

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY
COURSE OUTLINE: FMGT 3410, TAXATION
SEPTEMBER 1994

INSTRUCTORS: Barrie Yackness, Office #321
Mary Hamm, Office #343
Allan Cobbett, Office #345

COURSE PREREQUISITE: Fmgt 2100/2105

COURSE OBJECTIVES:

1. Locate and interpret information in the Income Tax Act.
2. Learn, apply, and understand the purpose of, the basic rules concerning the topics on the lecture outline.
3. Become aware of the possible tax consequences of contemplated and actual business transactions.

EVALUATION

Final examination.....40 %
Mid-term examination.....35 %
Seminar participation..... 5 %
Seminar quizzes.....20 %

REQUIRED TEXT(S) AND EQUIPMENT

Tax Principles to Remember, current edition. C.I.C.A.
Income Tax Act, current edition. C.C.H.

REFERENCE TEXTS AND RECOMMENDED EQUIPMENT

Interpretation Bulletins and Information Circulars
C.C.H. income tax reporter

COURSE SUMMARY

The course will examine the major income categories and applicable rules; determine who is subject to tax in Canada and the basis on which Canada levies income tax; and the rules for deducting expenses.

LECTURE SCHEDULE

<u>DATE</u>	<u>CHAPTER</u>	<u>TOPIC: TO BE READ IN ADVANCE OF LECTURE !</u>
Sept. 8, 12.....	1	Introduction to Income Tax in Canada
15, 19.....	2	Residency and computation of net income.
22, 26, 29.....	3	Employment income
Oct. 3, 6, 13.....	4	Other income
17, 20.....		MID-TERM EXAM WEEK, EXAM ON CHAPTERS 1-4
24, 27.....	5	Income from business
Oct. 31, Nov. 3, 7..	6	Income from business
Nov. 10, 14, 17.....	7	Capital cost allowance
21, 24, 28.....	8	Income from Property
Dec. 1, 5.....		Review

THIS OUTLINE MAY BE ALTERED AT THE DISCRETION OF THE INSTRUCTORS

FMGT 3410 does NOT require you to submit written assignments for homework. Consequently you **ARE REQUIRED** to spend a sufficient amount of time each week to:

- a) READ the material **BEFORE** it is covered in the lecture.
- b) study the topics that will be covered in the seminar and answer the seminar questions **BEFORE** the seminar date to enable you to better participate in the seminar.

FMGT 3410 SEMINARS

- 1) The participation mark will be affected BOTH by your **ATTENDANCE AND** your **CONTRIBUTION** during the two hour seminars. You **EARN** your seminar mark, to a maximum of 5 marks, with quality contributions. Your earned mark will be **REDUCED** for non-attendance at seminars.
 - a) If you are absent from the seminars for **any** reason except sickness (evidenced by a note from your doctor) or for other **unavoidable** circumstances approved by your instructor, for each absence you will **LOSE** the opportunity to earn 1 of the 5 marks allocated for participation.
 - b) You are expected to make relevant contributions to seminar discussions. Your mark will be based on the **quantity and quality** of your responses. It will, therefore be in your best interest to be **PREPARED WELL** for each class and to **PARTICIPATE OFTEN** since the mark given to incorrect or incomplete responses can be improved by good responses in the remainder of the labs. **DO NOT WAIT UNTIL CLOSE TO THE END OF THE COURSE TO PARTICIPATE, YOU MAY BE TOO LATE.**
- 2) Quizzes will be given at the **BEGINNING** of some seminars. These quizzes will be short and will contain questions pertaining to the material covered since the previous quiz. Each seminar class will be given different quiz questions. If you are absent for the quiz, there is **NO opportunity for make up** unless your absence is acceptable as described in 1(a). You not attend seminars of any set other than the set you are assigned to without prior permission from your instructor. There will be a maximum of 8 quizzes.
- 3) Unless otherwise instructed, each two person group must bring one **INCOME TAX ACT** and one **TAX PRINCIPLES TO REMEMBER**, TO EACH SEMINAR. Otherwise you will be considered absent and lose marks accordingly.

FMGT 3410 EXAMS

The exam format may include the following question styles;

- 1) Short written answers with a maximum of about 3 lines.
- 2) True and false.
- 3) Multiple choice, both subjective and numerical.
- 4) Problems.

SPECIFIC UNIT OBJECTIVES:

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

1. Identify some of the criteria for being a resident of Canada and recognize some of the consequences of residency.
2. Use some sources of tax information.
3. Identify the main sources of income as they are affected by taxation and identify exempt types of income.
4. Respect the main differences between taxation rules and GAAP.
5. Apply certain deductions to the relevant income sources.
6. Calculate CCA and realize some of its implications.
7. Identify some specific kinds of losses and limitations on their deductibility.
8. Recognize and apply the valuations of cost for tax purposes.
9. Identify and employ tax savings or deferral decisions.

LAB SCHEDULE FOR FMGT 3410, 1994

THE WEEKS BEGIN ON THE MONDAYS LISTED BELOW

SEPT. 12.....LAB 1, CHAPTER 1
19.....LAB 2, CHAPTER 2
26.....LAB 3, CHAPTER 3

OCT. 3.....LAB 4, CHAPTER 3
10.....LAB 5, CHAPTER 4, BEGIN
17.....NO LAB, MIDTERM EXAM WEEK
24.....REVIEW EXAM, FINISH LAB 5, CHAPTER 4
31.....LAB 6, CHAPTER 5

NOV. 7.....LAB 7, CHAPTER 6
14.....LAB 8, CHAPTER 7
21.....LAB 9, CHAPTER 7
28.....LAB 10, CHAPTER 8

DEC. 5.....NO LAB ASSIGNMENTS; INSTRUCTOR AVAILABLE FOR AID