**Income Tax-Law and Practice**

**Programme(s) in which it is offered: B COM**

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| --- | --- |
| **Course Category**: <Elective> | **Schedule of Offering**: <Odd> |
| **Course Credit Structure: 3** | **Course Code: CK 265** |
| **Total Number of Hours: 45** | **Contact Hours Per Week:5** |
| **Lecture: 3** | **Tutorial: 0** |
| **Practical: 0** | **Medium of Instruction: English** |
| **Date of Revision: 14-02-2022** | **Skill Focus:** <Employability > |
| **Short Name of the Course: BUSINESS LAW** | **Course Stream *(Only for Minor Courses)*:** |
| **Grading Method:** Regular | **Repeatable:** Credit |
| **Course Level:** Beginner |  |

**Course Description**

It is the duty of an Individual to estimate the tax liability of one’s own income and remit the amount to the government. Hence whichever field an individual is earning from, he/she needs to go through the procedures of income tax. This course is designed to make students initially understand the basic principles and provisions of the income tax law prevailing in India and finally compute the Total Income and Tax payable by an Individual. It will also provide greater insight into how and where to apply the various sections of the Income Tax Act applicable to an individual to compute his taxable income.

**Course Objective**

* To acquaint students with an overview of the Income Tax Act, 1961.
* To determine the residential status of an individual.
* To provide working knowledge on the first three heads of Income.

**Course Outcome**

* Students will understand the basic concepts and other preambles of Income Tax.
  + Student will be able to determine the residential status and will also be able to summarize the exempted incomes.
    - Students will understand different components of salary and will be able to compute an employee’s taxable income from salary
    - Students will be able to compute taxable income from house property
    - Students will be able to compute taxable income of an individual from own business or profession.

**PO-CO Mapping**

<This should explain how the Course Outcomes (CO) are mapped with the Programme Outcomes (PO). All programmes to have two generic POs which can map to all minors/proficiency courses and foundation/self-immersion courses. Please tick the respective cells only; leave the other cells blank.>

**PO-CO Mapping Matrix**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| CO/PO Mapping | PO1 | PO2 | PO3 | PO4 | PO5 | PO6 | PO7 | PO8 | PO9 |
| CO1 | ✓ |  |  |  |  |  |  |  |  |
| CO2 |  | ✓ |  |  |  | ✓ |  |  |  |
| CO3 |  | ✓ |  |  |  | ✓ |  |  |  |
| CO4 |  | ✓ |  |  |  | ✓ |  |  |  |
| CO5 |  | ✓ |  |  |  | ✓ |  |  |  |

**Prerequisites and other constraints**

Since this course will be taught in English, students taking this course must be comfortable with the basic usage of English.

**Pedagogy**

The teaching methodology of this course will mainly be lecture-oriented and problem-solving. Necessary legal proceedings will also be discussed in lecturing sessions. Towards the end, students will be given a demonstration on e-filing. Also, they will be given the training to enter details in selected forms using Excel Utilities. Quizzes (online) or other games will be arranged for better learning. Students will be encouraged to critically appraise the latest Finance Bill. Subsequently, field visits and exposure can be coordinated.

**Evaluation Pattern**

<Explain the evaluation pattern and its components specific to the course. Explain each component in detail with the tentative time frame. Ensure that one-third of the internal assessment components are finished before the Mid-Term Examination (if applicable).>

**Evaluation Matrix**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Continuous Internal  Assessment (CIA) Components\* | Component Type | Weightage Percentage | Total  Marks | Tentative Dates | Course Outcome Mapping |
| MSE | 33.33% | 10 | Week 10 | 1 & 2 |
| Assignment | 33.33% | 10 | Week 3 & 10 | 1 & 3 |
| Presentations/ Quizzes | 33.33% | 10 | Week 8 & 9 | 2, 4 & 5 |
| CIA Marks | 100% | 30 |  |  |
| ESE | | 70% | 70 |  | 1,2,3,4, & 5 |

\* The assignments involved in CIA will be subject to plagiarism checks. A submission with unexplained similarities exceeding 30% for Undergraduate courses, 20% for Postgraduate courses and 10% for PhD courses will be reverted for resubmission. The final submission is subject to score penalization as defined by the course instructor at the start of the course, with a clear communication of the same to all the registered candidates.

**Module Sessions**

**Module 1:** **Income Tax Essentials (9 Hours)**

Unit 1: - Basics- An overview on the sources of Income Tax Law in India; Basic Concepts: Income, Person, Assessee, Assessment Year, Previous Year, Gross Total Income, Total Income, Maximum Marginal Rate of Tax, Average Rate of Tax, Accelerated Assessment, Rates of Income Tax; Permanent Account Number (PAN).

**Module 2: Residential Status & Exempted Income u/s 10 (8 Hours)**

Unit 1: - Basis of Charge & Residential status under Income Tax Act 1961- Charge of income - Scope of total income on the basis of residential status -Determination of residential status: Resident, (Resident & ordinarily resident and Resident but not ordinarily Resident), Deemed Resident, Non -Resident

Unit 2: - Exempted income – Income not included in Total Income under section 10: Fully exempted and partly exempted incomes.

**Module 3: Income from Salary (10 Hours)**

Unit 1: Income from salary – definition – Basis of charge -Basic Salary – Provident Funds - Allowances – Perquisites – Leave encashment – Pension – Gratuity – Deductions from Gross salary u/s 16 -Computation of Income from Salary.

**Module 4: Income from House Property (9 Hours)**

Unit 1 – Income from House Property - definition – Basis of charge –Determination of annual value for different types of house properties: House property let out throughout the previous year, House property let out but remained vacant, House property let out but remained vacant, self-occupied house property, House property let out for part of the year and self-occupied for part of the year, deemed to be let out house property, house property kept as stock in trade – a portion of house property let out, and a port is self-occupied - Unrealized rent.

Unit 2: Income from House property exempt from tax–– Interest on borrowed capital - Deductions for let out house properties and self-occupied house property -computation of Income from House Property

**Module 5: Profits and Gains of Business & Profession (9 Hours)**

Unit 1: Profits and Gains of Business & Profession – Meaning of Business and Professions-meaning of profits -Basis of charge – Speculation business –– Admissible deductions (Sec 30 -37)-Inadmissible expenses (Sec 40) -Expenses or payments not deductible in certain circumstances (Sec 40A) -profits chargeable to tax (Sec 41) – other provisions - computation of profits and gains from business or profession (Sec 29).

**Recommended Text:**

1) Singhania, Vinod K. and Monica Singhania. Students’ Guide to Income Tax, University Edition. Taxmann Publications Pvt. Ltd., New Delhi.

**Readings:**

1. Ahuja, Girish and Ravi Gupta. Systematic Approach to Income Tax. Bharat Law House, Delhi.

2. Income Tax Act, 1961 and relevant years’ Finance Acts.

**Software:**

‘Excel Utility’ available at incometaxindiaefiling.gov.in