

SEMESTER- V

INCOME TAX LAW AND PRACTICE

BCH: DSC- 5.1

Objective:

The course aims to impart knowledge of law pertaining to levy of income tax in India.

Learning Outcomes:

After completion of the course, learners will be able to:

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 Content:

Units	Unit wise weightage of marks (in %)	C&K*	A&A**
Unit 1:Introduction	20%	√	√
Unit 2: Computation of Income from Salaries and House Property	25%	√	√
Unit 3: Computation of Income from Business or Profession and Capital Gains	25%	√	√
Unit 4: Income from Other Sources, Clubbing of Income and Set-off	15%	√	√
Unit 5: Deductions and Computation of Total Income and Tax Liability	15%	√	√

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***C&K- Comprehension & Knowledge**

****A&A – Analysis & Application**

Unit 1: Introduction

Basic concepts: Income; Agricultural income, Person, Assessee, Assessment year, Previous year, Gross Total Income, Total income, Maximum marginal rate of tax and Permanent Account Number (PAN); Residential status: Scope of total income on the basis of residential status; Exempted incomes under section 10; Learning lessons from Kautilya's Taxation Policy.

Unit 2: Computation of Income from Salaries and House Property

Income from Salaries; Income from House Property.

Unit 3: Computation of Income from Business or Profession and Capital Gains

Profits and gains of business or profession; Capital gains.

Unit 4: Income from Other Sources, Clubbing of Income and Set-off

Income from other sources; Income of other persons included in assessee's total income; Aggregation of income and set-off and carry forward of losses.

Unit 5: Deductions and Computation of Total Income and Tax Liability

Deductions from gross total income; Rebates and reliefs; Computation of total income and tax liability of individuals (On-line filing of Returns of Income & TDS).

Practical Exercises:

The learners are required to:

1. discuss selected provisions of the Income-tax Act, 1961 from the official website of Government of India;
2. refer 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. learn about various tax services available on the official website of Government of India.
6. explore and attempt on-line filing of Returns of Income & TDS on Income tax e-filing website under ITR-1 and ITR-2.

Suggested Readings:

- Ahuja, Girish and Gupta, Ravi. Simplified Approach to Income Tax. Flair Publications Pvt. Ltd. Delhi.
- Bandopadhyaya (2019). Taxation I,II.Oxford University Press.
- Mittal, Naveen. Concept Building Approach to Income Tax Law & Practice. Cengage Learning India Pvt. Ltd., Delhi.
- Singhanian, Vinod K. and Singhanian, Monica. Students' Guide to Income Tax, University Edition. Taxmann Publications Pvt. Ltd., New Delhi.

Additional Readings:

- Current Tax Reporter. Current Tax Reporter, Jodhpur.
- Income Tax Reports. Company Law Institute of India Pvt. Ltd., Chennai.

Assessment Criteria

The Assessment for this paper would include a theory examination of 50 marks, Practical Examination of 25 marks and Internal assessment of 25 marks. Internal assessment will include 20 marks for class tests/assignments, and 5 marks for attendance. There shall be 3 Credit Hours for Lectures + one Credit Hour (Two Practical Periods per week per batch) for Practical. Use of a simple calculator is allowed. Proofs of theorems/ formulae are not required.

Note: Learners are advised to use the latest edition of textbooks.

Business Economics**BCH: DSC- 5.2**

Objective: The course aims to acquaint the learners with Micro economics and its applications.

Learning Outcomes: After the completion of the course, the learners will be able to:

1. examine the nature and scope of business economics.
2. analyse how consumers try to maximize their satisfaction by spending on different goods.
3. evaluate the relationship between inputs used in production and the resulting outputs and costs.
4. analyse and interpret various facets of and pricing under different market situations.
5. relate the contemporary issues and applications in micro economics.

