

JYOTI NIVAS COLLEGE AUTONOMOUS

Programme: B.Com/TM/LSCM/INTEGRATED B.Com -

M.Com/BBA/B.Voc (B&F)

Semester: VI

Income Tax - II

No. of Credits: 4

No. of Hours: 60

Course Objectives:

- To expose the students to advanced concepts of Income Tax.
- To enable them to compute income under the head of business and profession and also from other sources.
- To make them understand the concept of set off and carry forward of losses.

Learning Outcomes:

- Understand the procedure for computation of income from business and other Profession.
- Understand the provisions for computation of capital gains.
- Learn to compute the taxable income from other sources.
- Learn the computation of total income of an Individual.
- Understand the provisions relating to Set Off and Carry Forward of Losses

Unit-1: Profits and Gains of Business and Profession

16 Hours

Introduction- Meaning and definition of Business, Profession and Vocation. - Expenses Expressly allowed - Expenses Expressly Disallowed - Allowable losses - Expressly disallowed expenses and losses, Expenses allowed on payment basis. Problems on computation of income from business of a sole trading concern - Problems on computation of income from profession: Medical Practitioners, Advocates and Chartered Accountants only.

Unit- 2: Capital Gains

12 Hours

Introduction - Basis for charge - Capital Assets - Types of capital assets – Transfer - Computation of capital gains – Short term capital gain and Long term capital gain - Exemptions under section 54, 54B, 54EC, 54D and 54F. Problems covering the above sections.

Unit-3: Income from other Sources

12 Hours

Introduction - Incomes taxable under Head income other sources – Securities - Types of Securities - Rules for Grossing up. Ex-interest and cum-interest securities. Bond Washing Transactions - Computation of Income from other Sources.

Unit- 4: Set Off and Carry Forward of Losses and Deductions from

Gross Total Income. Hours

10

Meaning- Provisions of Set off and Carry Forward of Losses (Theory only)
Deductions under Sections 80C, 80CCC, 80CCD, 80D, 80DD, 80DDB, 80E, 80EE, 80EA, 80G, 80GG, 80QQB, 80RRB, 80TTA, 80 TTB and 80U as applicable to Individuals.
Provisions and problems under new regime.

Unit- 5: Total Income and Tax Liability, Assessment of Individuals

Hours

10

Computation of Total Income and tax liability of an Individual Assessee, Meaning of Assessment - Types of Assessment– Regular Assessment- Self Assessment – Best Judgment Assessment- Summary Assessment – Scrutiny Assessment – Income Escaping Assessment.

Skill Development Activities:

- Mention the procedure involved in the computation of income from profession.
- List-out the different types of capital assets and identify the procedure involved in the computation of tax for the same.
- List out the steps involved in the computation of income tax from other sources and critically examine the same.
- List any 6 deductions available under section 80
- List the various amendments of IT Act.
- Analyse tax liability of 5 assesses.
- Prepare a report on changes made in current year budget related to direct tax.

Books for References:

- Mehrotra H.C and T.S.Goyal, Direct taxes, Sahithya Bhavan Publication, Agra.
- Vinod K.Singhania, Direct Taxes, Taxman Publication Private Ltd, New Delhi
- Gaur and Narang, Law and practice of Income Tax, Kalyani Publication, Ludhiana.
- Bhagawathi Prasad, Direct Taxes
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Note: Latest edition of text books may be used.