



SRI KRISHNADEVARAYA UNIVERSITY: ANANTAPURAMU

UG CBCS SYLLABUS

FIRST YEAR

II SEMESTER

(2017-2018)

B.COM

TAXATION

II SEMESTER- SYLLABUS

(AS PER CBCS AND SEMESTER SYSTEM)

w.e.f. 2017-2018

S.K. UNIVERSITY; ANANTAPURAMU

B.Com (Tax) - Semester – II

Sl. No.	Course	Name of the subject	Total Marks	Mid. Sem. Exam	Sem. End Exam	Teaching Hours**	Credits
1.	First Language	English	100	25	75	4	3
2.	Second Language	(Tel/Hindi/Urdu/Sans)	100	25	75	4	3
3.	Foundation Course -3	ICT-1 (Information & communication Technology)	50	---	50	2	2
4.	Foundation Course-4	Communication & Soft Skills-1	50	---	50	2	2
5.	DSC 1 B	Fundamentals of Accounting-II	100	25	75	6	4
6.	DSC 2 B	Business Environment	100	25	75	6	4
7.	DSC 3 B	Income Tax- II	100	25	75	6	4
Total			600	125	475	30	22

I B.Com/ B.Com(CA)/B.Com(Tax)/B.Com(ASM)/B.A (Accountancy) SEMESTER - II

Unit-I: DEPRECIATION

Unit-II: PROVISIONS AND RESERVES

Unit-III: BILLS OF EXCHANGE

Unit-IV: CONSIGNMENT ACCOUNTS

Unit-V: JOINT VENTURE ACCOUNTS

Joint venture - Features - Difference between joint venture and consignment – Accounting procedure - methods of keeping records - Problems.

Reference Books:

1. Tulsan, Accountancy-I, McGraw Hill Co.
2. R.L. Gupta & V.K. Gupta, Principles and Practice of Accounting, Sultan Chand
3. T. S. Reddy and A. Murthy - Financial Accounting, Margham Publications.
4. S.P. Jain & K.L Narang, Accountancy-I, Kalyani Publishers.
5. V.K. Goyal, Financial Accounting, Excel Books
6. T.S. Grewal, Introduction to Accountancy, Sultan Chand & Co.
7. Haneef and Mukherjee, Accountancy-I, Tata McGraw Hill
8. Arulanandam, Advanced Accountancy, Himalaya Publishers
9. S.N.Maheshwari & V.L.Maheswari, Advanced Accountancy-I, Vikas Publishers.

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I B.Com/ B.Com(CA)/B.Com (ASM)/B.Com (Tax);

II Semester DSC 2 B:

Business Environment

Unit – I: Overview of Business Environment

Business Environment – Meaning – Macro and Micro Dimensions of Business Environment – Types and Determinants – Changing Scenario and implications – Indian Perspective – Global perspective- Social Responsibilities of Business

Unit – II: Economic Growth

Meaning of Economic growth – Factors Influencing Development – Balanced Regional Development.

Unit – III - Development and Planning

Rostow's stages of economic development - Meaning – Types of plans – Main objects of planning in India – NITI Ayog and National Development Council – Five year plans.

Unit – IV : Economic Policies

Economic Reforms and New Economic Policy – New Industrial Policy – Fiscal Policy – Objectives and Limitations – Union budget – Structure and importance of Union budget – Monetary policy.

Unit – V -Social, Political and Legal Environment

Concept of Social Justice - Schemes - Political Stability - Leal Changes.

Suggested Readings:

- | | | |
|---------------------------------|---|-------------------------------------|
| 1. Rosy Joshi and Sangam Kapoor | : | Business Environment. |
| 2. Francis Cherunilam | : | Business Environment. |
| 3. S.K. Mishra and V.K. Puri | : | Economic Environment of Business. |
| 4. K. Aswathappa | : | Essentials of Business Environment. |

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SUBJECT: B.Com (Taxation)
SEMESTER- II
Paper III : INCOME TAX - II

Unit: 1

Profit and Gains of Business or Profession:

Computation of Business Income - Computation Professional Income of Chartered Accountant, Doctor, Lawyer etc. Allowable expenses - Inadmissible expenses - Preempted Incomes.

Unit: 2

Capital Gains and Other Sources:

Computation of Capital Gain or loss on transfer of capital asset - Types of Capital Asset - Long term capital asset - Short term capital asset - Long term capital gain - Short term capital gain - Exempted Capital Gains. Income from other sources - Winning from Lotteries - Dividend-Gift.

