

**B.COM**  
**SEMESTER IV**  
**Income Tax (Direct Tax) (CC 13)**

**Marks: 100**

**Lectures: 60**

**Learning Objective:** To provide basic knowledge of concepts, principles and provisions of Income-tax Act, 1961 and the relevant Rules

**Unit I : INTRODUCTION**

**(20-25marks, 12 lectures)**

**a) BASIC CONCEPTS:**

Income-u/s 2(24), Person -u/s 2(31), Assessee- u/s 2(7), Assessment- u/s 2(8), Assessment Year- u/s 2(9), Previous Year- u/s 3, Business- u/s 2(13), Company -u/s 2(17), Gross Total Income u/s. 80 (B) (5), Permanent Account Number (PAN)-u/s 139A.

**b) SCOPE OF INCOME & RESIDENTIAL STATUS:**

Scope of Total Income u/s 5.

Apportionment of Income between spouses governed by Portuguese Civil Code u/s5A.

Residential Status in India u/s 6: Sections 6(1), 6(6) (a), 6(2), 6(6) (b), 6(3), 6(4).

Practical problems to cover determination of residential status of Individuals only

**c) EXEMPTIONS & EXCLUSIONS U/s 10:**

1. Leave Travel Concession - u/s 10(5).
2. Gratuity-u/s 10(10)(only for theory).
3. Compensation received at the time of Voluntary Retirement - u/s 10(10C).
4. Amount received under Life Insurance Policy - u/s 10(10D).
5. Payment received from Provident Fund-u/s 10(11), (12).
6. Payment received from approved superannuation fund- u/s 10(13).
7. House Rent Allowance - u/s 10(13A).
8. Special allowance - u/s 10(14):  
Conveyance, Daily, Uniform, Helper, Research, Transport, Travelling, Children's Education, & Children's Hostel Expenditure Allowance.
9. Interest on Securities- u/s 10(15).
10. Dividends & Interest on Units - u/s 10(34), (35).

**Unit II : COMPUTATION OF INCOME FROM SALARIES: (30-35 Marks, 15 lectures)**

Sections 15, 16 & 17 Inclusive of allowances (exclusive of valuation of perquisites)

(Only elementary problems on computation of income from salaries of an individual assessee)

**Unit III: COMPUTATION OF PROFITS & GAINS OF BUSINESS OR PROFESSION:**

**(30-35 Marks, 20 lectures)**

Sections: 28,29,30,31,32(excluding Depreciation Rates)

Section 36: Restricted to following clauses:

- i. Section 36 (1)(i)- Insurance premium
- ii. Section 36 (1)(ii)- Bonus/Commission to employees.
- iii. Section 36 (1)(iii)- Interest on Borrowed Capital



- iv. Section 36 (1)(iv) - Employer's Contribution to RPF& Approved Superannuation Fund
- v. Section 36 (1)(v) - Contribution towards Approved Gratuity Fund
- vi. Section 36 (1)(vii) Bad Debts
- Section 37(1) - General Deduction
- Section 37(2B) - Advertisement Expenses in Souvenir etc. of a political party.
- Section 40(a), 40A (2), 40A (3)
- Section 43(B) - Disallowance of unpaid liabilities.
- Section 44AD & 44AE

#### Unit IV:

(20-25 Marks, 13 lectures)

#### a) Permissible Deductions under Chapter VI-A

Sections 80 C, 80CCC, 80CCD, 80 CCE, 80D, 80E, 80G, 80TTA, 80U.

b) Computation of total income of an individual assessee.

c) Computation of tax liability of an individual assessee, Rebate under Section 87A.

#### Books for Study and Reference:

1. Singhania, Vinod K., & Monica Singhania, Student's Guide to Income Tax, University edition, Taxmann Publications Pvt. Ltd., New Delhi.
2. Ahuja, Girish and Ravi Gupta, Systematic Approach to Income Tax, Bharat Law House, Delhi.
3. Manoharan T.N., Direct Tax Laws, Snow White Publications,
4. Singhania V.K. Students' guide to Income Tax, Taxmann Publications
5. Hariharan.N., Income Tax Law & Practice Vijay Nicole Imprints Pvt.Ltd.
6. Singhania V.K., & Singahania K., Direct Taxes Law & Practice, Taxmann Publications.
7. Mehrotra H.C., Income Tax Law & Practice, Sahitya Bhavan, Agra
8. Prasad B., Income Tax Law & Practice, Wishwa Prakashan
9. Pagare D., Income Tax Law & Practice, Sultan Chand & Sons, New Delhi
10. Gaur V.P., & Narang.D.B., Income Tax Law & Practice, Kalyani Publications.

### PATTERN OF QUESTION PAPER

#### General guidelines:

1. The question paper shall have total of 6 questions carrying 80 marks and shall be of 2 hours duration.
2. Four questions of 20 marks each to be answered.
3. Question No. 1 to be compulsory (four short problems of 5 marks each)
4. Any three questions from the remaining five questions to be answered.
5. A question may be sub-divided if necessary.

### INCOME TAX (DIRECT TAX)

#### Semester IV

Duration: 2 Hours

Max. Marks: 80

Instructions: (i) Q1. is compulsory

(ii) Answer any 3 from the remaining questions

Q1. Practical type, four sub-questions, carrying 5 marks each, covering the entire syllabus.  
(Marks-20)



Q2. Practical Question on Unit II i.e. Computation of Income from 'Salaries' covering deductions under Chapter VI-A, and computation of tax liability of individual assessee only.

(Marks-20)

Q3. Practical Question on Unit III i.e. computation of Profits and Gains from Business or Profession, covering deductions under Chapter VI-A and computation of tax liability of individual assessee only.

(Marks-20)

Q4. Answer any four out of the following in relation to the Income Tax Act: (Marks-20)

- a. Short Answer type Q. on Unit I
- b. Short Answer type Q. on Unit I
- c. Short Answer type Q. on Unit II
- d. Short Answer type Q. on Unit III
- e. Short Answer type Q. on Unit IV

Q5. Answer any four out of the following in relation to the Income Tax Act: (Marks-20)

- a. Short Answer type Q. on Unit I
- b. Short Answer type Q. on Unit II
- c. Short Answer type Q. on Unit II
- d. Short Answer type Q. on Unit III
- e. Short Answer type Q. on Unit IV

Q6. Answer any four out of the following in relation to the Income Tax Act: (Marks-20)

- a. Short Answer type Q. on Unit I
- b. Short Answer type Q. on Unit II
- c. Short Answer type Q. on Unit III
- d. Short Answer type Q. on Unit IV
- e. Short Answer type Q. on Unit IV