

#### PARVATHANENI BRAHMAYYA SIDDHARTHA COLLEGE OF ARTS & SCIENCE Autonomous

Siddhartha Nagar, Vijayawada–520010 *Re-accredited at 'A+' by the NAAC* 

Course Code			23TPMAL231				
Title of the Course			INCOME TAX – I				
Offered to: (Programme/s)			B.Com HON-TPP				
L 4		Т	1	P	0	С	4
Year of Introduction: 2024-25		Semester: 3					
Course Category: Major		Course Relates to: National					
Year of Revision:		Percentage:					
Type of the Course:			Skill				
Crosscutting Issues of the Course :							
Pre-requisites, if any			INCOME TAX				

#### **Course Description:**

An Income Tax course typically covers the principles and applications of income tax Law, focusing on how taxes effect on Individuals and Businesses ,and also study of relevant tax laws and Exploration of various deductions and tax credits available to taxpayers to reduce their tax liability.

#### **Course Aims and Objectives:**

S.N O	COURSE OBJECTIVES
1	Assess short term and long term capital gains of an Individual assessee who is involved in Business and
Profession.	
2	Assess taxable income from other sources of an Individual assessee after taking into account deduction u/s 57 and amounts disallowed u/s 58.
3	Describe the mechanism of carry forward and set off of an Individual assessee.
4	Evaluate gross total income of an Individual assessee after taking into account deduction u/s 80.
5	The course aims to enable students to learn income tax provisions and assessment procedures of Agricultural
5	Income.

#### **Course Outcomes**

CO No	COURSE OUTCOME	BTL	РО	PSO
CO1	Comprehend the knowledge about Income from capital gain	K2	2	2
CO2	Import knowledge in the provisions of Income from other sources	K2	2	2
CO3	The student can acquaint how to set-off an carry forward the losses	K3	2	2
CO4	Will be able to compute the Total income	K4	2	2
CO5	The student will be able to understand the provisions of agricultural income	K4	2	2
For BTL: K1: Remember: K2: Understand: K3: Apply: K4: Analyze: K5: Evaluate: K6: Create				

At the end of the course, the student will be able to...

#### or B1L: K1: Remember; K2: Understand; K3: Apply; K4: Analyze; K5: Evaluate; K6: Create

CO-PO MATRIX									
CO NO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PSO1	PSO2
CO1		2							2
CO2		2							2
CO3		3							3
CO4		3							3
CO5		3							3

Use the codes 3, 2, 1 for High, Moderate and Low correlation Between CO-PO-PSO respectively

#### **Course Structure:**

#### Unit – 1: Capital gains:

#### **13 Hours**

15 Hours

Basis of charge - Capital asset and its types- Transfer, cost of acquisition - Indexation- Gains exempt from tax- Conditions for exemption-Computation of Capital Gain.

#### **Examples/Applications/Case Studies:**

Examples of Long term capital Assets and Short term capital assets

#### **Exercises/Projects:**

- Exercises on computation of taxable Long term capital Gain
- Exercises on computation of taxable Short term capital Gain

#### **Specific Resources: (web)**

https://www.google.com/search?client=firefox-b-d&q=how+to+compute+capital+gain

https://cleartax.in/s/long-term-capital-gains-ltcg-tax

https://cleartax.in/s/short-term-capital-gains-stcg-tax

#### **UNIT - II: 2. Income from other sources:**

charge - Incomes Chargeable under the Head -Deductions permissible- Specific disallowances - Computation of Income from other sources.

#### **Examples/Applications/Case Studies:**

Example of Casual incomes and Specified Income

Application of TDS and its Calculation

#### **Exercises/Projects:**

**Basis** of

• Exercises on computation of Taxable income from other sources

# **Specific Resources: (web)**

https://cleartax.in/s/other-income-sources

https://dit-live.taxmann.com/tutorials/49.income-from-other-sources.pdf

https://tax2win.in/guide/income-from-other-sources-detail-in-itr-1

# UNIT -III: Clubbing of incomes Setoff and Carry forward of losses 17 Hours

Provisions governing clubbing of Incomes (Theory only)-. Mode of set off and carry forward –Inter – source adjustments-. Inter - head adjustments - Carry forward of Losses. **Examples/Applications/Case Studies:** 

