

**B. COM.**  
**Semester – V**  
**ACCOUNTING MAJOR (2) : INCOME TAX, SERVICE TAX & GOA VALUE ADDED TAX,**  
**PAPER-I**

(100 Marks – 75 Lectures)

**Objective:** *To provide an insight into main provisions of the Income Tax Act, 1961 applicable to the 'assessment year' which shall be same as the 'academic year' (e.g. for academic year 2013-14 the assessment year shall be 2013-14), and to impart some basic knowledge about the Service Tax as amended by the current Finance Act up to June 30 of the academic year.*

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**UNIT-I a) DEFINITIONS:**

(6 Lectures )

1. Assessee u/s.2(7)
2. Assessment u/s. 2(8)
3. Assessment Year u/s. 2(9)
4. Business u/s. 2(13)
5. Company u/s. 2(17)
6. Income u/s. 2(24)
7. Person u/s. 2(31)
8. Gross Total Income u/s. 80 (B) (5)
9. Previous Year u/s. 3

**b) SCOPE OF TOTAL INCOME & RESIDENTIAL STATUS: (6 Lectures )**

- i Scope of Total Income u/s. 5
- ii Apportionment of Income between spouses governed by the Portuguese Civil Code u/s 5A.
- iii Residential Status in India u/s. 6:- Sec. 6(1), 6(6)(a), 6(2), 6(6)(b), 6(3), 6(4). Practical Problems to cover determination of residential status of Individuals only.

**c) EXEMPTIONS & EXCLUSIONS U/S.10: (10 Lectures )**

1. Agricultural Income u/s. 10(1)
2. Receipts by a member, from a HUF u/s. 10 (2)
3. Share of profit from partnership firm u/s. 10 (2A)
4. Leave Travel Concession in India u/s. 10 (5).
5. Gratuity u/s. 10 (10)
6. Compensation received at the time of Voluntary Retirement u/s. 10 (10C).
7. Amount received under Life Insurance Policy u/s. 10 (10D).
8. Payment received from Provident Fund u/s. 10 (11), (12).
9. Payment received from an Approved Superannuation Fund u/s. 10(13).
- 10 House Rent Allowance u/s. 10 (13A).

- 11 Special Allowance u/s. 10 (14): Conveyance, Daily, Uniform, Helper, Research, Transport, Children Education, and Children Hostel Expenditure Allowance.
- 12 Interest on Securities u/s. 10 (15).
- 13 Educational Scholarships u/s. 10 (16)
- 14 Income of a minor child u/s 10 (32) [including basic provisions of sec 64(1A)]
- 15 Dividends and Interest on Units u/s. 10 (34), (35).

**UNIT-II COMPUTATION OF INCOME FROM 'SALARIES': (16 Lectures )**

Sections: 15, 16 & 17. Inclusive of allowances (exclusive of valuation of Perquisites)

**UNIT-III COMPUTATION OF PROFITS & GAINS OF BUSINESS OR PROFESSION: (25 Lectures )**

- A Sections: 28, 29, 30, 31, 32 (excluding Depreciation Rates)
- B Section 36 : Restricted to Following clauses:
  - i. Sec. 36 (1) (i) – Insurance Premium
  - ii. Sec. 36 (1) (ii) – Bonus/Commission to employees.
  - iii. Sec. 36 (1) (iii) – Interest on Borrowed Capital
  - iv. Sec.36(1)(iv) – Employer's Contribution to RPF& Approved Superannuation Fund
  - v. Sec.36(1)(v) – Contribution towards Approved Gratuity Fund
  - vi. Sec.36 (1) (vii) – Bad Debts.
- C Sec. 37 (1) – General Deduction.
- D Sec. 37 (2B) – Advertisement Expenses in Souvenir etc. of a Political Party.
- E Sec. 40(a), 40A(2), 40A(3).
- F Sec. 43(B) – Disallowance of unpaid liabilities.
- G Sec. 44AD and 44AE.

