UNIVERSITY OF KERALA

Four Year Undergraduate Programme (FYUGP) — B.Com

FUNDAMENTALS OF INCOME TAX

Discipline	COMMERCE
Course Code	UK5DSCCOM301
Course Title	Fundamentals of Income Tax
Type of Course	Discipline Specific Core (DSC)
Semester	V
Academic Level	300 – 399
Course Details	4 Credits | Lecture: 3 hrs/week | Tutorial: – | Practical: 2 hrs/week | Total: 5 hrs/week (75 Hours)
Pre-requisites	Basic knowledge of accounting principles and a general awareness of the Indian taxation system.
Course Summary	This course enables learners to understand the concepts and provisions of the Income-tax Act, 2025 and to apply them in practice. It develops the ability to compute income under the different heads, determine the total income and tax liability of individuals under the default and optional regimes, and complete e-compliance procedures including the e-filing of returns.

Detailed Syllabus

Unit	Content	Hrs
Module I: Introduction and Income from Salary		**18**
1	Basic Concepts and Framework of Income Tax — Tax, Direct Tax vs Indirect Tax, Income Tax, Person, Assessee, Tax Year, Gross Total Income, Total Income, Casual Income	3
2	Residential Status of an Individual — Scope of Total Income of an Individual — Heads of Income — Exempted Incomes.	4
3	Income from Salary — Components of Salary, Allowances, Perquisites, Profits in Lieu of Salary, Standard Deduction, Professional Tax.	5
Practicum • Computation of HRA exemption; Computation of taxable income from salary including allowances, perquisites, standard deduction and professional tax.		6
Suggested Activities • Salary Structure Analysis: in groups, collect salary details of five employees from different sectors; classify salary components as taxable, exempt or deductible; compute the taxable salary and compare tax implications across the five cases.		
Module II: Income from House Property and Business or Profession		**15**
4	Income from House Property — Chargeability, Standard Rent, Fair Rent, Municipal Value, Actual Rent, Expected Rent, Gross Annual Value, Annual Value, Unrealised Rent.	2
5	Standard Deduction, Interest on Borrowed Capital, Arrears Rent — Computation of Income from House Property.	2
6	Profits and Gains of Business or Profession — Basis of Charge, Methods of Accounting, Admissible and Inadmissible Expenses , Depreciation- Concept and rates - Computation of Business Income for individuals at foundational level.	3
Practicum		8

Unit	Content	Hrs
	• Computation of Income from House Property (including GAV, AV and admissible deductions); Computation of Business/Professional Income for individuals (including depreciation and admissible/inadmissible expenses).	
Suggested Activities • Survey of Rented Buildings: in groups, collect details of five rented properties; record municipal value, fair rent, actual rent; compute GAV, AV and income from house property; present findings and compare rental income patterns.		
Module III: Capital Gains and Income from Other Sources		**12**
7	Capital Gains — Chargeability, Kinds of Capital Assets, Cost of Inflation Index, Computation of Short-Term Capital Gain (STCG) and Long-Term Capital Gain (LTCG).	4
8	Income from Other Sources — Chargeability, Income Chargeable under Other Sources, Interest on Securities, Interest on Deposits, Bond Washing Transactions.	4
Practicum • Computation of STCG and LTCG for given asset transfer transactions (land, building, gold, shares, mutual funds); determination of tax implications for each type.		4
Suggested Activities • Survey of Asset Transfer Transactions: in groups, collect details of five asset transfer transactions; identify the nature of the capital asset and period of holding; classify gains as STCG or LTCG; compute the capital gain considering cost, improvement and sale consideration.		
Module IV: Computation of Tax of an Individual		**15**
9	Gross Total Income and Deductions — Computation of Gross Total Income; Deductions from Gross Total Income, Applicable to Individuals	4
10	Tax Computation under New Tax Regime and Old Tax Regime - Income Tax Rates Applicable to Individuals; Rebate, Relief	4
Practicum • Computation of Gross Total Income (GTI) and Total Income (TI) for given individual case profiles; Computation of Tax Liability under both old and new tax regimes including rebate and relief.		7
Suggested Activities • Preparation of Total Income Statement: in groups, develop five case profiles of individual taxpayers with income under multiple heads; compute GTI, apply eligible deductions under the applicable regime, compute Total Income and compare tax liability under the new default regime and the optional regime.		
Module V: Loss Adjustment and Electronic Tax Compliance [CCA Only]		**15**
11	Aggregation of Incomes and Clubbing Provisions —introduction to set off and carry forward of losses.	4
12	E-Compliance — Meaning and Importance of E-Compliance; TAN — Tax Deduction Account Number; Tax Identification and Registration Requirements; E-Computation of Taxable Income and Tax Liability; Annual Information Statement (AIS) and Form 26AS; ITR Structure, Components and Types; E-Filing Process, Verification and Acknowledgement; Required Documents for E-Filing.	6
Practicum • Identify the appropriate ITR form for a given taxpayer profile; prepare a checklist of documents required for e-filing including AIS/26AS verification; demonstrate the steps involved in e-filing, verification and acknowledgement using the Income Tax portal (simulation / demo mode).		5
Suggested Activities • Prepare a step-by-step guide explaining how to access and read AIS (Annual Information Statement) on the income tax portal and cross-verify it with actual income.		
Total Instructional Hours		**75**

