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## Course Outline

A POLYTECHNIC INSTITUTION  
School of Business  
Program: Financial Management

**FMGT 4410**  
**Taxation 2**

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**Start Date:** January 2005

**End Date:** May 2005

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**Course Credits:** 5.5

**Term/Level:**

**Total Hours:** 80

3

**Total Weeks:** 20

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**Hours/Week:** 4

**Lecture:** 2

**Lab:**

**Shop:**

**Seminar:** 2

**Other:**

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### Prerequisites

### Prerequisite for:

Course No.	Course Name
FMGT 3410	Taxation 1

Course No.	Course Name
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### Course Description

The course will follow a conceptual framework based upon the structural elements of the Income Tax Act. The course will include the calculation of: net income for tax purposes, taxable income and taxes payable for individuals and corporations. Topics such as capital gains and losses will be introduced along with the special treatment afforded property income and "other income and deductions". Specialized topics such Non-arm's length transactions, attribution, retirement savings and other special treatment topics will be covered. Detailed coverage will be given to "Refundable Dividend Tax on Hand" and the theory of integration. The course will also provide an introduction to "Rollovers".

### Evaluation

Midterm Exam	40%
Final Exam	40%
Quizzes	15%
Classroom Assessments	5%

<b>TOTAL</b>	<b>100%</b>
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## Course Learning Outcomes/Competencies

Upon successful completion of this course, the student will be able to:

- Differentiate the five types of income and calculate Net Income for Tax Purposes and Taxable Income for individuals and corporations. This includes detailed coverage of Capital Gains and Losses.
- Calculate tax payable for individuals and corporations.
- Identify situations and apply specialized rules when Non-arm's length individuals transact.
- Calculate the impact of deferred income arrangements and identify basic tax planning opportunities.
- Develop a basic understanding of corporate rollovers and reorganizations.
- Develop knowledge of the Tax Act, enabling the student to locate, interpret and cite the appropriate tax authority

## Course Content Verification

I verify that the content of this course outline is current, accurate, and complies with BCIT Policy.

Developed by:	<u>Ralph Gioia BA,CA</u> Program Head Accounting	Date:	<u>August 24, 2002</u>
Revised by:	<u>Ralph Gioia BA,CA</u> Program Head Accounting	Date:	<u>December 2004</u>
Approved by:	<u>Tim Edwards CMA, MBA</u> Associate Dean	Date:	<u>December 2004</u>

## Instructor(s)

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## Learning Resources

### Required:

2004-2005 Canadian Tax Principles  
*Byrd & Chen, Pearson/Prentice Hall*  
2004 Canadian Income Tax Act with Regulations  
*CCH Canada*

### Use of Income Tax Act:

You will be allowed to use your *Income Tax Act* to answer all exams and quiz questions. You may annotate your *Income Tax Act* and it may be “tabbed”, as indicated by below. If you have any questions consult your Instructor.

*Example of tab for Act:*

Division B Sub-division b Section 3(a)
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**maximum size**

**Note:** Should changes be required to the content of this course outline, students will be given reasonable notice.

## STUDENT INFORMATION ON POLICIES AND PROCEDURES

**COURSE OUTLINES:** This course outline may assist you in the future to receive credit for all or part of a course from another post-secondary institution or from a professional program. It is strongly recommended that this course outline be safely filed for future reference.

**EXAMINATIONS:** Recently there has been a greater tendency for students to miss scheduled examinations. Students who miss examinations often request that they be allowed to write make-up examinations. This is often unfair to those who wrote the scheduled examination and time-consuming for the instructor who is asked to prepare alternative examinations.

In an effort to be consistent within Financial Management, the Department has adopted the following policy to deal with mid-term and final examinations.

It is imperative that students write examinations on either the scheduled day per the course outline or the date and time as determined by the Registrar during the formal examination periods. Please make a note of the following Departmental policy:

Subject to circumstances outlined below, a student who fails to write an examination on the scheduled date and time will receive a zero on that examination.

Other than in emergency situations, a student must provide his/her instructor with a reason acceptable to the instructor for missing an examination at least 24 hours prior to the scheduled time of the examination. Should such notice be given and should the reason be acceptable to the instructor, the student may, subject to the discretion of the instructor, be permitted to either write an alternative examination or have an agrotat mark established. It is the student's responsibility to contact the instructor by phone, fax, e-mail, etc.

It is impossible to list every acceptable reason. However, for greater certainty, reasons such as being unprepared or having too many other examinations in the same week will not be accepted. Written documentation, i.e., doctor's notes, will be required in all cases of missed examinations.

**Instructors are asked to promptly notify the program head or the academic coordinator of any student who misses an examination together with any supporting documentation.**

**PHOTO IDENTIFICATION:** To write exams, students are required to produce photo-identification at examination centres. Photo identification must be placed on the desk before an exam will be issued to the student and must remain in view on the desk while writing the exam for inspection by invigilators. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be government photo I.D. such as a drivers license.

**CHEATING, PLAGIARISM AND DISHONESTY:** Acts of cheating, plagiarism and dishonesty are not tolerated; the degree of punitive action may range from a written warning to withdrawal from the program. These penalties may also be applied to a student who knowingly contributes to the act of dishonesty, cheating and plagiarism. (Refer to the current BCIT Calendar.)

Programmable calculators and calculators with alphabetic capability **will not be allowed** in exams. English language dictionaries **will be allowed** in exams provided they are presented to the exam invigilator prior to the exam.

Week	Chapter	Topic: To be read in advance of lecture.
1	9	Income From Property
2	9	Income From Property
3	10	Capital Gains And Capital Losses
4	10	Capital Gains And Capital Losses <b>Mock Quiz</b>
5	11	Other Income and Other Deductions
6	11	Other Income and Other Deductions <b>Quiz 1</b>
7	13	Retirement Savings and Other Special Income Arrangements
8	13	Retirement Savings and Other Special Income Arrangements
9	12	Non-Arms's Length Transactions, Income Attribution and Deemed Dispositions <b>Review</b>
10		<b>Mid-term Exam: Chapters: 9,10,11,13</b>
11		<b>Spring Break</b>
12	6,14	Taxable Income and Tax Payable for Individuals
13	6,14	Taxable Income and Tax Payable for Individuals
14	15	Taxable Income and Taxes Payable for Corporations
15	15	Taxable Income and Taxes Payable for Corporations <b>T1 Case</b>
16	16	Integration, Refundable Taxes, and Special Incentives for Corporations <b>Mock Quiz</b>
17	16	Integration, Refundable Taxes, and Special Incentives for Corporations <b>Quiz 2</b>
18	18	Rollovers under Section 85 <b>T2 Case</b>
19	18	Rollovers under Section 85 <b>Review</b>
20		<b>Final Exam; Emphasis on Chapters: 6,12,14,15,16,17</b>
21		<b>Final Exams</b>

*This outline may be changed at the discretion of the Instructors.*