**UNIT IV SERVICE TAX (12 Lectures )**

- A. **NEW SERVICE TAX REGIME BASED ON 'NEGATIVE LIST' APPROACH :**  
Only brief idea about what is 'negative list' (and not the entire list) to be covered.
- B. **ADMINISTRATION OF THE ACT AND BASIC PROPOSITIONS:**
  - i). The Administration of the Act.
  - ii) Basic Propositions:
    - a) Act does not extend to Jammu & Kashmir
    - b) Same transaction cannot be taxed more than once under different services
    - c) Composite Services-Abatement

**C. MEGA EXEMPTION NOTIFICATION:**

1. Services provided to United Nations or an International Organisation.
2. Services provided to Developer / Unit in Special Economic Zone:
  - (i) Developer
  - (ii) SEZ
3. Value of Goods and Materials sold by service provider.
4. Threshold Exemption:
  - Exemption to Small Service Providers.
  - Persons excluded from Exemption Benefit:
    - i) Person using brand name / trade name of another person.
    - ii) Where service tax is payable by persons other than service providers.
  - Exemption is linked with preceding year's turnover.
  - New service providers (new services commenced during the year).

**D. REGISTRATION:**

Persons who must Mandatorily obtain Registration, Turnover Limit, Application for Registration, Online submission of Application for Registration, Centralised Registration, Registration Certificate, Penalty for late Registration,

**E. FURNISHING OF RETURN:**

Form of Return, Periodicity for Filing of Return, Due Date for Filing of Return, Delay in Filing of Return (fees for late filing of return), Filing of Revised Return, e-filing of Return,

**F. RATE OF SERVICE TAX.**

**G. PAYMENT OF SERVICE TAX:**

Monthly/Quarterly Payment of Service Tax, Due Dates for Payment of Service Tax, e-payment of Service Tax, Penalty for Failure to pay Service Tax. Interest for Late Payment of Service Tax.

(Note:- Problems on computation of Income of Individuals only to be covered here separately under the heads 'Salaries' and 'Profits & Gains of Business or Profession' respectively. In case of Service Tax small problems for 5 marks each may be covered on Calculation of Service Tax, Date of entitlement for Registration and Payment of Service Tax, Penalty for non-payment of Service Tax)

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**Books for Study and Reference :**

**A. For Income Tax:**

	<i>Title</i>	<i>Author(s)</i>	<i>Publisher</i>
1	Taxmann's Students Guide to Income Tax	Dr. Vinod Singhania & Monica Singhania.	Taxmann Allied Services Pvt. Ltd
2	Systematic Approach To Income Tax, Service Tax & VAT	Dr. Girish Ahuja, Dr. Ravi Gupta	Bharat Law House
3	Student'S Handbook On Income-Tax, VAT & Service Tax	T. N. Manoharan	Snow White Publications Pvt. Ltd
4	Direct Taxes - Law & Practice	Dr. Vinod K Singhania, Dr. Kapil Singhania	Taxmann Allied Services Pvt. Ltd.
5	Income Tax Law and Practice	Gaur V P, Narang D B	Kalyani Publications
6	Income Tax Law And Practice	Bhagwati Prasad	Wishwa Prakashan
7	Income Tax Law and Practice	Dinkar Pagare	Sultan Chand & Sons, New Delhi
8	Income Tax Law & Practice	Dr.H.C.Mehrotra	Sahitya Bhavan, Agra,

9	Direct Taxes – practice and Planning	B.B.Lal	Konark Publishers
10	Income Tax -Law & Practice	B.B.Lal and N.Vashisht	Dorling Kindersley(India) Pvt. Ltd., Delhi-110017

**B. For Service Tax:**

1. Taxmann's Service Tax – By S.S. Gupta , (as amended to-date)- Taxmann Allied Services Pvt. Ltd.
2. Service Tax-Ready Reckoner- By V.S.Datey, Taxmann Allied Services Pvt. Ltd.

**B. COM  
SEMESTER V  
Accounting Major 3  
AUDITING –I  
(100 Marks – 75 Lectures)**

**Objective:**

The course aims at imparting knowledge about the principles, methods, techniques of auditing and their applications to understand the objective and concepts of auditing to gain working knowledge of generally accepted auditing procedures and of techniques and skills.

**UNIT I: INTRODUCTION:  
lectures)**

**(24 Marks-15**

- Evolution of audit
- Meaning and Definition
- Scope of Auditing
- Auditing V/s. Accountancy
- Objectives of Auditing – Primary & Secondary
- Various classes of audit (Based on authority, time and scope )
- Qualities of an Auditor
- Audit Independence
- Basic Principles governing an audit.
- Benefits and limitations of Auditing
- Auditing and Assurance Standards (Revised SA) - Overview, Standard-setting process, role of Auditing and Assurance Standards Board in India and role of International Auditing and Assurance Standards Board