

**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:** to be announced on WebCT (will vary from week to week).

Welcome to Introduction to Taxation in Canada! First of all, I would like to congratulate you on making a meaningful investment in your future by enrolling in this course. Benjamin Franklin once said,

*“The only things certain in life are death and taxes.”*

and I like to think that this statement still stands true today. Annually, the Tax Man demands his dollars from personal and corporate sources and doesn't look like he plans on going away anytime soon. Thus, whether you plan on pursuing a career as a designated accountant or decide to pursue an entirely different non-business related career, taxes will still be a part of your life every single year. Accordingly, I strongly believe that obtaining a fundamental understanding of taxation will prove to be extremely beneficial to you both personally and professionally and it is my goal for you to leave this course having obtained some solid tax knowledge that you can apply practically in the real world!

**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 primarily 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.

**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 AND OTHER REQUIRED MATERIAL**

1. Byrd, Clarence and Chen, Ida.; Byrd and Chen's Canadian Tax Principles 2011-2012 Edition, Pearson Education Canada. Toronto.
2. Study Guide for the above text.

**WEBSITE FOR COURSE MATERIAL**

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

Contents: Solutions to problems, powerpoint presentations, lecture notes, etc.

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

## EVALUATION

Weekly multiple choice quizzes	10%
Mid-term Examination (Saturday, June 23, 2012, Time & Location TBA)	20%
Comprehensive Assignment (Due: July 7, 2012 – 9am)	25%
Final Examination (Date: July 30 - August 2 (TBA))	30%
Participation	<u>15%</u>
	<u>100%</u>

## WEEKLY MULTIPLE CHOICE QUIZZES

For nine sessions of the course, there will be a multiple choice quiz consisting of 5-15 (usually 10) questions. These questions will be randomly assigned from a larger pool of questions. The results will be electronically scored and assessed. You will have a 6 day window in which to complete each of these quizzes, and once you begin the quiz, you will have 1 hour to complete it. Quizzes will become available by Wednesday at 1pm and must be completed by the following Tuesday at 1pm. Quizzes will be for sessions 1-5 and 7-10 of the course. Your mark on this portion of the course will be based on the results from your best eight of the nine unit quizzes.

## MID TERM AND FINAL EXAM

There are two examinations in this course. Content for each examination is provided on the course timetable. The final exam carries a heavier weight than the mid-term exam. These exams are not cumulative, however with taxation related issues, the topics build on one another, and an understanding of the complete course will be required at the final exam. The exams will include a variety of problem based material. Exam results may be electronically scored and assessed when multiple choice questions are used.

The mid-term exam will be on Saturday June 23, 2012, at a time and UWO Examination Centre yet to be determined. The exam will last 3 hours in duration.

The final exam will be scheduled by the Registrar's Office between July 30 - August 2 and will also be 3 hours in duration and written at a UWO Examination Centre.

For both the mid-term and final exams, 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, and must be handwritten. 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 note sheets during an exam, it will be taken away from you.

As well, at the final exam, I will provide you with pages ix through xv and pages 216-217 of the textbook. Please be aware of what is NOT on these pages, as if you need this information, you will want to put it on your note sheets.

No other items will be permitted at your desk in the examination room. This includes dictionaries, cell phones, PDA's, iPod's, etc. These rules will be strictly enforced as it is my responsibility to do everything possible to prevent cheating on 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.

### **COMPREHENSIVE ASSIGNMENT**

There is one comprehensive assignment in this course worth 25% of the overall grade. This assignment will involve a complete and detailed calculation of Net Income, Taxable Income, Federal Income Tax, Tax Credits and Payments 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. You *may not* use income tax preparation software to complete this assignment.

It is fine for you to work with another student or group (maximum of up to 4 students) 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.

The assignment will be posted on-line after we have covered the material from Chapter 8 in the text, however, it will include information relevant to Chapter 9. It will be due 2 weeks before the end of the course, and I will mark it promptly so you have feedback before the final exam. The assignment can be submitted electronically through WebCT.

