to enable students to apply the same practically.

Course Learning Outcomes

After completing the course, the student shall be able to:

CO1: understand the basic concepts in the law of income tax and determine the residential status of different persons.

CO2: identify the five heads in which income is categorised and to compute income under the heads 'Salaries' and 'Income from House Property'.

CO3: compute income under the head 'Profits and gains of business or profession', 'Capital gains' and 'Income from other sources'.

CO4: understand clubbing provisions, aggregate income after set-off and carry forward of losses, and deductions allowed under the Income Tax Act.

CO5: compute tax liability of individuals and firms and understand the provisions of filing return of income.

Course Contents**Unit I: Introduction**

Basic concepts: Income; agricultural income; person, assessee; assessment year; previous year; Gross total income; total income; maximum marginal rate of tax; Permanent Account Number (PAN); *Residential status*; Scope of total income on the basis of residential status; Exempted income under section 10.

Unit II: Computation of income under different heads-1

Income from Salaries; Income from house property.

Unit III: Computation of income under different heads-2

Profits and gains of business or profession; Capital gains; Income from other sources.

Unit IV: Total income and tax computation

Income of other persons included in assessee's total income; aggregation of income and set-off and carry forward of losses; deductions from gross total income; rebates and reliefs

Unit V: Computation of total individuals and firms

Tax liability of individual and firm; Preparation of return of income; filing of returns: manually, **online filing of returns of income** & TDS; provision and procedures of compulsory on-line filing of returns for specified assesses.

Note:

1. There shall be a **practical examination of 20 Marks on E-filing of Income Tax Returns** using a software utility tool. The student is required fill appropriate Form and generate the XML file. **JSON File from Assessment Year 2021-22**

2. There shall be 4 credit hours for lectures + one credit hour (Two Practical Periods per week per batch) for practical lab + one credit hour for tutorials (per group)

• **Practical Examination of 20 marks (External examiner). The practical exam will be of one hour.**

• Theory exam shall carry 80 marks (Including Internal Assessment of 25 Marks) of a duration of 2.5 hours

References

- Ahuja, Girish and Ravi Gupta. *Systematic Approach to Income Tax*. Bharat Law House, Delhi.
- Singhanian, Vinod K. and Monica Singhanian. *Students' Guide to Income Tax*, University Edition. Taxmann Publications Pvt. Ltd., New Delhi.

Additional Resources

- *Current Tax Reporter*. Current Tax Reporter, Jodhpur.
- *Income Tax Reports*. Company Law Institute of India Pvt. Ltd., Chennai.
- *Corporate Professionals Today*. Taxmann. New Delhi.

Software

- 'Excel Utility' available at incometaxindiaefiling.gov.in **JSON Utility available at www.incometax.gov.in**
- Singhanian, Vinod K. *e-filing of Income Tax Returns and Computation of Tax*, Taxmann Publication Pvt. Ltd, New Delhi. Latest version

Note: Latest edition of text books and soft-wares may be used.

Teaching Learning Process

The teaching learning process would include classroom lectures to introduce students to the law pertaining to the levy of income tax. This would be supported by case studies to enable an understanding of the practical implications of the income tax law. Further, to enable the students to apply the law practically, presentations by students and practical on online filing would be included in the teaching learning process.

Assessment Methods

The assessment methods would include end semester examination, assignments and class tests. Further, practical exams may be conducted to gauge the understanding of students regarding application of relevant provisions of the income tax law.

B.Com CBCS

Department of Commerce, University of Delhi

Keywords

Assessment Year, Previous Year, Assessee, Person, Finance Act, Income, Agricultural Income, Resident, Non-Resident, Standard Deduction, Allowances, Perquisite, Deemed Ownership, Capital Gain, Relative, Annual Value.

