

**TAXATION**  
**Basic Personal Taxation**  
BCH: GE-1.10

**Course Objective(s):** To provide basic knowledge and equip students with the application of principles and provisions of the Income-tax Act, 1961 applicable to individuals and the relevant Rules; and to enable the students to apply them to real-world situations.

**Learning Outcomes:**

1. analyse the basic concepts of income tax and determine the residential status of different persons;
2. compute income under the heads ‘salaries’ and ‘income from house property’;
3. compute income under the heads ‘Profits and gains of business or profession’ and ‘capital gains’;
4. compute income under the head ‘income from other sources’ and understand the provisions relating to income of other persons included in assessee’s total income; and
5. analyse various deductions and computation of total income and tax liability of individuals.

**Course Contents:**

Units	Unit wise weightage of marks (in %)	C & K*	A & A*
Unit 1: <b>Introduction</b>	20	√	√
Unit 2: <b>Computation of Income – 1</b>	26	√	√
Unit 3: <b>Computation of Income – 2</b>	27	√	√
Unit 4 <b>Computation of Income -3</b>	27	√	√

**Unit 1: Introduction (3 Weeks)**

Origin of Tax System in India; Taxation – Voluntary practice to the involuntary system, Kautilya’s philosophy of Taxation.

Basic concepts: Income, agricultural income, person, assessee, assessment year, previous year, gross total income, total income, the maximum marginal rate of tax; Permanent Account Number (PAN). Residential status (only individual); Scope of total income on basis of residential status.

**Unit 2: Computation of Income – 1 (4 Weeks)**

Income from Salaries: Meaning, the basis of charge, different forms, allowances, perquisites.

Income from house property: Basis of charge, computing income from letting out, self-occupied and partly let out and partly self-occupied, provisions related to

unrealised rent, taxation of arrears of rent. Deductions from Annual Value (Sec 24).

**Unit 3: Computation of Income – 2 (4 Weeks)**

Profits and gains of business or profession: Basis of charge, computing business or profession income, the relevance of method of accounting, scheme of deductions and allowances, specific deductions under the act, specific disallowances under the act.

**Unit 4: Computation of Income - 3 (4 Weeks)**

Capital gains: Basis of charge, capital asset, transfer of a capital asset, consideration, cost of acquisition, cost of improvement, indexation, computation of capital gains.

Income from other sources: Basis of charge, the relevance of method of accounting, dividend, interest on securities, winnings from lotteries, crossword puzzle, horse race, and card games and their taxation.

**Practical Exercises:**

**The learners are required to:**

1. discuss selected provisions of the Income-tax Act, 1961 from the official website of the Government of India;
2. refer to the Finance Act to learn about the amendments done in various provisions of the Income-tax Act, 1961;
3. refer relevant notifications and circulars from the official website of Government of India;
4. use tax calculators available on the official website of Government of India; and
5. explore and attempt online filing of Returns of Income & TDS on the Income tax e-filing website under ITR-1 and ITR-2.

**Suggested Readings:**

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1. Singhanian, V. K., & Singhanian, M. (2021). Students' Guide to Income Tax. University Edition. TaxmannPublications Pvt. Ltd., New Delhi.

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  2. Ahuja, G., & Gupta, R. (2022). Systematic Approach to Income Tax. Commercial Law House, Delhi.

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  3. Pagare, D. (2021). Law and Practice of Income Tax. Sultan Chand and Sons, New Delhi.

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  4. Lal, B. B. (2011). Income Tax Law and Practice. KonarkPublications, New Delhi.

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**Additional Readings**

1. Income Tax Reports. Company Law Institute of India Pvt.Ltd., Chennai.

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2. Current Tax Reporter. Current Tax Reporter, Jodhpur.

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3. Taxman. Taxman Allied Services Pvt. Ltd., New Delhi.

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**Note: Suggested readings will be updated by the Department of Commerce and uploaded on Department's website.**

**Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

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The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work and Presentations, amongst others as decided by the faculty.

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