



## Course Outline

### MANAGEMENT AND ORGANIZATIONAL STUDIES 4462A ADVANCED ISSUES IN CANADIAN TAXATION

Fall 2017

Course Meets: Wednesdays 8:30a.m.–11:30a.m./Classroom W103

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### Course Scope and Mission

This is the second in a two-course series in federal income tax law. It is designed to give the students an understanding of more complex issues of Canadian Income Tax law and tax planning. This is achieved through a combination of lectures and the application of the law to practical problems and case settings. This is the second in a two-course series in federal income tax law. It is designed to give the students an understanding of more complex issues of Canadian Income Tax law and tax planning. This is achieved through a combination of lectures and the application of the law to practical problems and case settings. Topics include computation of corporate taxes, integration, corporate reorganizations, surplus distributions, partnerships and trusts, and international taxation.

The objectives of this course are:

- identify tax issues
- use the Income Tax Act to determine the tax implications of the issues identified
- calculate income taxes payable for a corporation
- analyze the alternatives and advise on specific tax-planning opportunities,
- communicate the issues, the tax implications, the alternatives and recommendations.

The two-course sequence, including MOS 4462A, has been designed to provide participants with coverage of the specific competencies for taxation as described in the CA Candidate's Competency Map.

### Course Prerequisites

Prerequisites: 1) MOS 3362 A/B – Introduction to Taxation in Canada, and ; 2) Enrollment in 3rd or 4th year of BMOS

(Please Note: Unless you have the prerequisites for this course, 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).

**Required Readings and Materials**

1. Byrd, Clarence and Chen, Ida.; *Byrd and Chen's Canadian Tax Principles 2016-2017 Edition*, Pearson Education Canada. Toronto, c. 2016
2. Study Guide for the above text (included with text purchase)

All materials available for purchase at UWO Bookstore.

Interactive resources will also be utilized, including exercise and taxation of business case studies to apply your learnings, available on the companion CD-ROM that is included with purchase of your Byrd & Chen textbook. The site also contains Tax Facts and Figures for 2015-2016, as well as a Web link to Canada Revenue Agency publications including Information Bulletins, Circulars, and tax forms.

While it is recommended that students obtain a hard copy of the current Canadian Income Tax Act (including regulations), students should be aware that a soft copy is available on both their Student CD-ROM/download and also from the Federal Department of Justice's site at: <http://lois-laws.justice.gc.ca/eng/acts/l-3.3/index.html>.

**Supplemental Materials (on-line and/or library)**

Canadian Tax Journal  
Tax Conference Reports  
Newspaper articles

**Tax Related Web Sites (for reference and research)**

## Government

- Department of Finance Canada [www.fin.gc.ca](http://www.fin.gc.ca)
- Canada Revenue Agency (CRA) [www.cra.gc.ca](http://www.cra.gc.ca)

## Chartered Accounting Firms

- BDO Dunwoody [www.bdo.ca/library/publications/tax/index.cfm](http://www.bdo.ca/library/publications/tax/index.cfm)
- Deloitte [www.deloitte.com/sevices/tax/](http://www.deloitte.com/sevices/tax/)
- Ernst & Young [www.ey.com/gobal/content.nfs/Canada/Home](http://www.ey.com/gobal/content.nfs/Canada/Home)
- Grant Thornton [www.grantthornton.com/tax](http://www.grantthornton.com/tax)
- KPMG [www.kpmg.ca/english/services/tax](http://www.kpmg.ca/english/services/tax)
- PWC [www.ca.taxnews.com](http://www.ca.taxnews.com)

## Other

- Canadian Tax Foundation [www.ctf.ca](http://www.ctf.ca)
- Canadian Institute of Chartered Accountants [www.cica.ca](http://www.cica.ca)
- Ontario Institute of Chartered Accountants [www.icao.on.ca](http://www.icao.on.ca)

**Course Site:** OWL.uwo.ca

**Class Method**

Each week, a PowerPoint presentation will be delivered to students covering the material required and testable on the mid-term and final exams. Presentations will be uploaded to OWL prior to class, excluding any solutions to exercise/problems/case analyses. These solutions will be updated following class and the final presentation (for study purposes) will be uploaded to OWL. Following the presentation, class will discuss their **prepared-in-advance-of-class** solutions to a variety of Corporate & Advanced Taxation problems/exercises and business cases to be assigned weekly. Detailed problems and cases from the text and Study Guide/Companion Website will also

be utilized to facilitate enhanced class participation. Corporate & advanced taxation models will be discussed as part of these materials.