For B. Com Semester 3**Paper BC3.2: Income Tax Law and Practices****Department of Commerce, Delhi School of Economics**

in collaboration with

Sri Guru Gobind Singh College of Commerce**MINUTES OF THE MEETING**

A virtual meeting to decide the teaching and assessment guidelines for revised syllabus of B.Com) Semester- III paper no- 3.2 titled " Income Tax Law and Practices; (applicable for admissions in academic session 2019-20 onwards) was held by Department of Commerce, Delhi School of Economics, University of Delhi in collaboration with Sri Guru Gobind Singh College of Commerce, University of Delhi on Monday, 14th September 2020 at 3pm. Out of total 96 faculty members associated with teaching of this paper from different colleges of Delhi University who had registered in advance, 80 members attended the meeting. The meeting was represented by Dr Shital Jhunjunwala, Associate Professor from Department of Commerce, Delhi School of Economics and convened by Dr Gurminder Kaur, Associate Professor from Sri Guru Gobind Singh College of Commerce, University of Delhi. The following members were present in the online meeting:

List of participants:

Sl.No.	Name of the Faculty	Department/ Affiliated College Name
1	Dr. Shital Jhunjunwala (Representative from DOC)	Department of Commerce Delhi School of Economics
2	Dr. Gurminder Kaur Arora (Convener)	Sri Guru Gobind Singh College of Commerce
3	Ms. Rasleen Kaur	Sri Guru Gobind Singh College of Commerce
4	Ms. Hersheen Kaur	Sri Guru Gobind Singh College of Commerce
5	Dr. Jappanjyot Kaur Kalra	Sri Guru Gobind Singh College of Commerce
6	Ms. Jasdeep Kaur	S.G.T.B. Khalsa College
7	Ms. Preeti Gupta	Sri Guru Nanak Dev Khalsa College
8	Mr. Sanjeev Kumar	Dr. Bhim Rao Ambedkar College
9	Ms. Shikha Gupta	Kamala Nehru College
10	Ms. Gurvinder Kaur	Mata Sundri College
11	Dr. Sonal Babbar	Maitreyi College
12	Ms. Garima	Zakir Husain Delhi College (E)
13	Ms. Bhupinder Kaur	Sri Guru Gobind Singh College of Commerce
14	Ms. Anupreet Kaur Mokha	S.G.T.B. Khalsa College
15	Dr. Satvinder Kaur	Sri Guru Gobind Singh College of Commerce
16	Ms. Vaishali Narolia	Satyawati College
17	Ms. Rameet Kaur Sawhney	Mata Sundri College
18	Dr. Anuradha Tyagi	Dr. Bhim Rao Ambedkar College
19	Mr. Krishan Kant	Lakshmibai College

20	Ms. Sonia	Bharati College
21	Dr. Vandana Bansal	Bharati College
22	Mr. Aashish Jain	Sri Venkateswara College
23	Ms. Supreet Kaur	Zakir Husain Delhi College (E)
24	Ms. Shashi Kumari	Aditi Mahavidyalaya
25	Dr. Meenakshi Goenka	Mata Sundari College
26	Mr. Mukesh Kumar Meena	Vivekananda College
27	Ms. Manisha	Shivaji College
28	Ms. Nupur Tyagi	Gargi College
29	Ms. Chanderkanta Bansal	Vivekananda College
30	Dr. Gurcharan Sachdeva	P.G.D.A.V. College
31	Ms. Radhika Srinivasan	Vivekananda College
32	Ms. Anjali Chandra	Satyawati (M)
33	Mr. Pawan Kumar Bhura	Shyam Lal College (E)
34	Dr. Ruhi Ghai	Jesus and Mary College
35	Ms. Shevata Marwah	Sri Aurobindo College (E)
36	Dr. Tonika Rana	Daulat Ram College
37	Mr. Aamir Khan	Zakir Husain Delhi College (E)
38	Ms. Kanwalpreet Kaur	Dyal Singh College
39	Ms. Manpreet Kaur	Mata Sundri College
40	Ms. Preeti Singh	Daulat Ram College
41	Ms. Baljeet Kaur	Atma Ram Sanatan Dharma College
42	Dr. Promila Bhardwaj	Satyawati College (E)
43	Ms. Sumant Meena	Gargi College
44	Mr. Arvinder Pal Singh Arora	Sri Guru Nanak Dev Khalsa College
45	Dr. Mahendra Pal Singh	Swami Shraddhanand College
46	Mr. Tusher Kanti Debbarma	Dr. Bhim Rao Ambedkar college
47	Dr. Mussarat Ahmed	P.G.D.A.V. College (M)
48	Mr. Mohit Kumar	Satyawati College (E)
49	Ms. Radha Bhola	Sri Aurobindo College
50	Ms. Madhu Monga	Swami Shraddhanand College
51	Dr. Tek Chand	Shyam Lal College (E)
52	Mr. Manish Kumar	Sri Aurobindo College (M)
53	Ms. Silky Jain	Sri Aurobindo College
54	Ms. Shivali Veen	Kalindi College
55	Dr Punam Sachdeva	Kalindi College
56	Ms. Garima Bhardwaj	P.G.D.A.V. College (E)
57	Ms. Meenakshi Thakur	Sri Aurobindo College €
58	Ms. Sandhya Taneja	Satyawati College
59	Dr Krishna Shukla	P.G.D.A.V. College (E)
60	Dr. Laxman Ram Paliwal	Swami Shraddhanand College
61	Ms. Priyanka Mohanpurya	Sri Venkateswara College
62	Dr. Chadan Karki	Moti Lal Nehro College
63	Dr. Viney Narang	Shaheed Bhagat Singh College (E)
64	Ms. Mamta Bhushan	Kamala Nehru College