**Penalties:** A penalty of 5% per day (including weekends and holidays) will apply to all late assignments.

### **ONLINE PARTICIPATION**

This course is 12 weeks in duration. During 10 weeks of the course, articles relevant to this course and/or business and finance in general will be posted in the 'Course Content' folders under the corresponding week. Also, a group discussion will be set up under the 'Discussion' section on the course website. To participate, students must read the articles and post their comments for all participants to read. Comments can include anything from personal opinions on the article to thoughts on how you feel the article relates to this course or even posing further relevant questions for your peers to answer. Participation in the online discussion is an *essential* component of the course. All students are expected to stay current with course readings and other material so that they are able to participate in online discussions.

The minimum requirement for participation is to post comments online in **at least 7 of the 10 weeks that topics are posted**. Of the 7 required postings, **4 must be completed before the midterm exam**. Waiting until after the mid-term to post comments will seriously impact your participation mark.

Your grade will be calculated based on an evaluation of all of your postings. You may post more than 7 times in order to ensure a good mark; however, the best 7 postings will be selected and used to determine your participation grade. Posting comments is the equivalent of attending class and participating in class discussions. It is therefore subject to the Policy Regarding Illness (or other personal difficulties that prevent participation) discussed elsewhere in this course syllabus. To ensure the best possible mark, ensure your posting responds accurately to the discussion topic or question you are addressing, and is comprehensive.

**To receive credit for your discussion comments, they must be posted by Sunday at midnight of the week the topic is discussed online. Comments posted after this deadline will not be assessed.** The instructor will post the discussion topics on Mondays.

Online discussions, exercises and assignments will provide opportunities to clarify issues throughout the course. Tax is a challenging topic, and many issues require in depth discussion for students to develop the skills necessary to fully understand the system in all of its complexity. As a result, your participation will assist you in doing well on the assignment and the exams, discussed earlier. Please review the Policy Regarding Illness (described later) and the General Information guidelines which apply to all students in the Social Science Faculty (also part of this outline) for direction on how to handle problems that may come up and affect your ability to participate in this course.

## **POLICY REGARDING ILLNESS**

“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

June 1, 2012 – Last date to drop a Spring/Summer Distance Studies course without academic penalty.

## HOW TO DO WELL IN THIS COURSE:

- 1) Stay up to date with readings and assigned problems from the text book.
- 2) Prepare all the practice problems every week and review the correct solution which is posted on WebCT.
- 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 reading the lecture notes. 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.**

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

**PRACTICE PRACTICE PRACTICE**

**TENTATIVE LECTURE OUTLINE**

<b>SESSION</b>	<b>WEEK OF</b>	<b>TOPIC AND PRACTICE PROBLEMS</b>
1	May 7-13	<p><b>Introduction to course</b></p> <p><b><u>The Canadian Tax System - Overview</u></b>  Readings: Byrd and Chen, Chapter One: Introduction</p> <p><b><u>Procedures and Administration</u></b>  Readings: Byrd and Chen, Chapter Two  Assignment Problems: Ch 1: 5, 7  Assignment Problems: Ch 2: 3, 4, 5, 6, 7</p>
2	May 14-20	<p><b><u>Income or Loss from an Office or Employment</u></b>  Readings: Byrd and Chen, Chapter Three  Assignment Problems: Ch 3: 5, 8, 9 and 10  Online multiple choice quiz for Session 1 is due by May 15</p>
3	May 21-27	<p><b><u>Taxable Income and Tax Payable for Individuals</u></b>  Readings: Byrd and Chen, Chapter 4  Assignment Problem: Ch 4: 1, 3 and 4  Online multiple choice quiz for Session 2 is due by May 24</p>
4	May 28- June 3	<p><b><u>Capital Cost Allowance and Cumulative Eligible Capital</u></b>  Readings: Byrd and Chen, Chapter 5  Assignment Problem: Ch 5: 3, 4, 5, 7  Online multiple choice quiz for Session 3 is due by May 29</p>
5	June 4 - 10	<p><b><u>Income or Loss from Business</u></b>  Readings: Byrd and Chen, Chapter 6  Assignment Problems: Ch 6: 1, 4, 6, 8 and 10  Online multiple choice quiz for Session 4 is due by June 5</p>
6	June 11 - 17	<p><b><u>Income from Property</u></b>  Readings: Byrd and Chen, Chapter 7  Assignment Problems: Ch 7: 1, 2, 3, 5 and 7  Online multiple choice quiz for Session 5 is due by June 12</p>
7	June 18 – 24	<p><b><u>Capital Gains and Capital Losses</u></b>  Readings: Byrd and Chen, Chapter 8, pages 335-346, 355-379  Assignment Problems: Ch 8: 1, 4, 5, 9, 12, 13, and 14  <b>Midterm exam covering Chapters 1-6 Saturday, June 23, 2012.</b>  <b>Time TBD - 3 hours to complete. UWO Campus –Exact Location TBA</b>  <b>Comprehensive Assignment available on WebCT – Saturday, June 23, due Saturday July 7, 2012 – 12pm.</b></p>
8	June 25 – July 1	<p><b><u>Capital Gains and Capital Losses, continued</u></b>  Readings: Byrd and Chen, Chapter 8, pages 346-355  Assignment problem: Ch 8: 6, 7</p> <p><b><u>Other Income, Other Deductions and Income Attribution</u></b>  Readings: Byrd and Chen, Chapter 9, pages 429-435  Assignment problems: Ch 9: 6, 8  Online multiple choice quiz for Session 7 is due by June 26</p>