Unit: 3

Clubbing of Income & Setoff and Carry forward of Losses:

Clubbing of Income of Persons - Deemed Incomes - Treatment of Losses - Inter source adjustment - interhead adjustment - Carry forward of losses.

Unit: 4

Deduction from Gross Total Income: - ~~Assessment of Income~~

Deduction from Gross total income - Applicable to individual - Problem on total income - Problem on Deductions.

Unit: 5

Assessment Procedures - Tax Authorities

★ Income tax authorities - Powers and duties - Assessment of Individuals
Preparation of Return of Income - Self Assessment - Scrutiny Assessment - Best Judgment Assessment - PAN.

Text Books:

1. Income Tax Law & Practice - Gaur & Narang, Kalyani Publishers
2. Student guide to Income Tax - V.K. Singhania, Taxmann's Publishers

Reference Books

1. Direct taxes law & Practice - Vinod K Singhania, Kapil Singhania, Taxmann's
2. Direct taxes law & Practice - Girish Ahuja, Dr. Ravi Gupta, Bharat's

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Model Question Paper
I B.Com Semester – II
DSC 1B – Fundamentals of Accounting-II
(common to B.Com (CA); B.A (Accountancy))

Time: 3 Hours

Max. Marks: 75

Section A

Answer any Five of the following Questions

(5 x 3= 15 Marks)

1. (a) Define Depreciation-
- (b) Provision for Bad debts - Journal entry
- (c) Account Sales
- (d) Features of Joint Venture
- (e) Write any three causes for depreciation?
- (f) Write any three differences between Provision and Reserve?
- (g) Delcredre Commission
- (h) Find annual Depreciation – Cost of the Machine Rs.9,500
Installation Charges Rs.500; Estimated Scrape Value Rs.1000
Estimated Life of the Machine 5 years
- (i) Parties in the bill of exchange
- (j) Characteristic features of a bill

Section - B

Answer any ONE Question from each unit.

(5 × 12 = 60 Marks)

UNIT – I

2. On 1st January, 2007, machinery was purchased by X for Rs.60,000. On 1st July, 2008 additions were made to the extent of Rs.30,000. On 1st April, 2009, further additions were made to the extent of Rs.16,000.
On 30th June, 2009 machinery, the original value of which was Rs.10,000 on 1st January, 2007, was sold for Rs.8,000. Depreciation is charged at 10% p.a. on original cost. So the machinery Account for the years from 2007 to 2010 in the books of X. X Closes his books on 31st December of every year.
3. A firm purchases a 5 years' lease for Rs.40,000 on 1st January. It decides to write off depreciation on the Annuity Method, presuming the rate of interest to be 5% per annum. The annuity tables show that a sum of Rs.9,239 should be written off every year. Show the Lease Account for five years. Calculations are to be made to the nearest-rupee.

UNIT – II

4. A firm desires to debit its Profit and Loss Account with a uniform figure every year in respect of repairs and renewals. It expects that considering the life of the asset in question Rs.10,000 will be the average amount to be spent per year. Actual repairs are Rs.1,000 in

the first year, Rs.2,300 in the second year and Rs.3,700 in the third year. Show the Provision for Repairs and Renewals Account.

5. From the following figures you are required to prepare:

i) Bad Debts Account	ii) Provision for Bad Debts Account	
iii) Profit and Loss Account.		
April 1, 2012	Provision for Bad Debts	Rs.2,500
March 31, 2013	Bad Debts	Rs.3,600
	Debtors	Rs.40,000

Make provision for bad debts at 5% on debtors.

UNIT - III

6. On 1st January 2015 Venkatesh sold goods worth Rs.5,000 to Nagarjuna and drew a bill on Nagarjuna for 3 months for the same amount. Nagarjuna accepted the bill and returned it to Venkatesh. On 1st February 2015, Venkatesh endorsed the bill in favour of his creditor Prabhakar in settlement of his debt. The bill was honoured on due date. Pass the necessary journal entries in the books of Venkatesh, Nagarjuna and Prabhakar.
7. Narayana purchased goods for Rs.20,000 from Ravindra on 1st March 2015. Ravindra drew upon Narayana a bill of exchange for the same amount payable after four months. The bill was immediately discounted by Ravindra with his bank @ 6% p.a. On the due date the bill was dishonoured and Bank paid Rs.250 as noting charges. Pass the necessary journal entries in the books of Ravindra and Narayana.