Course Contents:

Unit	Unit wise weightage of marks (in %)	C&K*	A&A**
Unit 1: Introduction to Business Economics	10	√	√
Unit 2: Consumer Behaviour	25	√	√
Unit 3: Production and Cost	25	√	√
Unit 4: Market Structures	25	√	√
Unit 5: Contemporary Issues and applications	15	√	√

*C&K- Comprehension & Knowledge

**A&A – Analysis & Application

Unit 1: Introduction to Business Economics

Nature and scope of Business Economics, Demand and Supply: Meaning, law, Individual Vs Market, Movement Vs Shift, Market equilibrium. Elasticity of Demand: Price, income and cross elasticities. Measurement of elasticity of demand: outlay and percentage method. Elasticity of supply: concept and measurement (Percentage method).

Unit 2: Consumer Behaviour

Cardinal Vs Ordinal Utility, Indifference curves: features, budget line, consumers equilibrium, ICC and Engels curve, PCC and derivation of demand curve, Income and substitution effects of price change (normal, inferior and giffen goods), Applications: effect of interest rates on household savings, lump sum subsidy Vs excise subsidy.

Unit 3: Production and Cost

Production function: TP, AP and MP, Law of Variable proportions. Isoquants: properties, optimal combination of resources, expansion path and returns to scale.

Cost: Different cost concepts, Derivation of short run and long run cost curves (LAC and LMC), Economies and Diseconomies of scale.

Unit 4: Market Structures

Perfect competition: features, equilibrium under short run and long run, derivation of supply curve under short run and long run.

Monopoly: features, equilibrium under short run and long run, absence of supply curve, Price discrimination: degrees, conditions and dumping.

Monopolistic competition: features, product differentiation and excess capacity and equilibrium.

Oligopoly: Collusive and non- collusive: Cournot's model, Kinked demand curve, Cartels (OPEC and CIPEC)

Unit 5: Contemporary Issues and applications

Rent control, Minimum wages, Individual supply curve of labour, Peak load Pricing, Prisoners' dilemma and Game Theory.

Practical Exercises:

The learners are required to:

1. Apply the concept of elasticity of demand and supply in real life.
2. Analyse the impact of changing prices on consumption of necessities by a household.
3. Visit any manufacturing unit and study its production process and costing.
4. Analysis of OPEC as a case of a successful cartel.

Suggested Readings:

- Baye, M., and Prince J.(2021), Managerial Economics and Business Strategy. McGraw Hill, (3rd ed.).
- Case, K. E., and Fair, R.C. (2017). Principles of Economics, Pearson Education,(12th ed.).
- Chaturvedi D.D, Chaturvedi S. Business Economics Kitab Mahal, Delhi
- Deepashree, (2021) Business Economics, MKM Publisher, New Delhi.
- Gillespie, A., (2013) Business Economics, Oxford University Press. (2nd ed.)
- Gupta, G.S. (2011), Managerial Economics, McGraw Hill (2nd ed.).
- Maddala, G.S and Miller Ellen, Microeconomics Theory and Applications, (2017) Tata McGraw Hill.
- Mankiw, Gregory N., Aswin A., Mark P Taylor, Business Economics (2019), Cengage Learning, UK.

- Miller, R. L. Intermediate Microeconomics: Theory, Issues, Applications, 2nd ed. New York: McGraw-Hill.
- Pindyck, Robert S. Rubinfeld, Daniel L, Microeconomics. (Eighth edition), Pearson education.
- Salvator, D., Rastogi S.K.(2016) managerial Economics: Principles and Worldwide Applications, Oxford University Press, (8th Ed.).
- Samuelson, P. A., and Nordhaus, W.D., Chaudhari S. and Sen, A., (2019) Economics (SIE), McGraw-Hill. (20th ed.)

Note: Learners are advised to use the latest edition of readings.

Management Accounting

BCH: DSC- 5.3

Objective: The course aims to enable students to acquire knowledge of concepts, methods and techniques of management accounting for the purpose of managerial planning, control and decision making.