9	July 2 – 8	<p><b><u>Other Income, Other Deductions and Income Attribution, continued</u></b>  Readings: Byrd and Chen, Chapter 9, pages 401-429  Assignment problems: Ch 9: 2, 3, 4 and 9  Online multiple choice quiz for Session 8 is due by July 3</p>
10	July 9 - 15	<p><b><u>Retirement Savings and Other Special Income Arrangements</u></b>  Readings: Byrd and Chen, Chapter 10  Assignment Problems: Ch 10: 2, 4, 6  Online multiple choice quiz for Session 9 is due by July 10</p>
11	July 16 – 22	<p><b><u>Taxable Income and Taxes Payable for Individuals Revisited</u></b>  Readings: Byrd and Chen, Chapter 11  Assignment Problems: Ch 11: 1, 2, 3 and 7  Online multiple choice quiz for Session 10 is due by July 17</p>
12	July 23-29	<p><b><u>Taxable Income and Tax Payable for Corporations</u></b>  Readings: Byrd and Chen, Chapter 12, pages 569-592  Assignment Problems: Ch 12: 3, 4, 7, 8, 10  Final Examination to be scheduled by the Registrar: July 30 - August 2</p>



## USING YOUR TEXTBOOK

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.

I will post the solutions to the Assignment Problems which have been assigned each week of the course timetable to WebCT each week as you should be working on them.

## QUESTIONS

If you have questions, please **DO NOT** email me. Rather, please post your question in WebCT under the 'Discussions' section for the corresponding week. I will try my very best to answer all questions within 36 hours, unless you post a question on the weekend, then I will try to respond on Monday. The reason I ask you to post your question online rather than emailing me directly is so other students can see the answer as well. Likely, if one person is confused, then so are at least a few others. Thus, I hope that by answering your question I will be able to help others as well. Also, please remember, there is no such thing as a 'stupid' question. As previously mentioned, it is very likely that at least someone else is wondering the exact same thing, so please don't be intimidated by posting your question online for everyone to see.

## GENERAL INFORMATION

- If, on medical or compassionate grounds, you are unable to meet your academic responsibilities, i.e., unable to write term tests or final examinations or complete course work by the due date, you should follow the instructions listed below. You should understand that academic accommodation will not be granted automatically on request. You must demonstrate that there are compelling medical or compassionate grounds that can be documented before academic accommodation will be considered. Read the instructions carefully. In all cases, action must be taken at the earliest possible opportunity, preferably prior to the scheduled examination, test or assignment.
- 1. Check the course outline to see if the instructor has a policy for missed tests, examinations, late assignments or attendance. The course outline should include the preferred method of contact (e-mail, phone, etc.).
- 2. Inform the instructor prior to the date of the scheduled time of the test or examination or due date of the assignment. If you are unable to contact the instructor, leave a message for him/her at the department office.
- 3. Bring your request for accommodation to the Social Science Academic Counselling Office, Room 2105, Social Science Centre, telephone 519 661-2011 or fax 519 661-3384. Be prepared to submit documentation of your difficulties.
- 4. If you decide to write a test or an examination you should be prepared to accept the mark you earn. Rewriting tests or examinations or having the value of the test or examination reweighted on a retroactive basis is not permitted.