65	Ms. Priya Sawaliya	Mata Sundri College
66	Mr. Bal Kishan	Sri Guru Gobind Singh College of Commerce
67	Asha Rani	Shri Ram College of Commerce
68	Ms. Kritka Khurana	Maitreyi College
69	Ms. Neha Toppo	Dyal Singh College
70	Mr. Satyavir Khatri	Delhi College of Arts And Commerce
71	Ms. Namita Padhay	Keshav Mahavidyalaya
72	Dr. Nirmal Jain	Maharaja Agrasen
73	Dr. Punam Sachdeva	P.G.D.A.V. College (E)
74	Mr. Riyaz Ali	Swami shraddhanand college
75	Dr. Sonal Jain	Janki Devi Memorial College
76	Ms. Shabana Wiquar	Zakir Hussain Delhi College (E)
77	Ms. Suman Narang	Kamala Nehru College
78	Mr. Tariq Azizy Choudhary	
79	Dr. Alka Gupta	
80	Mr. Sambhav Jain	

The following guidelines were prepared for smooth teaching and assessment of the above-mentioned paper

(1) BASIC GUIDELINES:

1. Total number of lectures assigned as per UGC norms are 65
2. Unit wise break up of lectures recommended are as follows:

Unit 1: Basic Concepts.	8
Unit 2: Income under the head Salaries	
Income under the head House property	20
Unit 3: Income under the head Business or profession	
Income under the head Capital gains	20
Income from other Sources	
Unit 4: Aggregation of income and computation of tax.	
Clubbing of Income	
Set off and carry forward of losses	
Deductions from Gross Total income	8
Unit 5: Computation of Tax liability of individuals and firms	
Preparation of return of Income	
Manually and online	9
3. Assignment of marks is as follows:

Internal assessment	25 marks.
Practical for E filing of Return	20 marks
University exam	55 marks
4. Unit wise break up of marks for university exam recommended is as follows:

Unit 1:	11 Marks
Unit 2 and Unit 3:	33 Marks
Unit 4 and Unit 5:	11 Marks

(2) CONTENT BASED GUIDELINES:

