



### TEACHING PLAN: TAX PLANNING

<b>SCHOOL: ASOM</b>		<b>ACADEMIC SESSION:2023-24</b>		<b>BBA, Semester-IV FOR STUDENTS' BATCH: 2022-25</b>	
<b>1</b>	<b>Course code</b>	<b>MGTB-401</b>			
<b>2</b>	<b>Course Title</b>	<b>Tax Planning</b>			
<b>3</b>	<b>Credits</b>	<b>4</b>			
<b>4</b>	<b>Learning Hours</b>	<b>Contact Hours (Class room and Tutorial)</b>		<b>60</b>	
		<b>Assessment</b>		<b>20</b>	
		<b>Guided Study</b>		<b>20</b>	
		<b>Total hours</b>		<b>100</b>	
<b>5</b>	<b>Course Objective</b>	<ul style="list-style-type: none"> <li>To make the students understand the basic concepts, definitions and terms related to direct taxation.</li> <li>To make the students understand the concept of residential status thus making them understand the scope of total income for an assessee with different kinds of residential status.</li> <li>To make students understand the various heads under which income can be earned in India. To make students understand the procedure for computation of income under various heads namely income from salaries, house property, business/ profession, capital gains and income from other sources.</li> <li>To help the students to understand the various deductions under Chap VI-A of the Income tax act, 1961.</li> <li>To make the students determine the net total taxable income of an assessee after reducing the deductions from the gross total income earned from all or either of the five heads of income and also to compute tax based on slab rates.</li> </ul>			
<b>6</b>	<b>Course Outcomes</b>	<p>After completing the course, the student shall be able to:</p> <p>CO1: Understand the constitutional provision regarding taxes in India and identify the technical terms related to direct taxation.</p> <p>CO2: Determine the residential status of an assessee and thus should be able to compute the taxable income of assessee with different residential status.</p> <p>CO3: Understanding the agricultural income and compute income from salaries.</p> <p>CO4: Compute income from house property, business/profession, Understand and analyse the various benefits/ deductions under Chap VI-A of the Income tax act, 1961 which are to be reduced from the gross total income of the assessee.</p> <p>CO5: Compute income from capital gains and income from other sources. Compute the total taxable income and the total tax liability of an individual assessee considering the income from all heads of income and the deduction under Chap VI- A of the Income tax act,1961.</p>			
<b>7</b>	<b>Outline syllabus:</b>				
<b>7.01</b>	<b>Unit</b>	<b>Sub-unit</b>	<b>Introduction</b>	<b>Reference number</b>	<b>Teaching methods</b>

7.02	Unit I: Basic concept	(a)	Basic concepts: Constitutional provisions, Nature and classification of tax. <a href="https://www.youtube.com/watch?v=GN DQ4O5mfxY">https://www.youtube.com/watch?v=GN DQ4O5mfxY</a>	T2: page 2-7	Lecture, Question answer session.
		(b)	Definition of basic terms like Income, person, assessee, assessment year, previous year, etc	T1: pages 1-34	Lecture, Question answer session.
		(c)	Concept of gross total income, total income, maximum marginal rate of tax	T1: Page 7-20 T2: Page 16-31	Lecture, White Board Teaching, and Question answer session.
7.03	Unit II: Residential status	(a)	Residential status <a href="https://www.youtube.com/watch?v=riF8 GchKQq4">https://www.youtube.com/watch?v=riF8 GchKQq4</a>	T1: 52-61 T2:37-46	Lecture, White Board Teaching, Group discussion, and Question answer session.
		(b)	Scope of total income on the basis of residential status Exempted income under section.	T1: 88-124 T2: 46-57	Lecture, White Board Teaching, Group discussion, and Question answer session.
		(c)	Understanding, evaluating and analysing Practical questions based on residential status.	T1: 61-84 T2: 62-64	Lecture, White Board Teaching, Group discussion, and Question answer session.
7.04	Unit III: Income from Salaries	(a)	Understanding agricultural income.	T1: 786-795 T2:68-99	Lecture, White Board Teaching, Group discussion, and Question answer session.
		(b)	Understanding basic salary, grade pay and evaluation of different types of allowances and perquisites. <a href="https://www.youtube.com/watch?v=iIeP u6BY8Vc">https://www.youtube.com/watch?v=iIeP u6BY8Vc</a>	T1: 125-194 T2: 104-174	Lecture, White Board Teaching, Group discussion, and Question answer session.
		(c)	Practical questions based on computation of income from salaries.	T1: 194-205 T2:180-183	Lecture, White Board Teaching, Group discussion, and Question answer session.
7.05	Unit IV: Income from House	(a)	Understanding and applying MV, FR, SR and AR. Computation of Income from house property. <a href="https://youtu.be/jU1bBSHDkMM">https://youtu.be/jU1bBSHDkMM</a>	T1: 207-233 T2: 184-206	Lecture, White Board Teaching, Group discussion, and Question answer session.

