

## DISCIPLINE SPECIFIC ELECTIVE COURSE 1 (DSE-1): INCOME TAX LAW AND PRACTICE

### CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Income Tax Law and Practice (DSE 1)	4	3	1	0	Class 12	None

### Learning Objectives

The course aims at

- Introducing basic definitions in Income Tax Act
- Computing taxable income under the heads Salaries and House Property
- Calculate Profits and Gains of Business or Profession, Capital Gains and Income from other sources
- Understand deductions from gross taxable income and filling of returns.

### Learning outcomes

By studying this course, the students will be able to:

- To Understand the Process of determination of taxable income
- To apply the deductions to taxable income as per the latest provisions of Income-tax Act, 1961
- To Acquire the skill of Filling Basic Returns of Income Tax

### SYLLABUS OF DSE-1

#### **Unit 1: Introductory Concepts**

**(3 hours)**

Permanent Account Number (PAN), Assessment Year, Previous Year, Person, Assessee, Gross Total Income, Total income and its computation, Tax Rates, Residential status; Relationship between Residential Status and Incidence of Tax. Incomes Exempted under section 10.

#### **Unit 2: Computation for “Salaries” and “Income from House Property” (15 hours)**

Income under the head “Salaries”: Meaning of Salary, basis of charge, Allowances, Perquisites, permissible deductions from salary income, Deduction under Section 80 C.

Income under the head “Income from House Property”: Basis of charge, income from let out house property, income from self-occupied property.

**Unit 3: Computation for 'Profits and Gains of Business or Profession', 'Capital Gains' and 'Income from other sources' (15 hours)**

Profits and gains of business or profession: Basis of charge, important rules regarding assessment of PGBP, computation of Profits from Business or Profession, deductions expressly allowed, expenses expressly disallowed.

Capital gains: basis of charge, meaning of capital asset, cost of acquisition, improvement and indexation, exemptions for capital gains arising from transfer of Capital Assets, calculation of tax on short-term and long-term capital gains.

Income from other sources: basis of charge, dividend, winnings from lotteries, crossword puzzles, etc., interest on securities, advance money received for transfer of a capital asset, permissible deductions.

**Unit 4: Computation of Total Income and Tax Liability (12 hours)**

Computation of total income; Deductions from gross total income under section 80 C to 80 U; Rebates and reliefs; Set-off and carry forward of losses (Concept only), Concept of advance payment of Tax and Deduction of Tax at Source. Computation of Taxable Income and liability of Tax. e-Filing of Returns: ITR-1 (SAHAJ) and ITR-2

**Essential/recommended readings**

1. Ahuja, G. and Gupta, R. Simplified Approach to Income Tax. Flair Publications (P) Ltd.
2. Singhanian, V.K. and Singhanian, M. Students Guide to Income Tax. Taxmann Publications (P) Ltd.

Software to be used for teaching are:

1. 'Excel Utility' available at [incometaxindiaefiling.gov.in](http://incometaxindiaefiling.gov.in)
2. Vinod Kumar Singhanian, e-filing of Income Tax Returns and Computation of Tax Taxmann Publication (P) Ltd, New Delhi. (Latest version)

**Note:** Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.