

**The University of Western Ontario
Aubrey Dan Program in Management and Organizational Studies**

**Management and Organizational Studies 362a – Introduction to Taxation in Canada
Course Outline**

FACULTY

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Office Hours: Monday and Wednesday, 12:30-2:30, or by appointment.

TIMETABLE

4 hours lecture per week

Tuesday: 9:30 to 11:30

Thursday: 9:30 to 11:30

LOCATION

Thames Hall, Room 3154

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DESCRIPTION

The course will provide students with a basic understanding of the Income Tax Act (Canada) and its effect on business decisions. Students will become familiar with both personal and corporate income taxation including the different sources of income and how they are taxed. The student will also become familiar with tax deductions and credits that are allowed under the Act. Students will be able to calculate and complete GST returns and will understand the Goods and Services Tax system.

PREREQUISITES

ACS 360 – Intermediate Accounting I

(Note: Unless you have either the requisites for this course, or written special permission from your Dean to enroll in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.)

TEXTBOOKS

Byrd, Clarence and Chen, Ida.; Byrd and Chen's Canadian Tax Principles 2007-2008 Edition, Pearson Education Canada. Toronto.

Study Guide for the above text.

WEBSITE FOR SOLUTIONS

<https://vista.uwo.ca/webct/logonDisplay.dowebct>

EVALUATION

Mid-term Examination	20%
First Assignment	15%
Second Assignment	20%
Final Examination	35%
Participation	<u>10%</u>
	<u>100%</u>

EXAMINATIONS

"Students who fail to appear for an examination at the time set in the timetable will not be allowed to write the examination thus missed. Students should report this irregularity immediately to the office of their Dean. They may, with the approval of the chairman of the department concerned, petition the dean for standing or permission to write a special examination. Petitions will be entertained only when they are submitted on compassionate grounds with supporting documents." See the current Western Calendar.

POLICY ON SPECIAL EXAMINATIONS

- (1) Students with conflicts or students who are unable to write based on compassionate grounds (supported by appropriate documents), may apply in writing prior to the exam to the course coordinator to for special proctoring privileges to write examinations at another time.
- (2) Students involved with approved out-of-town university activities during the scheduled mid-term exam may apply to the course coordinator for special proctoring privileges to write the mid-term exam.
- (3) Students will not be excused from the writing of the mid-term exam under any circumstances.

NOTES

- (1) Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence at the following web site:
<http://www.uwo.ca/univsec/handbook/appeals/scholoff.pdf>.
- (2) Plagiarism: Students must write their essays and assignments in their own words. Whenever students take an idea, or a passage, from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a major academic offence. See Note 1 for further information.
- (3) Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating
- (4) For a description of the process to be followed for mark/grade appeals, see your professor.
- (5) The use of personal computers during examinations will not be permitted.

ADD/DROP DEADLINES

October 15th, 2007 – Last date to drop a first term half course.

TENTATIVE LECTURE OUTLINE

<u>DATE</u>	<u>SESSION</u>	<u>TOPIC AND ASSIGNMENT</u>
September 6	1	Introduction to course Readings: Byrd and Chen, Chapter One
September 11	2	The Canadian Tax System Readings: Byrd and Chen, Chapter One Procedures and Administration of the Act Readings: Byrd and Chen, Chapter Two Assignment Problems: Ch 2, AP 5, 8
September 13	3	Take up Assignment Problems from Chapter 2 Liability for Tax Readings: Byrd and Chen, Chapter Three Assignment Problems: Ch 3, AP 7, 10 and 12
September 18	4	Take up Assignment Problems from Chapter 3
September 20	5	Goods and Services Tax Readings: Byrd and Chen, Chapter 4 Assignment Problems: Ch 4, AP 3, 6, 7.
September 25	6	Take up Assignment Problems from Chapter 4 Income or Loss from an Office or Employment Readings: Byrd and Chen, Chapter 5 <i>First Assignment distributed – Covers Ch 1-6, due Feb 13, 2007 by 2:30 PM</i>
September 27	7	Income or Loss from an Office or Employment, continued Readings: Byrd and Chen, Chapter 5 Assignment Problems: Ch 5: 4, 6, 8 and 12.
October 2	8	Take up Assignment Problems from Chapter 5
October 4	9	Taxable Income and Tax Payable for Individuals Readings: Byrd and Chen: Chapter 6 Assignment Problems: Ch 6: 1, 4, 6.
October 9	10	Take up Assignment Problems from Chapter 6
October 11	11	Capital Cost Allowance and Cumulative Eligible Capital Readings: Byrd and Chen, Chapter 7 Assignment Problems: Ch 7: 3, 6, and 8 <i>First Assignment DUE October 15, 2007 by 9:00 AM</i>
October 16	12	Take up Assignment Problems from Chapter 7 Exam Review
October 18	13	Income or Loss from Business Readings: Byrd and Chen, Chapter 8 Assignment problems: Ch 8: 5, 6, 7.
October 23	14	<u>CLASS CANCELLED</u> <u>Mid term exam Tuesday October 23, 2007, ROOM SSC 2110,</u> <u>Covers Chapters 1-7</u> Time: 6:00 to 9:00 PM
October 25	15	Take up Assignment Problems from Chapter 8 Income from Property Readings: Byrd and Chen, Chapter 9 Assignment problems: Ch 9: 1, 2, 4 and 6