UNIT - IV

8. Ram & Co. of Calcutta consigned 150 cases of goods at Rs.500 each to Raghava of Bombay. The consignor pays Rs.1,200 for insurance and for freight Rs.1,500. Raghava sent an advance for Rs.40,000 through cheque and sent an account sales showing the gross proceeds at Rs. 1,16,000. The expenses paid by Raghava were dock dues Rs.2,000, carriage Rs.3,000, warehousing expenses Rs.4,000. He sent the amount due to the consignor after deducting 4 per cent commission. Show necessary A/c's in the books of both.
9. 300 bicycles were consigned by Ramanujam Bicycle Co., Delhi to Superior Bros., Chennai Rs.800 each. Ramanujam Co. paid freight Rs.10,000 and insurance in transit Rs 3,500. During transit 30 bicycles were totally damaged by fire. Superior Bros. took delivery of the remaining bicycles and paid Rs.3,500 for octroi.
- Superior Bros. sent a bank draft to Ramanujam Co. for Rs.1,50,000 as advance payment and later sent an Account Sales showing that 250 bicycles were sold at Rs.1000 each. Expenses incurred by Superior Bros. is entitled to commission of 5%. Prepare the consignment Account, Accidental Loss Account and Superior Bros. Account in the books of Ramanujam Bicycle Co., Delhi assuming that a claim from insurance company was settled for Rs.18,000.

NOTE
20/12/17

UNIT – V

10. A and B enter into joint venture sharing profit $\frac{3}{5}$ ths and $\frac{2}{5}$ ths. A is to purchase timber in Madhya Pradesh and forward it to B in Delhi. A purchases timber worth Rs.10,000 and pays Rs.1,000 as expenses. B received the consignment and immediately accepted A's draft for Rs.8,000. A got it discounted for Rs.7,850. B sold the timber for Rs.16,000. He had to spend Rs.350 for fire insurance and Rs.300 for rent. Under the agreement he is entitled to a commission of 5% on sales.

Give ledger accounts in the books of A and B.

11. Ramesh and Naresh undertook the construction of a building for Ideal Engineering Co. Ltd. for a contract price of Rs.3,00,000 payable as to Rs.2,00,000 by installments in cash and Rs.1,00,000 in fully paid debentures of a company. Ramesh put Rs.75,000 and Naresh Rs.45,000 in a joint banking account opened for the purpose. They are to share profits and losses equally. The following amounts were spent.
On wages Rs.75,000; On Materials Rs.1,58,000 and On plant Rs.20,000.

The contract was completed and the price duly received. The joint venture was closed by Ramesh taking up all the debentures at an agreed valuation of Rs.95,000. Half of the plant was taken over by Naresh and the other half was sold for Rs.12,000. Naresh also took over unused stock of materials at a mutually agreed price of Rs.8,000. Prepare necessary ledger accounts.

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Model Paper

I B.Com/ B.Com(CA)/B.Com (ASM)/B.Com (Tax);

- Semester – II

DSC 2 B - Business Environment

Time : 3 Hours

Max. Marks : 75

Section A

Answer any **Five** of the following Questions

(5 x 3 = 15 Marks)

1. (a) Business Environment
(b) Global Perspective
(c) Economic Growth
(d) National Development Council
(e) Five year plans
(f) Union Budget
(g) Economic Reforms
(h) Political Stability
(i) Legal Environment
(j) Economic Development

Section - B

Answer any **ONE** Question from each unit.

(5 x 12 = 60 Marks)

UNIT I

2. What are Micro and Macro Dimensions of Business Environment?
3. What are Social Responsibilities of Business?

UNIT – II

4. What are the factors influencing Economic Development?
5. What is Balanced Regional Development?

UNIT – III

6. Explain the Rostow's stages of Economic Development.
7. What are the objectives of Planning in India?

UNIT – IV

8. Write note on New Industrial Policy?
9. Explain the structure and importance of Union Budget.

UNIT – V

10. Explain the concepts of Social Justice?
11. Write a note on Legal Environment?

S.K. UNIVERSITY; ANANTAPURAMU

B.Com(Tax.) – II SEMESTER

MODEL PAPER

INCOME TAX - II

Max.Time: 3 Hrs.