# • Application of setoff and carry forward of losses

• Case Study on Inter-head adjustments

#### **Exercises/Projects:**

• Exercises on set-off and carry forward of losses

# Specific Resources: (web)

- <u>https://cleartax.in/s/set-off-carry-forward-losses</u>
- https://sajaipuriacollege.ac.in/pdf/commerce/TAXATION-I-Set-of-Carray-forward-converted.pdf
- <u>https://tax2win.in/guide/set-off-and-carry-forward-of-losses</u>

#### UNIT - IV: 4. Deductions from Gross Total Income

#### Deduction under chapter VIA. - Relief U/s.89 (1)

#### **Examples/Applications/Case Studies:**

• Application of various deductions under sec 80

#### **Exercises/Projects:**

- Exercises on calculation of various deductions U/S 80
- Exercises on computation of Total income

#### Specific Resources: (web)

- <u>https://cleartax.in/s/80c-80-deductions</u>
- <u>https://cleartax.in/s/donation-under-section-80g-and-80gga</u>
- <u>https://tax2win.in/guide/deductions</u>

#### **UNIT - V: Assessment of Agricultural Income**

Agricultural Income – Its types

Assessment of Agricultural Income (problems)

# **Examples/Applications/Case Studies:**

- Application of Integration and not integration
- Examples of various types of Agricultural incomes

#### **15 Hours**

**15 Hours** 

# **Exercises/Projects:**

• Exercise on assessment of Agricultural Income

# Specific Resources: (web)

- <u>https://tax2win.in/guide/income-tax-agricultural-income</u>
- <u>https://incometaxmanagement.com/Pages/Tax-Ready-Reckoner/Assessment/Agricultural-</u> Income/Assessment-of-Agricultural-Income.html

#### **Text Books:**

**1.** Gaur & Narang (2024) Income Tax Law & Accounts By Kalyani Publishers, New Delhi **Reference:** 

- 1. Students Guide to Income Tax By: V.K.Singhania Taxmann New Delhi. 12<sup>th</sup> edition
- 2. R.G.Saha and Usha Devi N (2024) Income Tax Law By Himalaya Publishing house.



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#### Model paper

Course Code & Title of the Course:	23TPMAL231
Title:	INCOME TAX – I
Offered to:	B. Com Honours
Category: Major	SEMESTER: 3
Max. Marks	70
Max. Time	3 Hrs

#### Answer the following:

<u>Section -A</u> 5X 4M = 20M

1. A.What is Long term Capital Asset K1

or

or

or

or

- B. Explain Indexed cost of acquisition K1
- 2. A. What is TDS ? How to calculate TDS on Casual Incomes? K3

B.Write any 5Casual Income K1

3.A. How to set-off of Unabsorbed Depreciation. K3

B.Write Any two interhead adjustments **K3** 

- 4.A. Deduction u/s 80TTA K1
  - B.Deduction u/s QQB K1
- 5.A.Write any 4Agriculture Incomes K1
  - B. How to integrate? K3

or

# Section-B

# Answer the following questions.

6.A. Mr.Raj purchased a plot in 2003-2004 for Rs. 4,00,000.It was sold on 15-1-2020 for Rs. 14,80,000 and he paid Rs. 20,000 as brokerage charges. He invested Rs. 2,00,000 in bonds of National Highway Authority of India as on 31-3-2020 and Rs. 3,10,000 in bonds issued by Rural Electrification Corporation Ltd., on 1-06-2020. Compute his income from capital gain if C.I.I for 2003-2004 was 109 and for 2019-2020 is 289. **K3** 

Or

5X 10 = 50

B. Mr. Nagaraj sold a plot on July 10, 2020 (C.I.I.: 301) for 6,05,000; (Cost of acquisition on June 15, 2007 (C.1.1: 129) 1,50,000, selling expenses amounted to 5,000. On August 10, 2020 he makes the following investments. Purchase of Bonds of National Highway Authority of India notified ws 54EC 1,00,000 and invests ₹ 3,50,000 in a residential house at Delhi on July 10, 2020. He does not own any residential House. Determine his Taxable Capital Gain for the Assessment Year 2022-23. K3

7.A Mr. Prakash's investments for the previous year ended 31st March 2020 are as under.

