

**JYOTI NIVAS COLLEGE AUTONOMOUS**

**Programme: B.Com / TM / LSM / Integrated B.Com – M.com**

**Semester: VI**

**INCOME TAX LAW AND PRACTICE - II**

**No. of Credits: 4**

**No. of Hours: 60**

**COURSE OBJECTIVES:**

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

**LEARNING OUTCOMES:**

1. Attaining a holistic knowledge of the Direct tax principles
2. Becoming aware of the numerous deductions available and making them capable of tax planning.
3. Having a brief understanding of the authorities that govern Direct Taxes in India.

**UNIT 1: PROFITS AND GAINS OF BUSINESS AND PROFESSION 16 HRS**

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 Practitioner and Advocate

**UNIT 2: CAPITAL GAINS 14 HRS**

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 10 HRS**

Introduction - Incomes taxable under the head income from 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: 12 HRS**

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

## **UNIT 5: COMPUTATION OF TOTAL INCOME AND TAX LIABILITY      08 HRS**

Computation of total income and tax liability of an Individual assessee under old regime.  
Comparison of old and new regime.

### **SKILL DEVELOPMENT:**

1. Mention the procedure involved in the computation of income from profession.
2. List-out the different types of capital assets and identify the procedure involved in the computation of tax for the same.
3. List out the steps involved in the computation of income tax from other sources and critically examines the same.
4. List any 6 deductions available under section 80
5. Prepare a format for computation of taxable income and tax liability of an individual assessee

### **BOOKS FOR REFERENCE:**

- Mehrotra H.C and T.S.Goyal, Direct taxes, Sahitya 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

**Note: Latest edition of text books may be used.**