References

Text Books

- Ahuja, G. K., & Gupta, R. – Systematic Approach to Income Tax under the Income-tax Act, 2025 (Bharat Law House).
- Singhania, V. K., Singhania, M., & Singhania, K. – Direct Taxes: Law and Practice under the Income-tax Act, 2025 (Taxmann Publications).

Standard Reference Books

- Singhania, V. K., & Singhania, M. – Students' Guide to Income Tax under the Income-tax Act, 2025 (Taxmann Publications).
- Tulsian, P. C., & Tulsian, B. – Income Tax Law and Practice under the Income-tax Act, 2025 (McGraw Hill Education).
- Mehrotra, H. C., & Goyal, S. P. – Income Tax Law and Accounts under the Income-tax Act, 2025 (Sahitya Bhawan).
- Gaur, V. P., & Narang, D. B. – Income Tax Law and Practice (Kalyani Publishers).
- Tuli, A. – Understanding Income-tax Bill, 2025 (Bharat Law House).

References (Journals, Reports and Web Resources)

- Government of India, Ministry of Finance – The Income-tax Act, 2025 – https://incometaxindia.gov.in/
- Income Tax Department – e-Filing Portal – https://eportal.incometax.gov.in/
- CBDT – Circulars, Notifications and Guidelines – https://www.incometaxindia.gov.in/

Course Outcomes (COs)

No.	Upon completion of the course the graduate will be able to	Cognitive Level	PSO Addressed
CO1	Explain the basic concepts and framework of income tax, including residential status and the scope of total income of an individual.	U	PSO1, PSO4
CO2	Compute income from house property and profits and gains of business or profession by applying the relevant provisions.	Ap	PSO4, PSO11
CO3	Analyse the computation and tax treatment of capital gains and income from other sources.	An	PSO3, PSO4, PSO11
CO4	Prepare the computation of total income and tax liability of an individual under the default and optional regimes, applying the eligible deductions.	C	PSO4, PSO10, PSO11
CO5	Evaluate the implications of clubbing, set-off and carry-forward of losses and the e-filing compliance of an individual.	E	PSO4, PSO5, PSO6, PSO12

R – Remember, U – Understand, Ap – Apply, An – Analyse, E – Evaluate, C – Create
Note: 1 or 2 COs per module.

CO – PO/PSO, Cognitive Level and Knowledge Category

Name of the Course: Fundamentals of Income Tax | Credits: 3 : 0 : 1 (Lecture : Tutorial : Practical)

CO No.	CO	PO / PSO	Cognitive Level	Knowledge Category	L / T	P
CO1	Explain the basic concepts and framework of income tax, including	1,6 / 1,4	U	F, C	L	P

CO No.	CO	PO / PSO	Cognitive Level	Knowledge Category	L / T	P
	residential status and the scope of total income of an individual.					
CO2	Compute income from house property and profits and gains of business or profession by applying the relevant provisions.	1,2 / 4,11	Ap	P	L	P
CO3	Analyse the computation and tax treatment of capital gains and income from other sources.	1,2 / 3,4,11	An	C, P	L	P
CO4	Prepare the computation of total income and tax liability of an individual under the default and optional regimes, applying the eligible deductions.	1,2 / 4,10,11	C	P, M	L	P
CO5	Evaluate the implications of clubbing, set-off and carry-forward of losses and the e-filing compliance of an individual.	2,7,8 / 4,5,6,12	E	C, P	L	P