You will be expected to have leveraged the prerequisite first-course in Canadian Taxation, focused on Individuals, as part of the preliminary understanding necessary for success in this course. Learning points will be summarized weekly, as key “take-aways” from the class discussion. Other materials the instructor wishes to hand-out will be distributed on an as-needed basis. Class attendance is essential. Moreover, with a discipline like taxation, it is imperative that you complete as many tax problem/exercises/cases as possible in order to train your mind in the technical workings and strategic uses for taxation from a business owner, manager and/or Canada Revenue Agency perspective. Simply coming to class to see the answers to problems not attempted is a surefire method for misunderstanding and mediocrity (if not failure) in such a technically complex area.

### Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well he or she has command of the course materials.

|                                      |     | <u>Date</u>   |
|--------------------------------------|-----|---|
| Mid-Term Test #1 (2 hours, in class) | 25% | October 25 <sup>th</sup> , 2017 (Time = full class)   |
| Class Participation                  | 20% | Daily   |
| Individual Research Assignment       | 15% | November 15 <sup>th</sup> , 2017 (no extensions)  |
| Individual Problem Hand-Ins (Daily)  | 10% | Each Wed. 8:30am (no extensions)  |
| Take-Home Assessment                 | 30% | Released December 6 <sup>th</sup> , 2017 and<br>Due: December 13 <sup>th</sup> , 2017 at midnight |

Both assignments must be submitted and receive a grade in order for students to pass this course.

Please submit all work in .pdf, .doc and/or .ppt, as the case may be, to save trees and facilitate use of TTS (text-to-speech) by instructor.

### **Summary of Important Dates (Other than project deadlines)**

|                    |   |
|--------------------|---|
| September 13, 2017 | First Day of Classes for MOS 4462A                  |
| October 11, 2017   | Reading Week Day Off – No Class                     |
| November 12, 2017  | Last day to DROP MOS 4462A without academic penalty |
| December 6, 2017   | Last Day of Classes for MOS 4462A                   |
| December 13, 2017  | Take-Home Assessment Due                            |

**Participation:** To maximize your participation grades – and overall learning – students should attend all classes to maximize opportunities to speak to their colleagues and concentrate on providing class comments which:

- Move the analysis along and/or take it to a “higher” level
- Provide insight that others may not have seen
- Are relevant to the class discussion
- Leverage prior learnings and other references, of your choice, in the context of the case / problem / exercise discussion
- Add clarity to course PowerPoint slides (required reading) in the context of the case / problem / exercise discussion
- Challenge colleagues in a professional and logical manner
- Draw similarities to previous learnings and demonstrates their relation to the current case / problem / exercise discussion scenario being discussed

**Grade review.** The instructor does not discuss grades without a substantive reason. Substantive reasons include errors made during grading. If you would like me to re-evaluate your grade in any component of the course, you should follow this procedure:

- (a) Write a memo explaining why you need me to re-evaluate your grade. The memo should contain substantive arguments only, and not humanitarian (e.g., "I *really* need an A," "I worked so hard"), or social justice (e.g. "he got an A for saying the same thing") appeals. If you do feel that a social justice appeal is justified, you should get the cooperation of the person who you are comparing with, and have them also submit their paper. You may submit this memo to the commerce office.
- (b) You will normally get a response from me within a week.
- (c) The entire exam or paper will be re evaluated, and you should be aware that any grade changes are possible (i.e. decrease, increase or none). The only exception to the "entire paper gets re evaluated" policy is a case where there is a mathematical error in determining a grade.

The instructor is responsible for your grade in MOS 4462A but not responsible for any administrative decisions that may make use of your grade in MOS 4462A. If you believe that your grade requires review, please follow the procedure above.