Rs.22,000, 12% Municipal bonds

Rs.16,000, 20% Debentures of sugar company(Listed0

Rs.22,000, 18% Less tax debentures of Tata co.

Rs.10,000, 11% Treasury savings deposits

Rs.10,000, 15%Convertible debentures of E-series sold on 1<sup>st</sup> Oct

Rs.30,000, 15% DCM Company Ltd Debentures Not listed in stock exchange

Collection charges paid Rs.500 compute his Income from other sources. K3

B. Mr. Mukunda furnishes the following information about his income for the previous year 2021-22. Compute his income under the head "Other Sources". **K3** 

- (i) Dividend on equity shares ₹600
- (ii) Dividend on preference shares ₹3200
- (iii) Income from letting on hire of building and machinery under composite lease₹17000
- (iv) Interest on bank deposits ₹2,500
- (v) Ground rent ₹600
- (vi) Income from undisclosed sources (unexplained) ₹10,000
- (vii) Income from lotteries (Gross) 10,000

The following deductions are claimed by him:

- (a) Collection charges of dividend ₹20
- (b) Allowable depreciation on building and machinery ₹4,000
- (c) Fire insurance premium on building and machinery  $\gtrless 100$

8.A. Mr. Datta (Age 31 years) submitted the following particulars of income for the previous year relevant to the current assessment year. Compute his total income for the Assessment year 2020-2021.K3

Income from Salary	6,00,000
Income from House property	
House Number 1(Income)	24,000
House Number 2(Loss)	20,000
House Number 3(Loss)	60,000
Income from Business	
Sugar business(Profit)	5,05,000
Electric Business(Loss)	75,000
Speculation loss in shares	1,72,000
Speculation profit commodity	1,28,000
<u>Capital Gain</u>	
Short term capital loss	18,000
Short term capital Gain	6,000
Long term capital Gain	10,000

B. From the following particulars compute the total income of Mr.DAVID for the Assessment year 2023-2024:

Income from House property	- 8000
S.T.C.G. on sale of shares	95,000
L.T.C.G on sale of Bonds	- 85,000
Othe rsourses : Interest on Government sources	18,000

The Assessee has unabsorbed depreciation of Rs. 35,000 being brought forward from 2021-2022. Assessee had closed the business and all the assets have been disposed of. **K3** 

9.A..Ascertain the amount of deduction available u/s 80 in case of Mr Ram if his gross total income is Rs. 5,40,000 **.K3** 

Investment in National saving scheme 1992	16,000
Accrued interest in National Saving scheme	2,000
Deposit in PPF in the name of minor son	38,000
Payment of Home loan (National Bank)	24,000
5 Years term deposit	40,000
Life insurance on life of father	6,000
Medical insurance premium on Spouse	12,000
On Father	18,000
On dependent daughter	6,000
Donation to Prime Minister Drought relief fund	16,000
Donation to notified educational institution	2000
Donation to Local authority	4,000
Contribution to notified scientific research	10,000
Contribution to registered political party	5,000
	0

Or

B. Sri Sunil Varma is practicing charted accountant. The following are the incomes related to the previous year 2019-2020. Compute total income and tax liability for the assessment year 2020-2021. **K3** 

Income from profession	18,32,000
Short term capital gain on sale of Shares	1,30,000
Long term capital gain on sale of House	16,00,000
Long term capital gain on sale of Shares	1,20,000
Payment made for medi claim policy on his and his w	ife life 17,000
His contribution to PPF	60,000
Re payment of son's higher education loan(Including	interest 18,000) 1,20,000
Donation to Prime Minister's National relief fund	21,000
Deposit in Sukanya Samrud Yojana (3 Years)in SBI	42,000

10.A. Net Agricultural Income Rs. 2,50,000

Non Agricultural Income Rs. 3,40,000

Compute tax liability for the assessment year 2024-2025. K3

or

B. An individual taxpayer aged 50 years earns Rs. 3,00,000 in agricultural income. Her non-agricultural income is worth Rs. 5,00,000. Compute her tax liability for the assessment year 2024-2025. K3