## TERM TESTS and MID-TERM EXAMS

- 1. If you are unable to write a term test, inform your instructor (preferably prior to the scheduled date of the test). If the instructor is not available, leave a message for him/her at the department office.
- 2. Be prepared, if requested by the instructor, to provide supporting documentation. Submit your documentation to the Social Science Academic Counselling Office.
- 3. Make arrangements with your professor to reschedule the test.
- 4. The Academic Counselling Office will contact your instructor to confirm your documentation.

## FINAL EXAMINATIONS

- 1. You require the permission of the Dean, the instructor, and the Chair of the department in question to write a special final examination.

- 2. If you are unable to write a final examination, contact the Social Science Academic Counselling Office in the first instance to request permission to write a special final examination and to obtain the necessary form. You must also contact your instructor at this time. If your instructor is not available, leave a message for him/her at the department office.
- 3. Be prepared to provide the Social Science Academic Counselling Office and your instructor with supporting documentation.
- 4. You must ensure that the Special Examination form has been signed by the instructor and Department Chair and that the form is returned to the Social Science Academic Counselling Office for approval without delay.

## LATE ASSIGNMENTS

- 1. Advise the instructor if you are having problems completing the assignment on time (prior to the due date of the assignment).
- 2. Submit documentation to the Social Science Academic Counselling Office.
- 3. If you are granted an extension, establish a due date.
- 4. Extensions beyond the end of classes must have the consent of the instructor, the Department Chair and Dean. A Recommendation of Incomplete form must be filled out indicating the work to be completed and the date by which it is due. This form must be signed by the student, the instructor, the Department Chair, and the Dean's representative in the Academic Counselling Office.

## SHORT ABSENCES

- If you miss a class due to a minor illness or other problems, check your course outlines for information regarding attendance requirements and make sure you are not missing a test or assignment. Cover any readings and arrange to borrow notes from a classmate.

## EXTENDED ABSENCES

- If you are absent more than approximately two weeks or if you get too far behind to catch up, you should consider reducing your workload by dropping one or more courses. This must be done by the appropriate deadlines. (Refer to the Registrar's website for official dates.) The Social Science Academic Counsellors can help you to consider the alternatives. At your request, they can also keep your instructors informed of your difficulties.

## DOCUMENTATION

- **Personal Illness:** If you consulted Student Health Services regarding your illness or personal problem, you should complete a Records Release Form at the time of your visit allowing them to notify Social Science Academic Counselling Office. Once your documentation has been assessed, the academic counsellor will inform your instructor that academic accommodation is warranted.
- If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The doctor must provide verification of the severity of the illness for the period in question. Notes stating "For Medical Reasons" are not considered sufficient.
- **In Case of Serious Illness of a Family Member:** Obtain a medical certificate from the family member's physician.
- **In Case of a Death:** Obtain a copy of the newspaper notice, death certificate or documentation provided by the funeral director.
- **For Other Extenuating Circumstances:** If you are not sure what documentation to provide, ask an Academic Counsellor.  
**Note:** Forged notes and certificates will be dealt with severely. To submit a forged document is a scholastic offense and you will be subject to academic sanctions.

## ACADEMIC CONCERNS

- You need to know if your instructor has a policy on late penalties, missed tests, etc. This information may be included on the course outline. If not, ask your instructor.

- You should also be aware of attendance requirements in courses such as Business and English. You can be debarred from writing the final examination if your attendance is not satisfactory.
- If you are in academic difficulty, check the minimum requirements for progression in your program. If in doubt, see your Academic Counsellor.
- If you are registered in Social Science courses but registered in another faculty (e.g., Arts or Science), you should immediately consult the Academic Counselling Office in your home faculty for instructions.