### **Mid-Term and Take-Home Assessment**

Both the mid-term and Take-Home Assessment will consist short answer/multiple choice/true/false-type questions and cases/exercises/problems, which test your knowledge of the material that is discussed in class sessions and found in the PowerPoints, readings, and problem/case learnings. The content will be similar to what is discussed in class. The take home assessment will be released to students on or before December 6<sup>th</sup>, 2017 and is to be returned no later than December 13<sup>th</sup>, 2017 at 11:59pm.

Students will be permitted to bring writing materials, a non-programmable calculator and 1 sheet of notes (8.5" x 11" page, double sided) personally created. Material on sheets cannot be photocopied from sources other than the textbook or PPT slides provided by the instructor. 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. Students will also be allowed their personal version of the Canadian Income Tax Act as aid during the mid-term examination. The Income Tax Act may NOT be written in (annotated), nor may additional pages be inserted. However, underlining, highlighting, and tabbing of sections is permitted. Income Tax Acts will be checked during each examination. Any student who has not adhered to the prior guidelines will have their Tax Act immediately confiscated and will be considered guilty of academic misconduct.

"Students who fail to appear for a final 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](#).

### Requirements and Criteria

Performance in the course will be evaluated using a variety of methods that support the objectives identified above. A combination of exams, individual and/or group assignments / presentation, and exercise summary assignments will be used to evaluate participants on a number of different levels.

The criteria for success, in no particular order, are:

- Comprehension of the material
- Demonstration of an ability to think cross-functionally
- A willingness to participate for the benefit of oneself and fellow participants
- Strong work ethic to “pull your weight” in preparing problems

These criteria will be applied to written and verbal work throughout the term.

Participants will be evaluated on the following activities, as listed in the table below:

| <i>Activity</i>             | <i>Percentage of Grade</i> | <i>Description</i>   |
|-----------------------------|----------------------------|--|
| <b>Take-Home Assessment</b> | 30%                        | This assessment may include any type or combination of multiple-choice, true and false, short-answer, essay or computational questions and may include material from the assigned text readings, lectures (PowerPoint presentations), exercises/problems, case studies, videos, small group-work and student presentations. Aides used must be disclosed along with answers. All materials used must be cited. Materials may be prepared in Excel, Word, PPT, or hand-written. Submissions are made via OWL only. Questions will be sourced predominantly from post mid-term material, but students must be aware that much material after mid-term examination will be inherently cumulative in nature. So knowledge of material from first-half of course remains important to consider as foundational. |
| <b>Participation</b>        | 20%                        | Preparation for class case discussion, as demonstrated by; <ul style="list-style-type: none"> <li>• willingness to lead and actively participate class discussions in a professional manner</li> <li>• providing valuable insights and analysis</li> <li>• responding to “cold-calls”</li> <li>• Using blackboard / PowerPoint / Excel spreadsheets to present analyses and findings</li> </ul>  |
| <b>Mid-Term Test</b>        | 25%                        | This closed-book exam will be 2-hours in length and may include multiple-choice, true and false, short-answer, essay or computational questions and may include material from the assigned readings, lectures (PowerPoint presentations), exercises/problems, case studies, videos, small group-work and student presentations. Aides allowed: Single Function, non-programmable calculator; non-annotated Income Tax Act; One reference sheet will be allowed for students to utilize during the exam, per the policy noted above.  |