	<b>and Business</b>	(b)	Computation of Profits and gains of business or profession. <a href="https://www.youtube.com/watch?v=GtWTrY7jVBw">https://www.youtube.com/watch?v=GtWTrY7jVBw</a>	T1: 251-367 T2: 217-380	White Board Teaching, Group discussion, and Question answer session.
		(c)	Practical questions based on Income from house property and Profits and gains of business or profession	T1: 234-246 & 501-509 T2: 211-213 & 404-450	Lecture, White Board Teaching, Group discussion, and Question answer session.
7.06	<b>Unit V: Income from Capital Gain</b>	(a)	Computation of income from capital gains <a href="https://www.youtube.com/watch?v=GHyYTPyjkxg">https://www.youtube.com/watch?v=GHyYTPyjkxg</a>	T1: 511- 622 T2: 453-590	Lecture, White Board Teaching, Group discussion, and Question answer session.
		(b)	Computation of income from Income from other sources.	T1: 623-656 T2:608-639	Lecture, White Board Teaching, Group discussion, and Question answer session.
		(c)	Various benefits/ deductions under Chap VI-A of the Income tax act, 1961. And assessing the total taxable income.	T1: 663-678 T2: 643-657	Lecture, White Board Teaching, Group discussion, and Question answer session.
<b>8</b>	<b>Course Evaluation</b>				
<b>8.10</b>	<b>CA: 40%</b>				
<b>8.1</b>	<b>Attendance</b>	5%			
<b>8.12</b>	<b>Homework</b>	20%			
<b>8.13</b>	<b>Quizzes</b>	15%			
<b>8.14</b>	<b>Projects</b>	5%			
<b>8.15</b>	<b>Presentation</b>	15%			
<b>8.16</b>	<b>Any other</b>	--			
<b>8.2</b>	<b>MTE(IA)</b>	20%			
<b>8.3</b>	<b>End-term examination: 40%</b>				
<b>9</b>	<b>Text Books &amp; References</b>				
<b>9.1</b>	<b>Text books</b>	<ol style="list-style-type: none"> <li>Singhania, Vinod K. and Monica Singhania. Students' Guide to Income Tax. Taxmann Publications Pvt. Ltd., New Delhi. (Latest Edition)</li> <li>Ahuja, Girish and Ravi Gupta. Systematic Approach to Income Tax. Bharat Law House, Delhi. (Latest Edition)</li> </ol>			
<b>9.2</b>	<b>References</b>	<ul style="list-style-type: none"> <li>Chandra, Mahesh., S.P. Goyal and D.C. Shukla. Income Tax Law and Practice. Pragati Prakashan, Delhi.</li> <li>Pagare, Dinkar. Law and Practice of Income Tax. Sultan Chand and Sons, New Delhi.</li> </ul>			