Learning Outcomes: After completion of the course, learners will be able to:

1. examine thoroughly the conceptual framework of Management Accounting; identification of differences between different forms of accounting—Financial, Cost and Management; distinction between cost control and cost reduction
 - (a) analyse budgetary control system as a tool of managerial planning and control; prepare various types of budget
 - (b) Explore standard costing system as a tool of managerial control; calculation of variances in respect of each element of cost and sales; control ratios
2. recognise the concept of marginal cost and marginal costing; preparation of income statements using absorption and variable costing; learning of cost-volume-profit analysis and break even analysis through statements, mathematical and graphical approaches; identification of key factor and determination of profitability; determination of cost indifference point.
3. infer the concept of relevant cost and make decisions related to different business situations using marginal costing and differential costing techniques
4. facilitate basic understanding of different contemporary issues involved in management accounting like Responsibility Accounting, Divisional Performance Measurement.

Course Contents:

Unit	Unit wise weightage of marks (in %)	C&K*	A&A**
Unit 1: Introduction to Management Accounting	10	√	----
Unit 2: Budgetary Control and Standard Costing Systems	40	√	√
Unit 3: Marginal Costing	20	√	√
Unit 4: Decision Making	20	√	√
Unit 5: Performance Measurement	10	√	√

*C&K- Comprehension & Knowledge

**A&A – Analysis & Application

Unit 1: Introduction to Management Accounting

Meaning, objectives, nature and scope of management accounting, Difference between different forms of accounting- Cost, Financial and Management accounting, Cost control and Cost reduction.

Unit 2: Budgetary Control and Standard Costing Systems

- (a) **Budgeting and Budgetary Control:** Concept of budget, budgeting and budgetary control; objectives, merits and limitations; Functional Budgets; Fixed and Flexible budgeting; An overview of different approaches to budgeting (Zero base budgeting, Performance budgeting and Programme budgeting)
- (b) **Standard Costing and Variance Analysis:** Meaning of standard cost and standard costing; advantages, limitations and applications; Variance Analysis – material, labour, overheads and sales variances. Control ratios.

Unit 3: Marginal Costing

Concept of marginal cost and marginal costing; Absorption versus Variable Costing: Distinctive features and income determination; Cost-volume-profit analysis; Break-even Analysis-Statements, mathematical and graphical approaches; Profit-volume ratio, angle of incidence, margin of safety, key factor, determination of cost indifference point.

Unit 4: Decision Making

Steps in Decision making process. Concept of relevant costs. solving various short - term decision making problems using marginal costing and differential costing techniques – Profitable product mix, Acceptance or rejection of special/ export offers, Make or buy, Addition or elimination of a product line, sell or process further, operate or shut down and Pricing decisions

Unit 5: Performance Measurement

Responsibility Accounting: Concept, Significance, Different Responsibility Centres; Divisional Performance Measurement: Financial and Non-Financial measures;

Note: Spreadsheet may be used for doing basic calculations in Management Accounting and giving students subject related assignments for their internal assessment purposes.

Suggested Readings:

- Arora, M.N. Management Accounting. Himalaya Publishing House, New Delhi
- Goel, Rajiv Kumar & Goel, Ishaan. Concept Building Approach to Management Accounting for B.Com(Hons.). Cengage
- Maheshwari & Mittal .Management Accounting. Shri Mahaveer Book Depot, New Delhi.
- Maheshwari, S. N. *Principles of Management Accounting*. Sultan Chand & Sons.
- Maheshwari, S. N. *Management Accounting and Financial Control*. Sultan Chand & Sons.

- Shah Paresh(2015).Management Accounting.Oxford University Press.
- Singh, S. Management Accounting. PHI Learning Pvt. Limited, New Delhi
- Singh, S.K. and Gupta, Lovleen Management Accounting: Theory and Practice. A.K. Publications. New Delhi
- Tulsian, P.C. & Tulsian, B. Advanced Management Accounting. S.Chand, New Delhi.

Additional Readings:

- Drury,Colin. Management and Cost Accounting. Thomson Learning.
- Horngren, Charles T., George Foster and Srikant M. Dattar. Cost Accounting: A Managerial Emphasis. Prentice Hall of India Ltd., New Delhi.
- Khan, M. Y. and Jain, P.K. Management Accounting. Tata McGraw Hill Publishing Co., New Delhi
- Usry, Milton E. and Lawrence H. Hammer. Cost Accounting: Planning and Control. South Western Publishing Co.

Note: Learners are advised to use the latest edition of readings.