



**PARVATHANENI BRAHMAYYA  
SIDDHARTHA COLLEGE OF ARTS & SCIENCE**  
*Autonomous*  
Siddhartha Nagar, Vijayawada-520010  
*Re-accredited at 'A+' by the NAAC*

<b>Course Code</b>				<b>23COMAL232</b>			
<b>Title of the Course</b>				<b>Income Tax</b>			
<b>Offered to: (Programme/s)</b>				<b>B.Com Honours (General &amp; Computer Applications )</b>			
<b>L</b>	<b>4</b>	<b>T</b>	<b>1</b>	<b>P</b>		<b>C</b>	<b>4</b>
<b>Year of Introduction:</b>		<b>2024-25</b>		<b>Semester:</b>			<b>3</b>
<b>Course Category:</b>		<b>Major</b>		<b>Course Relates to:</b>		<b>National</b>	
<b>Year of Revision:</b>		<b>NA</b>		<b>Percentage:</b>			
<b>Type of the Course: Skill development</b>							
<b>Crosscutting Issues of the Course : NA</b>							
<b>Pre-requisites, if any NA</b>							

**Course Description:**

This course covers the essentials of income tax law, starting with fundamental concepts such as definitions of a person, assessee, and assessment year, and extending to residential status and tax incidence. It explores income from salaries, including provident funds, allowances, perquisites, and deductions. The course also addresses income from house property, focusing on annual value and deductions. Business and professional income topics include admissible expenses and computation methods. It examines capital gains, types of capital assets, exemptions, and computations, along with income from other sources, including taxable incomes and deductions. Practical problems enhance understanding and application.

**Course Aims and Objectives:**

<b>S. No</b>	<b>COURSE OBJECTIVES</b>
<b>1</b>	Understand the fundamental concepts of income tax terminology and principles, including definitions of key terms like person, assessee, and assessment year, as well as residential status and the incidence of tax.
<b>2</b>	Calculate Salary Income by analysing various components such as allowances, perquisites, provident funds, and deductions under Section 16.
<b>3</b>	Evaluate Income from House Property by calculating annual value, addressing different types of occupancy, and applying deductions to compute net income from house property.
<b>4</b>	Analyse Business and Professional Income Identify admissible and inadmissible expenses for both business and professional income, and perform accurate computations of taxable income.
<b>5</b>	Classify capital assets, compute capital gains, apply relevant exemptions, and compute income from other sources, including taxable incomes and allowable deductions.

## Course Outcomes

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

CO NO	COURSE OUTCOME	BTL	P O	PS O
CO1	Define and explain key concepts of income tax, including the definitions of person, assessee, assessment year, and the principles of residential status and incidence of tax.	K2	2	2
CO2	Compute salary income by applying knowledge of allowances, perquisites, provident funds, and deductions under Section 16, effectively solving related problems.	K3	2	2
CO3	Analyze and compute business and professional income, distinguishing between admissible and inadmissible expenses, and applying these concepts to practical scenario.	K3	2	2
CO4	Analyze and compute business and professional income, distinguishing between admissible and inadmissible expenses, and applying these concepts to practical scenario.	K3	2	2
CO5	Classify capital assets, compute capital gains, apply exemptions, and assess income from other sources, demonstrating proficiency in handling various income tax calculations and deductions.	K3	2	2

For BTL: K1: Remember; K2: Understand; K3: Apply; K4: Analyze; K5: Evaluate; K6: Crea

CO-PO MATRIX									
CO NO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PSO1	PSO2
CO1		1							1
CO2		2							2
CO3		3							3
CO4		2							2
CO5		3							3

**Unit 1:** Introduction.

(15Hrs)

Basic concepts - person, Assesse, Assessment year, previous year, Income, Agricultural Income- Incomes exempt from tax (Theory) - Residential status- Incidence of Tax (Problems).

**Examples/Applications/Case Studies:**

Exercises on computation of incidence of tax.