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| <b>Individual Research Assignment</b> | 15% | <p>Individually prepared analysis of a Corporate or Advanced taxation situation problem, which will be selected by students from a list of assignments provided on OWL from the instructor. The list of question choices will be provided during the early October timeframe. Assignment analyses will be handed-in at the beginning of class on November 15<sup>th</sup>, 2017 by 11:59pm and uploaded to OWL electronically. The assignment write-up should be no more than fifteen pages (double-spaced, 12-point Arial font recommended) in length, with a maximum of six exhibits displaying tables of tax calculations, corporate structures, estate planning conceptual models, etc. The student should write the assignment from the perspective of a professional, designated Canadian tax advisor (partner-level at a public accounting firm) reflecting the Corporate and Advanced taxation issue(s) (which could have personal tax consequences too that should be highlighted). Students will select to write on one (1) topic from a list of several current topics in Advanced and Corporate taxation. Students may also be given opportunity to select a comprehensive case which may be released as another option. The assignment requires a recommended solution and/or hypothetical explanation of the technical mechanics of the taxation strategies researched. Any materials presented in class, in the text and Study Guide, in the research sources noted above (and others) and delivered on OWL as supplementary readings can be used to prepare the analyses and written report for the Individual Research Assignment. In addition to specifically answering any questions posed in the assignment, the report should include the following:</p> <ul style="list-style-type: none"><li>• Identify the main character in the case and their tax and business issue(s) and how the organization should respond to the tax situation</li><li>• Complete full calculations associated with the alternative tax strategy(ies) and approaches that could be implemented</li><li>• Summarize the key “question(s)” that may still need to be answered from the perspective of the main character</li><li>• Research tax issues and develop an opinion on the appropriate treatment of a variety of situations for tax purposes</li><li>• Using the text, course tools, and supplementary tools and information, conduct a business analysis of the firm in the assignment, considering what the implications of particular tax issues being identified, solved, etc. is for the company’s prospects</li><li>• Sufficiently analyze and answer all assignment questions posed in an integrative and professional report-style</li><li>• Create a detailed plan of action for the character/company to execute in order to implement changes resulting from the problem resolution, including the 5 W’s of how to execute on the plan (e.g. What is the profile of acquisitions targets given a company’s current tax situation? How are shareholders impacted by the choice of dividends declared? Etc.)</li></ul> |
|---------------------------------------|-----|---|

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|------------------------------------|--------------------|--|
| <b>Individual Problem Homework</b> | 10% (10 x 1% each) | Students will prepare one assignment problem for hand-in at the start of each Tuesday class when we take up problems. Students are expected to speak to the class (from seats or in front of class with Excel/PPT or other aides) about the solution. Questions are limited to one question per class, starting on Wednesday, September 13 <sup>th</sup> , 2017. Submission should be in electronic format to the course dropbox on OWL. The Professor will assign the problems in advance on OWL. No substitute problems will be accepted. No late submissions will be accepted. Answers must be individually prepared. No group submissions are accepted whatsoever for marking. |
| <b>Total</b>                       | <b>100%</b>        |  |

### Course Work & Academic Honesty

**Attendance in Class** – Physical presence in class and active engagement in daily discussions is expected of all students. Material presented in class may be testable as part of the evaluations noted above. Students are to bring the text and the Income Tax Act to all classes. To prepare for class, students will be asked to read a chapter and answer the Review questions and check their solutions in the Study Guide that accompanies the text. The chapter material will be discussed in class using the Income Tax Act and Key Concept Questions from the text.

Problems and cases from the chapter will be assigned. Solutions to these problems and cases will be discussed in the following class.

Students are expected to be highly motivated in learning the subject matter and to dedicate adequate time each week to the readings and class preparation. Students are expected to be prepared for the class and to contribute to class discussions.

Each class will follow a three-part agenda focused on increasing understanding of course material, applying course material and analytical tools to the problems, exercises and/or case, and summarizing our key lessons learned, in a list, for later use (on exams, assignments, etc.). The three areas will be addressed according to the following timeline:

- Topical Discussion of general operational management issues on the PowerPoint slides (required readings), led by Professor with class participation and facilitation
- Commence Problem, Exercise, and/or Case Discussion(s)
- 5 minute break and time to write on-going formal feedback about the class
- Complete Problem, Exercise, and/or Case Discussion(s)
- Commence Summary Learning Point List Creation
- Class Ends

A variety of techniques will be used to encourage participation, including “cold-calls”, assigning specific sections of the case analyses at the start of class, and “numbering-off” of all participants to request answers.

NOTE: The consistency of your participation comments, knowledge of the previously-delivered material, and test/assignment results will be addressed holistically. Students should prepare all weekly cases and assignments individually to maximize their learning and demonstrate the required level of understanding of the material.