		<ul style="list-style-type: none"> <li>• Mehrotra, H.C. Income Tax Law. Sahitya Bhawan, Agra.</li> <li>• Lal, B.B. Income Tax Law and Practice. Konark Publications, New Delhi.</li> <li>• Singhanian, Vinod K. and Kapil Singhanian. Tax Computation on CD. Taxmann Publications Pvt. Ltd., New Delhi.</li> </ul>
9.3	Video References	<a href="https://www.youtube.com/watch?v=GNDQ4O5mfxY">https://www.youtube.com/watch?v=GNDQ4O5mfxY</a> <a href="https://www.youtube.com/watch?v=riF8GchKQq4">https://www.youtube.com/watch?v=riF8GchKQq4</a> <a href="https://www.youtube.com/watch?v=iIePu6BY8Vc">https://www.youtube.com/watch?v=iIePu6BY8Vc</a> <a href="https://youtu.be/jU1bBSHDkMM">https://youtu.be/jU1bBSHDkMM</a> <a href="https://www.youtube.com/watch?v=GtWTrY7jVBw">https://www.youtube.com/watch?v=GtWTrY7jVBw</a> <a href="https://www.youtube.com/watch?v=GHyYTPyjkxg">https://www.youtube.com/watch?v=GHyYTPyjkxg</a>

### Mapping of Outcomes v. Topics

Outcome no. → Syllabus topic ↓	1	2	3	4	5
Paper Code.Unit I (a) to (c)	✓				
Paper Code.Unit II (a) to (c)		✓			
Paper Code.Unit III (a) to (c)			✓		
Paper Code.Unit IV (a) to (c)				✓	
Paper Code.Unit V (a) to (c)					✓

## Question for Practice

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### Unit-I

- Q.1. Describe the constitutional provision regarding tax in India.
- Q.2. Difference between direct and indirect tax. (Any 6 points)
- Q.3. List the different heads of income for ascertaining total income for tax purpose according to the Income Tax Act, 1961
- Q.4. Write Short notes on the followings:
- a) Assessment year
  - b) Previous year
  - c) Tax governing bodies
  - d) Tax Planning
  - e) Tax Evasion
  - f) Tax Avoidance

### Unit-II

- Q.1. Explain the provisions of the Income Tax Act, 1961 for deciding the residential status of an assessee in India.
- Q.2. Andy, a British national, comes to India for the first time during 2015-16. During the financial years 2015-16, 2016-17, 2017- 18, 2018-19 and 2019-20, he was in India for 55 days, 60 days, 80 days, 160 days and 70 days respectively. Determine his residential status for the assessment year 2022-23.
- Q.3. X came India for first time on July 24, 2018. From July 24, 2018 to December 25, 2019, he was in India. Again, he came to India on August 5, 2022 for employment purpose & left India on November 25, 2022 permanently. Determine his residential status for the previous year 2022-23 assuming –
- a) He is a foreign citizen
  - b) He is an Indian citizen

### Unit-III

- Q.1. What do you mean by agricultural income by virtue of sec. 2(1A)?
- Q.2. Highlight the Instances of Agricultural (Agro) Income according to the provisions of the Income Tax Act, 1961.
- Q.3. Narrate any five items which are exempted from tax in agriculture income
- Q.4. Mr. X aged 42 years has non-agro income of ` 3,25,000 and agro income of ` 2,55,000. Compute his tax liability for the A.Y. 2022-23.
- Q.5. Determine the following income is agriculture income or not
- (i) salary received by an employee working as a manager of an agricultural farm house
  - (ii) Income from supplying water for irrigation
  - (iii) Rent of land used for flower mill
  - (iv) Profit on sale of agriculture land Rs.100,000
  - (v) Income from letting of tractors for agriculture purpose

- Q.6. Describe all the items which constitute of gross salary of an individual.
- Q.7. What do you mean by allowances and perquisites? Highlight some allowances and perquisites.
- Q.8. Mr. Bhanu is working in Zebra Ltd. since last 25 years 9 months. Company allows 2 months leave for every completed year of service to its employees. During the job, he had availed 20 months leave. At the time of retirement on 10/8/2019, he got ₹ 1,50,000 as leave encashment. As on that date, his basic salary was ₹ 5,000 p.m., D.A. was ₹ 2,000 p.m., Commission was 5% on turnover + ₹ 2,000 p.m. (Fixed p.m.). Turnover effected by the assessee during last 12 months (evenly) ₹ 5,00,000. Bhanu got an increment of ₹ 1,000 p.m. from 1/1/2021 in basic and ₹ 500 p.m. in D.A. Compute his taxable leave encashment salary for the AY 2022-23. How shall your answer differ if the assessee had taken 2 months leave instead of 20 months, during his continuation of job.
- Q.9. Mr. Das retired on 31/3/2022. At the time of retirement, 18 months leave was lying to the credit of his account. He received leave encashment equivalent to 18 months Basic salary ₹ 1,26,000. His employer allows him 1½ months leave for every completed year of service. During his tenure, he availed of 12 months leave. At the time of retirement, he also gets D.A. ₹ 3,000. His last increment of ₹ 1,000 in basic was on 1/4/2021. Find taxable leave encashment.

