

**Auditing and Taxation  
Practical Auditing**

<b>Semester V</b>	<b>Subject Code: C51703</b>	<b>Lectures: 60</b>
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**Objectives:**

- To acquaint students with the basic concepts and principles of Auditing.
- To gain working knowledge of generally accepted auditing procedures and techniques.
- To inculcate in students professional and ethical approach.
- To get a practical insight of Audit of Banking Companies and Co operative Societies.

**Unit 1: Nature of Auditing and Audit Process**

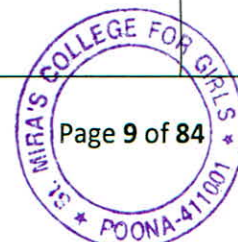
**16**

- Nature of Auditing
  - Introduction, Meaning and Definition, Nature, Objectives and Scope of Audit.
  - Basic Principles Governing an Audit.
  - Errors and Frauds.
  - Classification of Audit-Statutory Audit, Government Audit, Private Audit, Continuous Audit, Interim Audit, Periodical Audit, Occasional Audit, Management Audit, Cost Audit, Tax Audit, and Green Audit.
  - Advantages and Limitations of Auditing.
  - Qualities of an Auditor.
- Audit Process
  - Audit Programme.
  - Audit Note Book.
  - Working Papers.
  - Internal Control, Internal check and Internal Audit.
- Auditing In an EDP Environment
  - Meaning, types of EDP accounting, problems in an EDP environment.
  - Control and Audit approach in an EDP environment.
  - Computer Assisted Audit Technique (CAAT)
- SA 200, SA200A, SA230, SA 240 and SA500.

**Unit 2: Vouching and Verification**

**10**

- Vouching
  - Introduction, meaning, objective and importance of Vouching.
  - Concept of Voucher.
  - General Principles of Vouching.
  - Teaming and Lading: A challenge to Vouching.
  - Vouching of Cash Book.
- Verification
  - Introduction, meaning and importance of Verification.



○ Verification and Valuation of Assets and Liabilities.	
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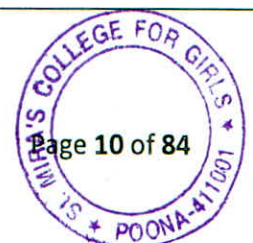
<b>Unit 3: Audit Report and Certificate</b>	<b>04</b>
<ul style="list-style-type: none"> <li>• Introduction, Meaning and Definition.</li> <li>• Contents of an Audit report.</li> <li>• Essentials of a Good Audit Report.</li> <li>• Types of Audit Report.</li> <li>• Difference between Audit Report and Audit Certificate.</li> <li>• SA700.</li> </ul>	

<b>Unit 4: The Auditor</b>	<b>08</b>
<ul style="list-style-type: none"> <li>• Introduction</li> <li>• Qualifications of an Auditor</li> <li>• Disqualifications</li> <li>• Appointment, Removal and Remuneration of an Auditor</li> <li>• Rights , Duties and Powers of an Auditor</li> <li>• Professional Conduct and Ethics.</li> </ul>	

<b>Unit 5: Auditing of Banking Companies and Co operative Societies</b>	<b>10</b>
<ul style="list-style-type: none"> <li>• Banking Companies Audit <ul style="list-style-type: none"> <li>○ Salient features of Enactments affecting Banks</li> <li>○ Accounting system of a Bank</li> <li>○ Internal Control system in a Bank</li> <li>○ Bank audit-Its approach, Steps, checking major items of Assets and Liabilities, Scrutiny of Profit and Loss Items.</li> <li>○ Audit of Advances</li> <li>○ Special liabilities imposed on the Auditors of Banking Companies.</li> </ul> </li> <li>• Audit of Co operative Societies <ul style="list-style-type: none"> <li>○ Introduction</li> <li>○ Registration of Co operative societies, Privileges of registered Societies and Restrictions imposed on Co- operative societies.</li> <li>○ Liabilities of Members.</li> <li>○ Investment of Funds, Appropriation of Profits of the society, enquiry and inspection of a co operative society.</li> </ul> </li> <li>• Rights and Duties of the Auditor.</li> </ul>	

**Assignments and Library Hours 12 hours**

<b>Recommended Text Books:</b>
<ul style="list-style-type: none"> <li>• Wakale , Auditing (2015)</li> <li>• Meera Govindaraj, <i>Auditing</i> (2015)</li> <li>• L.N. Chopde, D.H. Choudhari, D.S. Borkar,H.M.Jare and A.P. Kulkarni, <i>Auditing</i> ,Seth Publishers Pvt.Ltd,Mumbai.(2010)</li> </ul>



