

**PAPER – 4 : TAXATION**

*(One paper – Three hours – 100 Marks)*

**Objective:**

To develop an understanding of the provisions of income-tax law and goods and services tax law and to acquire the ability to apply such knowledge to make computations and address application oriented issues.

**SECTION A: INCOMETAX LAW (60 MARKS)**

**Contents:**

**1. Basic Concepts**

- (i) Income-tax law: An introduction
- (ii) Important definitions in the Income-tax Act, 1961
- (iii) Concept of previous year and assessment year
- (iv) Basis of Charge and Rates of Tax

**2. Residential status and scope of total income**

- (i) Residential status
- (ii) Scope of total income

**3. Incomes which do not form part of total income (other than charitable trusts and institutions, political parties and electoral trusts)**

- (i) Incomes not included in total income
- (ii) Tax holiday for newly established units in Special Economic Zones

**4. Heads of income and the provisions governing computation of income under different heads**

- (i) Salaries
- (ii) Income from house property
- (iii) Profits and gains of business or profession
- (iv) Capital gains
- (v) Income from other sources

- 5. Income of other persons included in assessee's total income**
  - (i) Clubbing of income: An introduction
  - (ii) Transfer of income without transfer of assets
  - (iii) Income arising from revocable transfer of assets
  - (iv) Clubbing of income of income arising to spouse, minor child and son's wife in certain cases
  - (v) Conversion of self-acquired property into property of HUF
- 6. Aggregation of income; Set-off, or carry forward and set-off of losses**
  - (i) Aggregation of income
  - (ii) Concept of set-off and carry forward and set-off of losses
  - (iii) Provisions governing set-off and carry forward and set-off of losses under different heads of income
  - (iv) Order of set-off of losses
- 7. Deductions from gross total income**
  - (i) General provisions
  - (ii) Deductions in respect of certain payments
  - (iii) Specific deductions in respect of certain income
  - (iv) Deductions in respect of other income
  - (v) Other deductions
- 8. Computation of total income and tax liability of individuals**
  - (i) Income to be considered while computing total income of individuals
  - (ii) Procedure for computation of total income and tax liability of individuals
- 9. Advance tax, tax deduction at source and introduction to tax collection at source**
  - (i) Introduction
  - (ii) Direct Payment
  - (iii) Provisions concerning deduction of tax at source
  - (iv) Advance payment of tax
  - (v) Interest for defaults in payment of advance tax and deferment of advance tax

- (vi) Tax collection at source – Basic concept
- (vii) Tax deduction and collection account number

**10. Provisions for filing return of income and self-assessment**

- (i) Return of Income
- (ii) Compulsory filing of return of income
- (iii) Fee and Interest for default in furnishing return of income
- (iv) Return of loss
- (v) Provisions relating to belated return, revised return etc.
- (vi) Permanent account number
- (vii) Persons authorized to verify return of income
- (viii) Self-assessment

**SECTION B – INDIRECT TAXES (40 MARKS)**

**Contents:**

**1. Concept of indirect taxes**

- (i) Concept and features of indirect taxes
- (ii) Principal indirect taxes

**2. Goods and Services Tax (GST) Laws**

- (i) GST Laws: An introduction including Constitutional aspects
- (ii) Levy and collection of CGST and IGST
  - a) Application of CGST /IGST law
  - b) Concept of supply including composite and mixed supplies
  - c) Charge of tax including reverse charge
  - d) Exemption from tax
  - e) Composition levy
- (iii) Basic concepts of time and value of supply
- (iv) Input tax credit
- (v) Computation of GST liability
- (vi) Registration

- (vi) Tax invoice; Credit and Debit Notes; Electronic waybill
- (viii) Returns
- (ix) Payment of tax

**Note** – If any new legislation(s) is enacted in place of an existing legislation(s), the syllabus will accordingly include the corresponding provisions of such new legislation(s) in place of the existing legislation(s) with effect from the date to be notified by the Institute. Similarly, if any existing legislation ceases to have effect, the syllabus will accordingly exclude such legislation with effect from the date to be notified by the Institute. Students shall not be examined with reference to any particular State GST Law.

Consequential/corresponding amendments made in the provisions of the Income-tax law and Goods and Services Tax laws covered in the syllabus of this paper which arise out of the amendments made in the provisions not covered in the syllabus will not form part of the syllabus. Further, the specific inclusions/exclusions in the various topics covered in the syllabus will be effected every year by way of Study Guidelines. The specific inclusions/exclusions may also arise due to additions/deletions every year by the annual Finance Act.

**The above syllabus does not specify the exclusions from the syllabus prescribed by way of Study Guidelines. Therefore, Study Guidelines need to be referred to for the exclusions from the syllabus.**