Unit	Contents
I	<p>Basic concepts: Income, agricultural income, person, assessee, assessment year, previous year, gross total income, total income, maximum marginal rate of tax, Permanent Account Number (PAN): Residential status and Scope of total income on the basis of residential status; Exempted income under section 10</p> <p><u>Guidelines</u> <i>Section 9 deemed income need not be covered in detail.</i> <i>Agricultural income: Only concept & simple integration need to be covered. Cases of rubber, tea, and coffee not to be done.</i> <i>Exempted income: The following exempted incomes need to be covered- Section 10(1),10(2), 10(2A), 10(5), 10(7), 10(10), 10(10A), 10(AA), 10(10B), 10(10C), 10(10D), 10(11), 10(12), 10(13), 10(13A), 10(14), 10(15), 10(16), 10(32)(Important), 10(34)(Important), 10(35), 10(36), 10(37), 10(38).</i></p>
II	<p>Computation of Income under different heads -Income from Salaries -Income from house property</p> <p><u>Guidelines</u> <i>Salary: ESOP- only concept need to be covered. Valuation of ESOP not to be covered.</i> <i>Rent Free Accommodation (RFA): Hotel accommodation & 2 accommodations at the same time need not be covered.</i> <i>All six allowances under section 10(14)(i) need to be covered. Only education, hostel, and transport allowance need to be covered in special allowances under section 10(14)(ii).</i> <i>Transport allowance for transport employees need not be covered.</i> <i>Tribal area, hill area, insurgency area allowance etc not to be covered.</i></p>
III	<p>Computation of Income under different heads -Profits and gains of business or profession -Capital gains -Income from other sources.</p> <p><u>Guidelines</u> <i>Computation of profits and gains of business or profession: Only sections 28, 29, 30, 31, 32 (Depreciation in relation to Imported Cars and Depreciation in case of succession, amalgamation, business re-organisation or demerger need not be done), 35 (Expenditure on scientific research only. Under Expenditure on scientific research, sale of Asset used for scientific research need not to be done.), 36, 37, 40, 40(a), 40(b), 40A, 41, 43B, 44AD, 44ADA, 44AE, 44AB, 44AA need to be covered. General/Procedural/Simple numerical question to be asked from Profits and Gains of Business or Profession.</i> <i>Computation of income under the head capital gains: Section 50C should be covered. Under exemption of capital gains-Section 54, 54B, 54EC, 54F, and 54H need to be emphasized.</i> <i>Under Special cases, only following have to be covered:</i></p> <ul style="list-style-type: none">• <i>Cost to the previous owner</i>• <i>Cost of Acquisition being fair market value as on April 1, 2001</i>• <i>Capital Gain in the case of transfer of depreciable assets</i>• <i>Conversion of capital asset into stock in trade</i>

• **Compulsory acquisition of a capital asset**
Only simple questions on Section 54F. Section 54G, 54GA, 54D not to be done. Capital gain provisions related to Individual only should be covered. Capital gain provisions in case of Firms, HUF, Non-resident, and company need not be covered.
Income from other Sources: Section 56(2)7B, 56(2)8, 94(7), 94(8) not to be covered.

IV Total Income and Tax computation
-Income of other persons included in assessee's total income
-Aggregation of income and set-off and carry forward of losses
-Deductions from gross total income
-Rebates and reliefs

Guidelines
Deductions from gross total income: Following sections need to be emphasized for practical purpose- Section 80A, 80AB, 80AC, 80C, 80CCC, 80CCD, 80CCF, 80D, 80DD, 80DDB, 80E, 80G, 80GG, 80TTA, 80TTB, 80U.
Set-off & Carry Forward: Sections to be covered- Section 70, 71, 72, 74. Sections not to be done- Section 72A, 73, 73A, 74A, 79.
Assessment of firms not to be done. AMT not to be done.
Rebates should be covered. Reliefs not be covered.

V Computation of total income of individuals and firms
Tax liability of individual and a firm
Preparation of return of income, Filing of returns; Manually, On-line filing of Returns of Income & TDS; Provision & Procedures of Compulsory On-Line filing of returns for specified assesseees.

Guidelines
Tax liability of individual only is to be done. Assessment of firm need not be done. Provision & Procedures of Compulsory On-Line filing of returns for specified assesseees not to be covered.
Marginal relief should not be done.
Only ITR-2 should be done using excel utility available on the official website of the government (www.incometaxindiaefiling.gov.in) www.incometax.gov.in
In ITR-2 Case studies, Brought Forward Losses under the head of Capital Gain can be avoided. Interest on NSC can be avoided. Practical examination is of 20 marks.

The meeting ended with vote of thanks by the convener Dr. Gurminder Kaur Arora.



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