### Recommended Reference Books:

- Spicer and Pegler's Practical Auditing by Walter.W.Bigg.Indian Edition by S.V.Ghatalia, Allied Publishers, New Delhi(2001).
- B.N.Tandon,S.Sudarsanan . *A Hand Book of Practical Auditing*, S.Chand& Company Ltd, New Delhi(2013)
- \*• R.G. Saxena. *Principles and Practices of Auditing* , Himalaya Publishing House(2001).
- Nigam, R.S. *Principles and Practices of Auditing* ,New Delhi(1979)
- Kamal.Gupta, Arora & Ashok. *Fundamentals of Auditing* ,TataMcGraw Hill, New Delhi(1996).
- Arens,Alvina .*Auditing an Integrated Approach* ,Prentice, Hall Publication(1986).
- Gupta.Kamal .*Contemporary Auditing* , Tata McGraw Hill, New Delhi(1996).
- Sengupta.R.N .*Practical Guide to Auditing* , Kolkata(2008).
- Mehta & Vyas, Auditing
- S.K.Basu, *Auditing Principles and Techniques* , Dorling Kindersley(India) Pvt.Ltd, Pearson Education(2008)

**Auditing and Taxation  
Income Tax**

<b>Semester VI</b>	<b>Subject Code: C61703</b>	<b>Lectures: 60</b>
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**Objectives:**

- To gain knowledge of the provisions of Income Tax laws.
- To acquire skills in order to solve simple problems concerning assessee with the status of an 'Individual'.
- To get acquainted with documents pertaining to Income Tax.
- To inculcate a habit to pay and not evade taxes.
- To encourage students to File Income Tax returns.

<b>Unit 1: Basic Concepts</b>	<b>06</b>
<ul style="list-style-type: none"> <li>• Introduction:- What is tax, why are taxes levied , tax structure in India</li> <li>• Important Concepts:- Income, Assessee, Previous Year, Assessment Year, Person Gross Total Income , Net Income ,Agricultural Income, Capital and Revenue receipts and Capital and Revenue expenditure.</li> <li>• Residential Status of an Individual</li> <li>• Exempt Income.</li> </ul>	

<b>Unit 2: Heads of Income – Part I</b>	<b>20</b>
<ul style="list-style-type: none"> <li>• <b>Income From Salary</b> <ul style="list-style-type: none"> <li>○ Meaning and basis of charge</li> <li>○ Allowances</li> <li>○ Perquisites and their valuation</li> <li>○ Types of Provident Funds</li> <li>○ Permissible deductions from salary income</li> <li>○ Problems on computation of Income from salary</li> <li>○ Case Laws.</li> </ul> </li> <li>• <b>Income From House Property</b> <ul style="list-style-type: none"> <li>○ Basis of Chargeability</li> <li>○ Basis of Computing income from a let out house property</li> <li>○ Basis of Computing income from a self occupied house property</li> <li>○ Computation of Income from house property</li> <li>○ Case Laws.</li> </ul> </li> </ul>	

<b>Unit 3: Heads of Income – Part II</b>	<b>14</b>
<ul style="list-style-type: none"> <li>• <b>Profits and Gains of Business or Profession</b> <ul style="list-style-type: none"> <li>○ Meaning and basis of charge</li> <li>○ Expenses expressly disallowed</li> <li>○ Problems on computation of Income from business or profession</li> <li>○ Case Laws.</li> </ul> </li> <li>• <b>Capital Gains</b> <ul style="list-style-type: none"> <li>○ Meaning and basis of chargeability</li> </ul> </li> </ul>	

<ul style="list-style-type: none"> <li>○ Definitions: Capital Assets, Short term Capital Assets, Long Term Capital Assets, Short term Capital Gain, Long Term Capital Gain, Cost of Improvement, Cost of Acquisition and Transfer of Capital Asset.</li> <li>○ Format for Computation of Capital Gains</li> <li>○ Theory and Problems</li> <li>○ Case Laws</li> <li>● <b>Income from Other Sources</b> <ul style="list-style-type: none"> <li>○ Income chargeable under the head Other Sources.</li> <li>○ Theory only.</li> </ul> </li> </ul>	
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<b>Unit 4: Gross Total Income and Permissible deductions</b>	<b>08</b>
<ul style="list-style-type: none"> <li>● Gross Total Income</li> <li>● Deductions under section 80C to 80U</li> <li>● Computation of Gross Total Income and Tax Liability of an Individual assessee. (Relevant assessment year).</li> </ul>	

**Assignments and Library hours 12 hoursdr**

<b>Recommended Text Books:</b>
<ul style="list-style-type: none"> <li>● Wakale ,<i>Income Tax</i></li> <li>● Priyanka Singh and Sanjeev Kumar, <i>Business Taxation</i>,Thakur Publishers , Pune</li> </ul>

<b>Recommended Reference Books:</b>
<ul style="list-style-type: none"> <li>● Dr.Girish Ahuja and Dr. Ravi Gupta, <i>Direct Taxes Law&amp; Practice</i> , Bharat Law House Pvt. Ltd. New Delhi.</li> <li>● T.N. Manoharan ,<i>Direct Taxes Laws</i> ,Snowwhite Publications Pvt.Ltd.Mumbai.</li> <li>● B.B.Lal&amp;Vashist, <i>Direct Taxes</i> by, DorlingKinderley (India) Pvt. Ltd,New Delhi.</li> <li>● Vinod .K. Singhania ,<i>Students Guide to Income Tax</i> ,.</li> <li>● Dr.Malhotra ,<i>Income Tax</i> ,.</li> <li>● Income Tax Act,1961 as amended up to date.</li> <li>● Note:- Books as per the relevant Assessment Year.</li> </ul>