Students and professor at the end of the class will list summary learning points. These points will be important study notes for future

Respect for fellow students is expected and mandatory (see Standard of Conduct section below) and required to encourage participation by all. Respect will further ensure that all relevant case concepts are raised, therefore increasing the depth of the analysis and discussion. Respect encompasses the following concepts:

- Attend all classes and arrive on time
- Allow and encourage others to participate
- Refrain from “cat-calls” or derogatory comments – if students disagree with an analysis or comment, it is fully expected that counter arguments will be presented in a clear, concise, and professional manner
- Coming to class prepared, including having read the case in detail and having prepared any relevant analysis yourself

Notwithstanding that each class will include both lecture and assignments, the breakdown of sessions by week will generally follow the approach noted below:

- Wednesday Class: Most weeks, a new chapter will be presented on Thursday. You are expected to prepare in advance for the class, including reading the entire chapter as well as the Solved Problems and Discussion Questions. You should also read the accompanying Study Guide and visit the CRA site for related materials/to view tax forms. I will review key information using PowerPoint slides as well as pertinent examples, videos and anecdotes. You are expected to participate in the discussion to maximize your learning and earn participation marks.
- A reminder that all one-page problem assignments (worth 1% each x 10 = 10% of grade) are due at the start of Wednesday’s class each week.

Group Involvement: For any group assignment, groups should allocate the work evenly among each team member. All team members should be familiar with all aspects of the materials developed and presented. A single mark will be awarded to each member of a group. Groups should meet after hours to complete their group assignment, discuss findings, determine applicable textbook and resource guide approaches to use, analyze results, develop the written report and appendices, and rehearse their final group presentation. Groups can determine if each member will speak during the final presentation or if a single spokesperson will present or some derivation thereof. Groups will self-select and self-manage. All students must have a group by the time of the presentation, or they receive a mark of zero for the project. Students unable to join a group on their own should immediately inform the Professor of the need for assistance in procuring a group. The Professor may arbitrarily assign additional group members as needed to balance group weights and ensure students do not remain without a group allowing for maximum student group contribution.

Feedback to Instructor: Please send any written or oral feedback to the instructor whenever you feel it is necessary. After session #2, I will ask for your written feedback (just use a blank piece of paper) on any issues you have or things you want to see addressed in the class. This feedback should be confidential, so there is no need to provide your name unless you feel you would like to do so. This type of feedback will then be welcomed at any point during the term. The feedback will be addressed and used to improve the course and your learning experience. During the mid-point of term, a formal feedback survey will be conducted on Zoomerang seeking your feedback on the course to-date with a view to implementing suggestions for improvement for the second part of term.

**Submission of Assignments** - Late submissions of any assignment may be considered in truly extenuating circumstances; however, a resolution may be determined at the Professor's sole discretion and will include an academic penalty of 1% of the final assignment grade per day late.

### **Standard of Conduct in this Course**

Since this course is part of a degree designed to give you a broad understanding of the world of business, we aim to run the course in a way which will be consistent with the world of business - where many of you will spend your working lives. We strive to provide accurate information, quality materials and good service, consistent with our obligations to maintain the high academic standards of Huron University College and Western University.

In return we expect that you will conduct yourself in a way that prepares you for the world of work.

- 1 We start on time, so please do not arrive late and disrupt others.
- 2 Leaving class early is also disruptive to your colleagues and will not be permitted unless you have made prior arrangements with the instructor.
- 3 Turn off your cell phone, pager, and watch alarm.
- 4 Keep up to date. Make sure that you know the class schedule. Check on the course web page for updates and posted materials.
- 5 During the class, respect the learning opportunities of others. Don't distract others by chatting to your neighbour. Our expectation is that you will not only contribute in class to your own learning, but also to that of others.

Given that there are multiple sections across campus, please understand that with limited seats in the assigned classroom, those students registered in the section always maintain first right to a seat and priority in classroom space. You are allowed to move between sections provided that you are not taking a seat of a peer already registered in the section. Also, slight variations may be expected between the lecture and/or problem/exercise/case discussion(s), depending on the nature of participation, class discussion, and/or Professor's choice.