DATE	SESSION	TOPIC AND ASSIGNMENT
October 30	16	Take up Assignment Problems from Chapter 9
November 1	17	Capital Gains and Capital Losses Readings: Byrd and Chen, Chapter 10 (Skip sections titled “Change in Use – Principal Residence to Rental”; “Change in Use – Rental to Principal Residence”; “Gains and Losses on Foreign Currency” and “Capital Property and the GST”) Assignment problems: Ch 10: 1, 5, 6, 7, 8, and 10.
November 6	18	Take up Assignment Problems from Chapter 10
November 8	19	Other Income and Deductions Readings: Byrd and Chen, Chapter 11 Assignment Problems: Ch 11: 3, 4 and Case 11-1
November 13	20	Take up Assignment Problems from Chapter 11
November 15	21	Non-Arm’s Length Transactions, Income Attribution, Retirement Savings Plans Readings: Byrd and Chen, Pages 465-477; 505-531 (Stop reading at Registered Retirement Income Funds heading) Assignment Problems: Ch 12: 1, 2, 4; Ch 13: 2, 3 <i>Second Assignment distributed – due December 4, 2007 by 9:30 AM</i>
November 20	22	Take up Assignment Problems from Chapters 12 and 13
November 22	23	Taxable Income and Taxes Payable for Individuals Revisited Readings: Byrd and Chen, Chapter 14 Assignment Problems: Ch 14: 1, 2, 7.
November 27	24	Take up Assignment Problems from Chapter 14
November 29	25	Taxable Income and Tax Payable for Corporations Readings: Byrd and Chen, Chapter 15 - Page numbers, TBA Assignment Problems: Ch 15: 1, 9, 10 and 12
December 4	26	Take up Assignment Problems from Chapter 15 EXAM REVIEW <i>Second Assignment DUE by 9:30 AM</i>

Generally, assigned problems will be taken up in the class following the class in which they are assigned. I will post solutions on a web site after they are taken up in class. It is helpful to your preparation for class if you look at the problems and think about what you need to know and clarify in the class that they are assigned above. This will make it easier for you to prepare your solutions over the time between assignments and take up of questions.

Also, please note that the answers to the Exercises and Self Study Problems throughout the text are in the Study Guide provided with the text book. These exercises serve as additional work that you can complete to ensure you understand the material in the chapter, and to prepare for tests.

ASSIGNMENTS

There will be two hand in assignments required for this course. The distribution and due dates are listed in the table above. The assignments will require you to research tax issues and develop an opinion on the appropriate treatment of a variety of situations for tax purposes; the second assignment will require you to complete a personal tax return. You will be required to submit your explanation of what you believe to be appropriate treatment for any issues described. Research materials you may use might include the *Income Tax Act*, the textbook, other CRA publications such as Interpretation Bulletins and Information Circulars and other tax related publications. I have placed a number of items on reserve at D.B. Weldon library that would be useful in completing these assignments.

It is fine for you to work with another student or group to complete the assignment; however each student must hand in their own original work. Beware of working in groups and using material provided by other students without proper referencing – this will be considered cheating if it is detected. **Plagiarism is a serious academic offence that can result in a penalty as severe as expulsion from the University.** Whenever you take an idea or a passage from another author, you must acknowledge your debt by using quotation marks where appropriate, and by proper referencing such as footnotes and citations. Western has software available to check for plagiarism, and you may be required to submit your work in electronic form so that it can be checked by this software.

EXAMS

The exams will be in a problem format, similar to problems assigned in the textbook. You will be permitted to bring writing materials, a calculator and 2 cheat sheets (8.5" x 11" pages, double sided). No other items will be permitted at your desk in the examination room. This includes dictionaries, cell phones, PDA's, CD players, iPod's, etc. These rules will be strictly enforced as it is my responsibility to do everything possible to prevent cheating on examinations.

PARTICIPATION

- (1) 10% of your final grade will be a result of your contribution to class discussion.
- (2) It is expected that you will arrive on time, and be ready to work when you arrive.
- (3) I will evaluate your participation efforts after each class, taking into consideration both the quality of your participation and the quantity.
- (4) Quality is more important than quantity.
- (5) It is not anticipated that we will encounter any problems with poor preparation for class, disruptive behaviour, or frequent lateness or absences, however, should you choose to behave in any of these ways, you will experience a negative impact on your participation mark. I appreciate it very much when students advise me that they will be late, have to leave early, or will be absent from class.
- (6) The main objective of contributing to class discussion is not to be evaluated, but rather to learn, and to assist other members of the class (including the instructor) to learn.
- (7) The following might assist you in deciding on how you will contribute to the class:
 - **9 or 10 out of 10 – Excellent contribution**
 - Consistent contribution to class discussions
 - Contributions indicated preparation for class by pre reading and thinking about assigned material, and making an initial attempt an assigned problems
 - Frequently explains difficult points or concepts
 - Positive direction demonstrated
 - **7 or 8 out of 10 – Good contribution**
 - Consistent contribution to class discussions
 - Contributions indicated preparation for class by pre reading assigned material
 - Often demonstrates the capability to explain difficult points or concepts
 - Positive direction demonstrated
 - **5 or 6 out of 10 – Fair contribution**
 - Contributed to class discussions
 - Contributions indicated preparation for class
 - Positive direction demonstrated most of the time
 - **4 out of 10 – Poor contribution**
 - Contributed to class discussions infrequently
 - Contributions give little indication of preparation for class
 - Did not aid in developing a positive classroom atmosphere

- **less than 4 out of 10 – Unsatisfactory contribution**
 - Rarely contributed to class discussions
 - Gave no indication of preparation for class
 - Actively inhibited or impeded the course of class discussions
- PLEASE NOTE: **Participation marks must be earned.** They are not negotiable, however it is important that you understand why you get the mark that you do, so I am always available to discuss matters like this, and I will provide feedback on how you are doing at least once during the term. If you wish to have more frequent feedback, please let me know.