



Course Outline

A POLYTECHNIC INSTITUTION
School of Business
Program: Financial Management

FMGT 4410
Taxation 2

Start Date: January 2006

End Date: May 2006

Course Credits: 3

Term/Level:

Total Hours: 80

3

Total Weeks: 20

Hours/Week: 4

Lecture: 2

Lab:

Shop:

Seminar: 2

Other:

Prerequisites

Prerequisite for:

Course No. **Course Name**
FMGT 3410 Taxation 1

Course No. **Course Name**
FMGT 7410 Taxation of Close Corporations

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%

TOTAL	100%
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Course Learning Outcomes/Competencies

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

1. 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.
2. Calculate tax payable for individuals and corporations.
3. Identify situations and apply specialized rules when Non-arm's length individuals transact.
4. Calculate the impact of deferred income arrangements and identify basic tax planning opportunities.
5. Develop a basic understanding of corporate rollovers and reorganizations.
6. 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 2005</u>
Approved by:	<u>Tim Edwards CMA, MBA</u> Associate Dean	Date:	<u>December 2005</u>

Instructor(s)

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Learning Resources

Required:

2005-2006 Canadian Tax Principles
Byrd & Chen, Pearson/Prentice Hall
2005 Canadian Income Tax Act with Regulations
CCH Canada

Provided:

Students will be provided access to CCH's TaxWorks internet software. This Software contains their full suite of software products including: Income Tax Act, IT Bulletins, Information Circulars, Dominion Tax Cases, Canadian Master Tax Guide, Canadian Estate Planning, and Tax Planning for Small Business.

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
5	11	Other Income and Other Deductions Mock Quiz
6	11	Other Income and Other Deductions Quiz 1
7	13	Retirement Savings and Other Special Income Arrangements
8	13	Retirement Savings and Other Special Income Arrangements
9	12	Non-Arm's Length Transactions, Income Attribution and Deemed Dispositions Review
10		Mid-term Exam: Chapters: 9,10,11,13
11		Spring Break
12	6,14	Taxable Income and Tax Payable for Individuals T1 Case 1
13	6,14	Taxable Income and Tax Payable for Individuals T1 Case 1
14	15	Taxable Income and Taxes Payable for Corporations T2 Case 1
15	15	Taxable Income and Taxes Payable for Corporations T2 Case 2
16	16	Integration, Refundable Taxes, and Special Incentives for Corporations
17	16	Integration, Refundable Taxes, and Special Incentives for Corporations Quiz 2
18	18	Rollovers under Section 85
19	18	Rollovers under Section 85 Review
20		Final Exam; Emphasis on Chapters: 6,12,14,15,16,17
21		Final Exams

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