R – Remember, U – Understand, Ap – Apply, An – Analyse, E – Evaluate, C – Create
F – Factual, C – Conceptual, P – Procedural, M – Metacognitive

Mapping of COs with PSOs

CO / PSO	PSO1	PSO2	PSO3	PSO4	PSO5	PSO6	PSO7	PSO8	PSO9	PSO10	PSO11	PSO12	PSO13	PSO14
CO1	2	–	–	3	–	–	–	–	–	–	–	–	–	–
CO2	–	–	–	3	–	–	–	–	–	–	2	–	–	–
CO3	–	–	2	3	–	–	–	–	–	–	2	–	–	–
CO4	–	–	–	3	–	–	–	–	–	2	2	–	–	–
CO5	–	–	–	3	2	2	–	–	–	–	–	1	–	–

Mapping of COs with POs

CO / PO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8
CO1	2	–	–	–	–	1	–	–
CO2	2	2	–	–	–	–	–	–
CO3	2	3	–	–	–	–	–	–
CO4	2	3	–	–	–	–	–	–
CO5	–	2	–	–	–	–	2	2
Correlation: (Nil) – No correlation 1 – Mild 2 – Moderate 3 – Strong								

Assessment Rubrics

Assessment tools: Quiz / Assignment / Discussion / Seminar / Case Study / Activity / Internal Examination / Project / End Semester Examination

Mapping of COs to Assessment Rubrics

	Internal Exam	Assignment	Project / Case Study	End Semester Exam
CO1	✓			✓
CO2	✓			✓

	Internal Exam	Assignment	Project / Case Study	End Semester Exam
CO3	✓		✓	✓
CO4	✓		✓	✓
CO5	✓		✓	

Assessment Pattern

Component	Basis / Assessment Tools	Marks
THEORY COMPONENT — 3 Credits (Total: 60 Marks) | CCA : ESE = 30 : 70		
CCA – Theory – All Modules (I–V)		**18**
Formative Assessment – Theory (FA)	Three components of 3 marks each (3 + 3 + 3) – Salary and house property income computation assignment (3) + Capital gains and GTI computation case study (3) + Quiz on income tax concepts, residential status and deductions under the Income-tax Act, 2025 (3).	9
Summative Assessment – Theory (SA)	Internal examination conducted after a defined instructional period; the score is converted to 9 marks.	9
ESE – Theory (Modules I–IV only)	Written examination – 90 minutes (Modules I, II, III and IV).	**42**
Sub-total – Theory		**60**
PRACTICAL COMPONENT — 1 Credit (Total: 20 Marks) | CCA : ESE = 40 : 60		
CCA – Practical – All Modules (I–V)		**8**
Formative Assessment – Practical (FA)	Continuous evaluation of practicum activities – Practicum record / portfolio assessed on an ongoing basis across all modules.	4
Summative Assessment – Practical (SA)	Internal practical test / viva conducted after a defined instructional period; the score is converted to 4 marks.	4
ESE – Practical	Practical examination / project presentation – 30 minutes.	12
Sub-total – Practical		**20**
Grand Total		**80**

Total marks: 80 (4-credit course: 3 theory credits + 1 practical credit). Theory – 60 marks (CCA : ESE = 30 : 70); Practical – 20 marks (CCA : ESE = 40 : 60). Maximum marks per credit = 20; ESE duration per credit = 30 minutes.

Theory Formative Assessment (FA): continuous, in-process evaluation across all modules (I–V). The three suggested tools (3 + 3 + 3 = 9 marks) are indicated above.

Theory Summative Assessment (SA): an internal examination conducted after a defined instructional period; the score is converted to 9 marks. Covers all modules (I–V).

Theory ESE: a written examination of 90 minutes covering Modules I–IV only (42 marks). Module V is assessed exclusively through the Theory CCA.

Practical CCA (8 marks): Formative Assessment – Practical (FA, 4 marks) – continuous evaluation through a practicum record / portfolio assessed on an ongoing basis across all modules; Summative Assessment – Practical (SA, 4 marks) – an internal practical test / viva conducted after a defined instructional period. FA and SA carry equal weightage of 4 marks each. Practical ESE (12 marks): a 30-minute practical examination / project presentation.