

Department of Commerce
Delhi School of Economics
University of Delhi
B.Com. (Hons.)
Guidelines for Paper – CH 3.2: Semester - III
INCOME TAX LAW AND PRACTICE

Duration: 3 hrs.

Max. Marks: 100
Lectures: 75

Objective: - To provide basic knowledge and equip students with application of principles and provisions of Income-tax Act, 1961.

Expected learning outcome: Students will gain a working knowledge regarding computation of taxable income and tax liability pertaining to individuals/HUF/firms with practical utility.

Unit –II:

Following exempted incomes need to be covered;

Section: 10(1), 10(2), 10 (2A), 10(5), 10(7), 10(10), 10(10A), 10(10AA), 10(10B), 10(10C), 10(10D), 10(11), 10(12), 10(13), 10(13A), 10(14)*, 10(15), 10(16), 10(32), 10(34), 10(35), 10(36), 10(37), 10(38).

*All six allowances under section 10(14) (i) need to be covered. Only education, hostel, and transport allowance need to be covered in special allowances under section 10 (14) (ii).

Unit-III:

Computation of income under the head salaries: In case of ESOP only concept need to be covered.

Computation of profits and gains of business or profession: Only section 28, 29, 30, 31, 32, 35 (Expenditure on scientific research only), 36, 37, 40, 40(a), 40(b), 40A, 41, 43B, 44AD, 44AE, 44AB, 44AA need to be covered.

Computation of income under the head capital gain: Under exemption of capital gains: Sec. 54, 54B, 54EC, 54F and 54 H needs to be emphasized.

Capital gains in the case slump sale (Sec. 50 B) need not to be covered.

Capital gain provisions related to Individual, HUF, and Firm need to be covered. Capital gain provisions relating to company and non-residents need not to be covered.

Income from other sources: Sec. 94(7) and 94(8) need not be done.

Unit-IV:

Deductions from gross total income: Following sections need to be emphasized for practical purpose;

Section 80A, 80AB, 80AC, 80C, 80CCC, 80CCD, 80CCF, 80D, 80DD, 80DDB, 80E, 80G, 80GG, 80GGA, 80GGC, 80QQB, and 80U.

Rebates and reliefs: Only concept need to be covered.

Following case can also be discussed in five leading cases of Supreme Court

- CIT vs B. C. Srinivasa Setty (SC) (1981) in lieu of Arun Kumar vs UOI.

Unit-V:

- Manual and online filing of return can be discussed conceptually.
- Filing of TDS return need not be covered.

Instructions for scheme of examination:

1. Every chapter and unit should be covered in the question paper.
2. The question paper will consist of 5 questions with internal choice.
3. Unit I and II: 1 Question
Unit III: 2 Questions
Unit IV and V: 2 Questions (Maximum weightage for Unit V shall be 4 marks only).
4. Question paper should be broad based. Questions should be in parts including both practical and theory questions.
5. Only one question can be practical and rest should be combination of theory and practical.

Note: The above guidelines are only meant to define the scope of some of the topics laid out in the syllabus.