

**T.Y. B.Com.**  
**Compulsory Paper**  
**Subject Name :- Auditing & Taxation**  
**Course Code :- 304**

**Objectives :-** The Study of Various Components of this course will enable the students:

1. To acquaint themselves about the concept and principles of Auditing, Audit process, Assurance Standards, Tax Audit, and Audit of computerized Systems.
2. To get knowledge about preparation of Audit report.
3. To understand the basic concepts and to acquire knowledge about Computation of Income, Submission of Income Tax Return, Advance Tax, and Tax deducted at Source, Tax Collection Authorities under the Income Tax Act, 1961.

**Term I Section**  
**Section- I Auditing**

<b>Unit No.</b>	<b>Topic</b>	<b>Lectures</b>
<b>1.</b>	<b>Introduction to Principles of Auditing and Audit Process.</b> Definition, Nature-objects-Advantages of Auditing-Types of errors and frauds Various Classes of Audit. Audit programme, Audit Note Book, Working Papers, Internal Control-Internal Check-Internal Audit	<b>12</b>
<b>2.</b>	<b>Checking, Vouching and Audit Report</b> Test checking-Vouching of Cash Book-Verification and Valuation of Assets and Liabilities. Qualified and Clean Audit Report-Audit Certificate-Difference between Audit Report and Audit Certificate. Auditing and Assurance Standards. (AAS- 1,2,3,4,5,28,29)	<b>12</b>
<b>3.</b>	<b>Company Auditor</b> Qualification, Disqualifications, Appointment, Removal, Rights, Duties and liabilities.	<b>08</b>
<b>4.</b>	<b>Tax Audit</b> Definition of Accountant-Scope of Auditor's Role under Income Tax Act Compulsory Tax Audit- Certification for Claiming exemptions- Selective Tax Audit Tax Consultancy and Representation- Proforma of Computerized Systems.	<b>08</b>
<b>5.</b>	<b>Audit of Computerized Systems</b> Auditing in an EDP environment-planning an audit in a computer Environment - problems encountered in an EDP environment- General EDP Control – EDP Application Control- System Development- Data transfer- Audit practice in relation to computerized systems-Computer Assisted Audit Techniques (Factors and Preparation of CAAT)	<b>08</b>
	<b>Total</b>	<b>48</b>

**Term II**  
**Section - II Income Tax**

<b>Unit No.</b>	<b>Topic</b>	<b>Lectures</b>
<b>1.</b>	<b>Important Concepts and Definitions under Income Tax Act-1961.</b> Income, Person, Assessee, Assessment year, Pervious year, Agricultural Income, Exempted Income, Residential Status of an Assessee, PAN, TAN	<b>08</b>

<b>2.</b>	<p><b>Computation of Taxable Income under the different Heads of Income</b></p> <p><b>a. Income from Salary –</b>  Meaning of salary, Salient features of salary  Allowances and tax Liability-  Perquisites and their Valuation-  Deductions from salary.  (Theory and Problems)</p> <p><b>b. Income from House Property</b>  Basis of Chargeability  Annual Value  Self occupied and let out property  Deductions allowed  (Theory and Problems)</p> <p><b>c. Profits and Gains of Business and Professions</b>  Definitions, Deductions expressly allowed and disallowed (Theory And Problems)</p> <p><b>d. Capital Gains</b>  Chargeability-definitions-Cost of Improvement, Short term and long term Capital gains (Theory only)</p> <p><b>e. Income from other sources-</b> Chargeability - deductions - Amounts not deductible.(Theory only)</p>	<b>08</b>  <b>04</b>  <b>08</b>  <b>04</b>
<b>3.</b>	<p><b>Computation of Total Taxable Income of an Individual</b>  Gross total Income-deductions u/s-80C, 80ccc to 80 U – Income Tax calculation- (Rates applicable for respective Assessment year)  Education cess</p>	<b>08</b>
<b>4.</b>	<p><b>Miscellaneous</b>  Tax deducted at source-Return of Income-Advance payment of Tax-methods of payment of tax-Forms of Return-Refund of Tax. (Theory)</p>	<b>04</b>
<b>5.</b>	<p><b>Income Tax Authorities</b>  Structure, Functions and powers of various Income Tax Authorities. (Administrative and Judicial), Central Board of Direct Taxes.</p>	<b>04</b>
	<b>Total</b>	<b>48</b>

#### List of Practical

Sr. No.	Topic	Particulars	Mode of Practical
1.	Audit & Auditing process	Study of Meaning, Definition, Nature, objectives , Auditing process	Library Assignment/ Guest lecture
2.	Audit Report	Meaning , Qualified & Clean Audit Report, Forms of Audit Report	Library Assignment/ Guest lecture
3.	Tax Audit	Scope Auditor`s Role under Tax Audit	Library Assignment/ Guest lecture
4.	Audit of Computerized System	Auditing in an EDP Environment, Audit Practice in relation to computerized system	Visit to Tax Consultant
5.	Income from Salary	Meaning of salary, Allowance & Tax liability, perquisites & valuation	Visit to Assessee
6.	Income from	Basis of chargeability, Important points	Visit to let out

	House Property	regarding Income from house property, Determination of gross annual value of self occupied property,	Property owner/ Guest lecture
7.	Profits & Gains of Business & Profession	Meaning of business & profession, procedure for computing taxable profit of business and profession	Visit to Business Firm
8.	Deduction Under Sec.80 C to 80 U	Deduction Under Sec.80 C to 80 U	Visit to Tax Consultant/ Guest lecture
9.	Income Tax Returns –Form 16, ITR – I,II, III,IV	Filling and collecting the Form No. 16, Filling and collecting ITRs	Visit to Tax Consultant/ Guest lecture

**Recommended Books**

1. Practical Auditing -: Spicer and Peglar
2. Auditing Principles -: Jagadish Prasad
3. A Handbook of Practical Auditing -: B.N. Tondon
4. Auditing assurance standards- -: The Institute of Chartered Accountants of India
5. Indian Income Tax -: Dr.Vinod Singhania
6. Income Tax- -: Ahuja and Gupta
7. Income Tax Act -: R.N.Lakhotia
8. Indian Income Tax Act -: H.C.Malhotra
9. Income Tax -: Manoharem
10. Student guide to Income Tax -: Dr.Vinod Singhania