Max.Marks: 75

Section – A

1. Answer any five questions of the following:

3x5=15

- Block Assets
- Define Capital Asset and Types Capital Assets
- Deduction u/s 35D
- Exemption u/s 54
- Casual Income
- What is the procedure for setoff of losses
- Filing of return of income
- Total income

Section - B

Answer any Five choosing atleast One from each unit.

12x5=60

Unit - I

2. From the following Profit and Loss Account calculate Income from Business.

To Opening stock	1,10,000	By Sales	5,00,000
To Purchases	1,00,000	By Closing stock	3,00,000
To Wages	50,000		
To Donations	5,000		
To House hold expenses	2,000		
To Depreciation on car	3,000		
To Motor car expenses	2,000		
To Net Profit	5,28,000		
	8,00,000		8,00,000

- 50% of the motor car is used for personal purposes.
- Opening stock is overvalued by 10% and closing stock is overvalued by 15%.

(or)

3. Calculate Income from Profession from the following receipts and payments given by Mr. Anand.

Receipts		Payments	
To balance b/d	1,20,000	By Car expenses	24,000
To fee from client:		By Office expenses	6,000
2014-15	25,000	By Salary to staff	7,000
2015-16	30,000	By Int. on loan	1,000
2016-17	32,000	By Income tax	1,500
To Presents from client	20,000	By Income tax penalty	600
To Winning from lottery	24,000	By Wealth tax	250
		By Purchase cost	5,000
		By Balance c/d	2,05,650
	2,51,000		2,51,000

1. Depreciation of ₹ 2,500 is to be provided.
2. Consider ₹ 1,500 as opening stock and ₹ 1,000 as closing stock.
3. Car is 60% used for official purposes.
4. Income from other sources ₹ 30,000

Unit – II

4. Mr. Nanda purchased a house on 26.7.1997 for ₹ 1,00,000 and paid ₹ 8,000 for getting the property registered in his name. On 16.5.1998, he spent ₹ 75,000 on improvement of the house. The house was sold on 23.11.2014 for ₹ 5,00,000. Commission of ₹ 4,500 was paid for sale. Calculate taxable capital gain. CII for 1997-98 is 331, 1998-99 is 351 and 2014-15 is 1024.

(or)

5. Calculate income from other sources from the following assuming all commercial securities are unlisted securities.
- a) ₹ 2,50,000 invested in 12% less-tax Government securities.
 - b) ₹ 21,50,000 invested in 12% tax-free commercial securities.
 - c) ₹ 2,50,000 invested in 12% less-tax commercial securities.
 - d) ₹ 8,000 received as interest from less-tax commercial securities.

Unit - III

6. Classify of Income.

(or)

7. From the following particulars of Ms. Julia calculate the taxable income

a. Income from salary	4,50,000
b. Income from House Property	

House – I	1,42,000
House – 2 (self-occupied)	(-) 1,50,000
c. Profit and Gains of Business:	
Business – X	1,40,000
Business – Y	(-) 56,000
Business – Z (discounted) and Unabsorbed loss C/F from A.Y. 2011-12	(-) 85,000
d. Capital Gains	
Short-term capital gain	90,000
Short-term capital loss	(-) 40,000
Long-term capital gain	87,000
e. Other Sources:	
Winning from Lotteries	1,00,000
Interest Income	35,000

Unit - IV

8. Write any Five deduction from gross total income.
(or)
9. From the following information calculate the taxable income of Ms. Abhinaya after allowing deductions u/s 80, assuming GTI is ₹ 4,50,000 (which includes LTCG of ₹ 50,000)

1. Contribution towards PPF	15,000
2. LIC premium paid for married son who is dependent	4,000
3. Medici claim premium paid by cheque	
a. For Self 5,000	
b. For married son who is not dependent 5,000	10,000
4. The following donations are made by cheque:	
a) National Defence Fund	6,000
b) PM's National Relief Fund	5,000
c) Indira Gandhi Memorial Trust	8,000
d) For University which is declared as Institution of National Eminence	3,000
e) Sila Saksharta Samiti	6,000
f) Approved charitable institution	30,000
g) Government for Promoting Family Planning	12,000
h) Blanket to Orphanage	5,000
i) National Blood Transfusion Council	4,000
j) National Children's Fund	8,000

Unit - V

10. Explain the Types of Assessment
(or)
11. Tax Authorities under income tax act.