**Unit 2:** Income from salary

(20Hrs)

Basis of charge, meaning of salary, Types of provident funds-Allowances-Perquisites-Profits in lieu of salary- Deductions U/s 16- Computation of salary income (including problems)

**Examples/Applications/Case Studies:**

Exercises on computation of Income from salary

**Unit 3:** Income from house property

(10Hrs)

Basis of charge-Annual value-Let-out /self-occupied /deemed to be let-out house- Deductions from Net annual value - Computation of income from house property (including problem).

**Examples/Applications/Case Studies:**

Exercises on computation of Income house property

**Unit 4: Profits and gains from Business or Profession (10Hrs)**

Meaning of business and profession - Admissible and inadmissible expenses-Computation of Business income.

Profession:

Admissible Receipts and Payments-Computation of Professional income.

**Examples/Applications/Case Studies:**

Exercises on computation of Profit and gains from business

Exercises on computation of Income from profession

**Unit 5: Capital gains and Income from Other sources (15Hrs)**

Capital assets - Types of capital assets - Types of capital gains - Exemptions from capital gains - Computation of capital gains.

Incomes taxable under the head income from other sources and deductions from income other sources.

**Examples/Applications/Case Studies:**

- Exercises on computation of taxable Long term capital Gain
- Exercises on computation of taxable Short term capital Gain
- Example of Casual incomes and Specified Income
- Application of TDS and its Calculation

**Exercises/Projects:**

- 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>

**Text Books:**

1. Gaur & Narang (2024) Income Tax Law & Accounts By Kalyani Publishers, New Delhi
- 2.. Students Guide to Income Tax By: V.K.Singhania Taxmann - New Delhi. 12<sup>th</sup> edition

**Reference:**

1. R.G.Saha and Usha Devi N (2024) Income Tax Law By Himalaya Publishing house.



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**SEMESTER -END MODEL QUESTION PAPER**

<b>Course Code &amp; Title of the Course:</b>	<b>23COMAL232</b>
<b>Title:</b>	<b>Income Tax</b>
<b>Offered to:</b>	<b>B.Com Gen/CA</b>
<b>Category:</b>	<b>Major</b>
<b>Max. Marks</b>	<b>70</b>
<b>Max. Time</b>	<b>3 Hrs</b>

**Section – A**

**Answer the following.**

**5x4=20**

1. A) What is assessment year and previous year? K1  
Or  
B) Define Person. K1
2. A) Write about Deductions U/s 16 K2  
Or  
B) Write about House Rent Allowance. K2
3. A) How to determined annual value of let out property? K2  
Or  
B) Write about Deductions U/s 24. K2
4. A) Write any five allowable expenses. K2  
Or  
B) What do you understand the terms business and profession?
5. A) What is capital asset? K2  
Or  
B) Write about Deductions U/s 57. K2

**Section – B**

**Answer the following.**

**5x10=50**

6. A) . From the particulars of Mr X compute his gross total income for the assessment year 2024-25 if he is:

- 1) Resident, 2) Not-ordinarily resident, 3) Non resident
- i) Income from business in Hubli Rs.1,00,000
- ii) Profit from business in U.K. controlled from India Rs. 60,000
- iii) Income from house property in Japan not received in India Rs. 50,000
- iv) Income from business in India but received in U.K. Rs. 30,000
- v) Salary received in India for services rendered in USA Rs. 70,000
- vi) Interest on deposit with SBI in Bangalore Rs. 20,000
- vii) Profit from Business in Singapore controlled from India (1/3 profit received in India) Rs. 30,000
- viii) Dividend received from domestic company Rs. 5,000

- ix) Agricultural income earned in Nepal Rs. 25,000  
x) Commission received in India for the services given in Nepal Rs. 10,000. K3

Or

B) Following are the incomes of Mr. Krishna for the previous year 2023-24

- a) Interest on saving Bank deposited in Allahabad Bank Rs.1,200  
b) Income from agriculture in Africa invested in Nepal Rs.10,000  
c) Dividend received in U.K. from American Company, a part of which Rs. 2,000 remitted to India. Rs.10,000  
d) Pension received in Belgium for services rendered in India with a Limited Company Rs. 20,000  
e) Profit from the business in Bangalore Rs. 10,000. K3

