

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

**Management and Organizational Studies 3362a – Introduction to Taxation in Canada  
Course Outline**

**FACULTY**

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Office Hours: Tuesday and Thursday 2:30 to 4:30

Section	Day	Time	Location
001	Tuesday/Thursday	9:30-11:30	Talbot College Room 203
002	Tuesday	12:30-2:30	Thames Hall Room 3154
	Thursday	12:30-2:30	Social Science Centre Room 3014

**DESCRIPTION**

The course will provide students with a basic understanding of the Income Tax Act (Canada) and its effect on business decisions. This course will focus on personal taxation, and will cover 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**

MOS 3360a – 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 2009-2010 Edition, Pearson Education Canada. Toronto.

Study Guide for the above text.

**WEBSITE FOR SOLUTIONS**

<http://webct.uwo.ca/>

**NOTE:** This course meets the credit requirements of all three accounting designations. CA and CGA students will also require MOS 4462b to fulfill all of the taxation requirements of their respective programs.

## EVALUATION

Mid-term Examination	25%	<b><i>BOTH assignments must be completed in order to pass this course.</i></b>
First Assignment	10%	
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.

## MEDICAL NOTES

"Students who are unable to meet a course requirement through any form of illness (whether temporary, serious, or long-term) should advise their instructors of such an absence at the earliest possible opportunity (preferably in advance of the course requirement).

Medical excuse slips normally are not required. Instructors may, at their discretion, require medical certificates for verification of absence for reasons of illness, especially in the event that such absence includes a significant assessment period or evaluation. (Instructors are asked to use good judgement in requesting the use of UWO Student Health Services to verify absence for reasons of minor illness or in instances where a student had not consulted a physician at the time of illness.) Such verification shall be submitted by the student to the office of the appropriate Dean. The Dean's Office will evaluate the original certificate and will retain it according to the University's records retention guidelines. The Dean's Office will then make arrangements with the appropriate instructor and Department Chair regarding accommodations to be made.

In the case of absence from final examinations, such verification is mandatory and normally is contingent upon the student being assessed medically before the final examination.

UWO Student Health Services normally will issue verification of illness only in the case of serious or long-term illness or in cases involving absence from final examinations or other significant periods.

Student absences for reasons other than illness shall continue to be verified according to current practices."

**GENERAL 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 15, 2009 – Last date to drop a first term half course.

**HOW TO DO WELL IN THIS COURSE:**

- 1) Come to class every class, no exceptions.
- 2) Prepare all the practice problems before the class in which they will be taken up
- 3) When preparing the practice problems, do not look at the answer first. Learning involves making mistakes and then correcting them. Please allow yourself to benefit from the process of making mistakes.
- 4) Read the Powerpoint slides before each lecture. Use the textbook when you need more detail than the Powerpoint slides contain.
- 5) Do the practice Exercises in the text book.
- 6) Stay up to date with the material, *you can't afford to fall behind*.
- 7) Do as many extra problems as you possibly can find time for.

Important: This is not a course to take for easy credit. It is extremely challenging, and there is an incredible amount of information for you to learn and remember. No two problems look alike. **You have to be willing to do tax in order to understand tax.** Watching me do tax problems in class might be fun (but probably isn't), however, it won't help you do tax problems on your own.

My number one hint is: Practice. That is also my number two and three hint.

**PRACTICE PRACTICE PRACTICE**

**TENTATIVE LECTURE OUTLINE**

<b><u>DATE</u></b>	<b><u>SESSION</u></b>	<b><u>TOPIC AND PRACTICE PROBLEMS</u></b>
Sept 10, 2009	1	<b><u>Introduction to course</u></b>
Sept 15, 2009	2	<b><u>The Canadian Tax System - Overview</u></b> Readings: Byrd and Chen, Chapter One Practice Problems: Ch 1: 5, 6, 8
Sept 17, 2009	3	<b><u>Take up Practice Problems from Chapter 1</u></b> <b><u>Income or Loss from an Office or Employment</u></b> Readings: Byrd and Chen, Chapter Two, pages 33-60 Practice Problem: Ch 2: 1
Sept 22, 2009	4	<b><u>Take up Practice Problems from Chapter 2</u></b> <b><u>Income or Loss from an Office or Employment, continued</u></b> Readings: Byrd and Chen, Chapter Two, pages 61-77 Practice Problems: Ch 2: 5, 8, 9, and 10
Sept 24, 2009	5	<b><u>Take up Practice Problems from Chapter 2</u></b>
Sept 29, 2009	6	<b><u>Taxable Income and Tax Payable for Individuals</u></b> Readings: Byrd and Chen, Chapter 3 Practice Problems: Ch 3: 1, 4, and 6
Oct 1, 2009	7	<b><u>Take up Practice Problems from Chapter 3</u></b>
Oct 6, 2009	8	<b><u>Capital Cost Allowance and Cumulative Eligible Capital</u></b> Readings: Byrd and Chen, Chapter 4, pages 129-146 Practice Problems: Ch 4: 3, 1, 2 <i><b><u>First Assignment distributed – Covers Ch 1-4</u></b></i>
Oct 8, 2009	9	<b><u>Take up Practice Problems from Chapter 4</u></b> <b><u>Capital Cost Allowance and Cumulative Eligible Capital</u></b> Readings: Byrd and Chen, Chapter 4, pages 147-154 Practice Problems: Ch 4: 6, and 7 (extra for your practice only)
Oct 13, 2009	10	<b><u>Take up Practice Problems from Chapter 4</u></b> <b><u>Income or Loss from Business</u></b> Readings: Byrd and Chen, Chapter 5 Practice Problems: Ch 5: 1, 8, 10
Oct 15, 2009	11	<b><u>Take up Practice Problems from Chapter 5</u></b> <b><u>Income from Property</u></b> Readings: Byrd and Chen, Chapter 6 Practice Problems: Ch 6: 1, 2, 6, and 7 (extra for your practice only)
Oct 20, 2009	12	<b><u>Take up Practice Problems from Chapter 6</u></b> <b><u>Capital Gains and Capital Losses</u></b> Readings: Byrd and Chen, Chapter 7, pages 239-250, 273-279 Practice Problems: Ch 7: 3, 5, 13, 14 <b><u>First Assignment DUE</u></b>
Oct 22, 2009	13	<b><u>Take up Practice Problems from Chapter 7</u></b> <b><u>Capital Gains and Capital Losses, continued</u></b> Readings: Byrd and Chen, Chapter 7, pages 240-259, 265-273 <i>Note: Pages 259-265 will be covered as a self study exercise in Assignment Two.</i> Practice Problems: Ch 7: 7, 10, 12
Oct 27, 2009	14	<b><u>Take up Practice Problems from Chapter 7</u></b>