#### Unit-IV

- Q.1. Calculate GAV from the following information's. MV= 60,000, FV=66,000, SR= 63,000, Actual Rent 66,000
- Q.2. From the following house of Mr. Kant, the information's are given

Particulars	House I	House II
Municipal Valuation	90,000	84,000
Fair Rent	88,000	90,000
Standard Rent	85,000	85,000
Municipal Taxes paid by Rukhsana	4,200	4,800
Repairs (Actual Charges)	6,000	5,000
Insurance premium paid	2,000	1,000
Interest on Loan for the year :		
For Loan taken up to 31.3.1999	40,000	35,000
For Loan taken after 1.4.1999 for construction	500	—

Find taxable income from house property for the Assessment year 2022-23.

- Q.3. Following information's are available regarding five house properties of Kejriwal. Find gross annual value for the Assessment year 2022-23.

(Rs. In Thousands)

Particulars	A	B	C	D	E

Municipal Value	144	144	144	144	144
Fair Rent	140	150	160	130	120
Standard Rent	130	130	170	140	130
Rent for full year	120	216	120	156	162
Self-occupied (month)	-	2	1	-	2
Unrealised Rent	2	1	-	1	-
Vacancy period (months)	2	1	-	2	2

Q.4. Mr. Sunil is a practicing Chartered Accountant. He also runs a private coaching institute. His bank accounts for the year ended 31/3/2022 is given below:

<b>Receipts</b>	<b>Rs.</b>	<b>Payments</b>	<b>Rs.</b>
To Balance b/f	20,000	By Office expenses	18,000
To Audit fees	2,00,000	By Municipal tax on property	800
To Income from other professional work	1,00,000	By Coaching expenses 800	800
To Coaching fees	1,200	By Personal expenses	5,000
To Interest on Investment	2,000	By Membership fees	500
To Examiner's fees	1,000	By Income tax	5,000
To Rent from property	5,000	By Motor Car purchased	1,80,000
		By Motor Car expenses	10,200
		By Insurance of property	1,600
		By Balance c/d	94,300
	<b>3,29,200</b>		<b>3,29,200</b>

### Unit-V

- Q.1. What do you mean by capital gain u/s. 2(14) of the Income Tax Act, 1961.
- Q.2. Sehwag acquired the property in the previous year 1985-86 for Rs. 19,00,000 and paid Rs. 45,000 as registration charges. Sehwag sold this property to Kanitkar for Rs. 40,00,000 on 31.05.2020 at that time market value of property was 20,00,000. Calculate amount of capital gain for the Assessment year 2022-23.

- Q.3. Mr. Anand has purchased a house property as on 17/08/2005 for ₹ 5,00,000. On 1/05/2007 he constructed a new floor on the same house at a cost of ₹ 2,50,000. On 1/10/2021, he sold such house for ₹ 18,00,000 and incurred brokerage @ 2% for arranging customer. Compute capital gain.
- Q.4. Ali has 10,000 shares of X (P) Ltd. acquired on 15/05/1984 for ₹ 12 each. On 15/07/1986 he converted 6,000 of such shares into stock in trade. On that date, market value of such share was ₹ 15 each. On 1/05/2010, he further converted 2,000 of such shares into stock in trade. On such date, market value of the share was ₹ 30 each. On 17/02/2022, he sold all shares for ₹ 225 each. Brokerage incurred 2%. State tax treatment. Fair market value of such shares as on 01-04-2002 was ₹ 16/-.

### **PROJECTS (To be given to group of students)**

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1. Evolution of tax in India with special reference to the current constitutional provisions of tax.
2. An overview of income from salary according to the Income Tax Act
3. An overview of income from house property according to the Income Tax Act
4. Preparation of gross total income and total taxable income as per ITR 1.