7. A) Compute the taxable salary income of Mr X for the A.Y. 2024-25 from the following particulars:

- i) Basic Salary Rs. 12,000 p.m.  
ii) D.A. Rs. 4,000 p.m. (which enters into all retirement benefit as per the terms of employment)  
iii) Bonus Rs. 12,000p.a.  
iv) Rent free accommodation provided by the employer, the fair rental value of which is Rs. 20,000 p.a. The cost of furnishing the house is Rs.10,000  
v) Entertainment Allowance Rs. 500 p.m.  
vi) Own contribution to RPF is at 15% of salary.  
vii) Employer's contribution to RPF is Rs. 9,600 p.a.  
viii) Interest on RPF balance at 9.5% p.a. is Rs. 2,000  
ix) Free use of large motor car for both official and personal purposes. Driver is also provided by the employer. K3

Or

B) Mr. M is a production manager of an industrial unit at Chennai. The particulars of his salary income are under:

- Basic Salary 15,000 p.m.  
Dearness allowance (given under the terms of employment) 5,000 p.m.  
Entertainment allowance 1,000 p.m.  
Medical allowance 500 p.m.  
House Rent allowance 4,000 p.m.  
Rent paid for the house 5,000 p.m.  
Car of 1.2 It. Capacity provided by employer for private and official use.  
Employer meets expenses of car.  
He and his employer (each) contribute 15% of salary to R.P.F. K3

8. A) Mr. Suresh owns a house whose Municipal value is ₹ 20,000. Municipal taxes ₹ 2,000 are paid on this house. The house is let out for an annual rent of ₹ 24,000. Interest on loan taken for construction of the house is ₹ 2,000. Calculate taxable income from house property for the assessment year 2024-25. K3

Or

B) From the following particulars calculate Income from house property K3

Particulars	House-1	House -2
Municipal value	8,000	20,000
Annual rent	Self-occupied	32,000
Local tax	1,600	4,000
Repairs charges	1,000	3,000
Insurance premium	50	200
Interest on loan for construction	1,180	1800
Unrealized rent	----	3000
Vacancy period	---	3Months

9 A) Mr. X prepared the following P&L A/c of his business for the year ended 31<sup>st</sup> March 2024. Find out his business income K3

Profit & Loss A/c

Particulars	Amount	Particulars	Amount
Salaries & wages	33,000	Gross profit	3,34,725
House hold exp	82,000	Gift received from relatives	274
Rent	1,600		
Income tax	900		
Advertisement	800		
Transport Exp	600		
Fire insurance premium	400		
Life insurance	2,100		
Bad debts reserves	800		
Audit fee	400		
Net profit	2,11,500		
	3,35,000		3,35,000

Or

B) From the particulars given below compute the income from profession of Dr. Karim for the assessment year 2024-25. K3

**Receipts:**

- i) Visiting fees Rs 26,000/-
- ii) Consultation fess RS 15,000/-
- iii) Sale of Medicines Rs 16,000/-
- iv) DividendsRs 5,000/-

**Expenses**

- i) Dispensary Rent Rs 5,000/-
- ii) Electricity Charges Rs3,000/-
- iii) Telephone Expenses Rs 3000/-
- iv) Salary to compounder Rs 5,000/-

- v) Purchase of Medicines Rs 8,000/-
- vi) Depreciation of X-Ray Machine Rs 2,000/-
- vii) Income Tax Rs 5,000/-
- viii) Donations Rs 2,000/-
- ix) Motor car expenses and depreciation 6,000/- (CO4) L3

10. A) 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 2024-25. K3

Or

B) Mr. Mukunda furnishes the following information about his income for the previous year 2023-24. 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) Director’s fees 1,200
- (vi) Ground rent ₹600
- (vii) Income from undisclosed sources (unexplained) ₹10,000
- (viii) 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 ₹100

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