<u>DATE</u>	<u>SESSION</u>	<u>TOPIC AND PRACTICE PROBLEMS</u>
Oct 29, 2009	15	EXAM REVIEW
Nov 3, 2009	16	<b><u>Other Income, Other Deductions and Income Attribution</u></b> Readings: Byrd and Chen, Chapter 8 Practice problems: Ch 8: 3, 4, 5, 7, and 8 (extra for your practice only)
Nov 5, 2009	17	<b><u>CLASS CANCELLED</u></b> <b><u>Mid term exam Friday, November 6, 2009 – Natural Science Building, Room 1</u></b> <b><u>Covers Chapters 2 - 7</u></b> Time: 5:30 to 8:30 PM
Nov 10, 2009	18	<b>Take up Practice Problems from Chapter 8</b>
Nov 12, 2009	19	<b><u>Retirement Savings and Other Special Income Arrangements</u></b> Readings: Byrd and Chen, Chapter 9 Practice Problems: Ch 9: 1, 2, 5 <b>Take up Practice Problems from Chapter 9</b>
Nov 17, 2009	20	<b><u>Taxable Income and Taxes Payable for Individuals</u></b> <b><u>Revisited</u></b> Readings: Byrd and Chen, Chapter 10 Practice Problems: Ch 10: 1, 2, 3, 6, and 7 (extra for your practice only)
Nov 19, 2009	21	<b>Take up Practice Problems from Chapter 10</b> <b><u>Taxable Income and Tax Payable for Corporations</u></b> Readings: Byrd and Chen, Chapter 11, pages 417-427 Practice Problems: Ch 11: 2, 4 <b><i>Second Assignment distributed</i></b>
Nov 24, 2009	22	<b>Take up Practice Problems from Chapter 11</b> <b><u>Taxable Income and Tax Payable for Corporations</u></b> Readings: Byrd and Chen, Chapter 11, pages 427-448 Practice Problems: Ch 11: 8, 10
Nov 26, 2009	23	<b>Take up Practice Problems from Chapter 11</b> <b><u>Procedures and Administration</u></b> Readings: Byrd and Chen, Chapter 14 Practice Problems: Ch 14: 4, 6, 7, 8
Dec 1, 2009	24	<b>Take up Practice Problems from Chapter 14</b> <b><u>Goods and Services Tax</u></b> Readings: Byrd and Chen, Chapter 21 Practice Problems: Ch 21: 3, 5, 9,10
Dec 3, 2009	25	<b>Take up Practice Problems from Chapter 21</b> <b>EXAM REVIEW</b> <b><u>Second Assignment DUE by 4:00 PM</u></b>

Generally, practice problems will be taken up in the class following the class in which they are assigned. I will post solutions on WebCT 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. **You must complete BOTH assignments to pass the 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 personal tax calculations for a family. 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.

It is fine for you to work with another student or group to complete the assignment. Groups may submit one assignment for all members. If agreement cannot be reached on the tax treatment of some items then some group members may wish to submit an individual assignment. In this case, please indicate the names of all people consulted in completing the assignment. 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 consist of a combination of multiple choice questions and short answer problems, similar to problems assigned in the textbook. You will be permitted to bring writing materials, a calculator and 2 sheets of notes (8.5" x 11" pages, double sided). **Note sheets must be created by you. This means that material from another source must go through your eyes, into your brain, and then be transferred onto the page by typing or hand writing it. It cannot be photocopied from some other source. Under no circumstances can you use notes prepared by another student.** Should there be any concerns about your cheat sheet during an exam, it will be taken away from you.

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.