### **Email**

At times, the course instructor may decide to communicate important course information by email. As such, all Huron University College students are required to have a valid [huron.uwo.ca](mailto:huron.uwo.ca) or UWO email address. You are responsible for ensuring that your university email address is set up. Forwarding your [huron.uwo.ca](mailto:huron.uwo.ca) email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from [huron.uwo.ca](mailto:huron.uwo.ca) addresses sent to Hotmail, Gmail or Yahoo, etc. accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

**MOS 4462A Tentative Course Schedule (Note: Additional required and/or supplementary readings may be assigned weekly on OWL to be prepared before class for in-class discussion)**

### **NB:**

- **All questions and exercises/problems are found in the text at the back of each chapter and are to be prepared in advance of class**
- **Moreover, all mid-chapter exercises should be attempted as the chapters are read**

- Study Guide contains solutions to all Problems For Self Study (text) which will be utilized for both self-study and assignment by Professor; therefore each week students should complete all problems, in advance of class, which will be not be discussed in class, but for which answers should be referenced
- The Assignment Problems in the textbook should be researched and attempted in advance of class; a certain number of these problems will be taken up in class in detail, but participation points will be awarded where students have made a solid attempt at problems and presented/discussed their approaches/answers with the class
- The textbook contains all Income Tax Act sections that are referenced in each chapter (see end of chapter), so these will not be replicated herein
- The supplementary sample tax returns available at the companion website will also be referenced during term to illustrate progressive Corporate Tax topics with each area covered in the text and lectures
- All problems are from the current edition (2016/17) of the Byrd & Chen textbook. Questions hand-in for Individual Problem Homework
- The Problem shown in *Bold/Italics* below each week is the one you must prepare for your homework hand-in.

### Tentative Schedule

| Session | Date         | Topic   | Chapter(s) & Exercise/Problems/Case  |
|---------|--------------|---|--|
| 1       | Sep 13, 2017 | <ul style="list-style-type: none"> <li>• Course Overview</li> <li>• Introduction to Corporate Taxation</li> <li>• Assignment Discussion</li> <li>• Student Intros / What do you want out of this course? / Bios (hand-in)</li> <li>• International Issues in Taxation</li> <li>• Residence</li> <li>• Taxation of non-Residents</li> <li>• Emigration &amp; Immigration</li> <li>• Foreign Source Income</li> </ul> | <ul style="list-style-type: none"> <li>• Text: Ch. 20</li> <li>• Problems: 20-2, 20-3, 20-5, 20-6, 20-9, 20-11, 20-12, 20-13, 20-1, 20-4, 20-14</li> </ul> |
| 2       | Sep 20, 2017 | <ul style="list-style-type: none"> <li>• Taxable Income for Corporations</li> <li>• Tax Payable for Corporations</li> <li>• Small Business Deduction</li> <li>• Manufacturing Profits Deduction</li> </ul>  | <ul style="list-style-type: none"> <li>• Text: Ch. 12</li> <li>• Problems: 12-1, 12-3, 12-5, <b>12-7</b>, 12-8, 12-10</li> </ul>                           |
| 3       | Sep 27, 2017 | <ul style="list-style-type: none"> <li>• Taxation of Corporate Investment Income</li> <li>• Refundable Taxes</li> <li>• Refundable Taxes</li> <li>• Designation of Dividends</li> </ul>   | <ul style="list-style-type: none"> <li>• Text: Ch. 13</li> <li>• Problems: 13-1, 13-2, 13-4, 13-5, 13-6, <b>13-7</b>, 13-8</li> </ul>                      |

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|----|--------------|--|---|
| 4  | Oct 4, 2017  | <ul style="list-style-type: none"> <li>• Other Corporate Tax Issues</li> <li>• Acquisition of Control</li> <li>• Association</li> <li>• Investment Tax Credits</li> <li>• Distribution of Corporate Surpluses</li> </ul>   | <ul style="list-style-type: none"> <li>• Text: Ch. 14</li> <li>• Problems: 14-2, 14-4, 14-5, <b>14-6</b>, 14-7</li> </ul>   |
| 5  | Oct 18, 2017 | <ul style="list-style-type: none"> <li>• Corporate Taxation and Management Decision-Making</li> <li>• Incorporation</li> <li>• Reduction &amp; Deferral of Tax</li> <li>• Provincial Taxes</li> <li>• Tax-free Dividends</li> <li>• Income Splitting</li> <li>• Owner-Managers Tax Planning</li> </ul> | <ul style="list-style-type: none"> <li>• Text: Ch. 15</li> <li>• Problems: 15-1 to 15-3, 15-4 to 15-6, 15-7 to <b>15-9</b></li> </ul>   |
| 6  | Oct 25, 2017 | <ul style="list-style-type: none"> <li>• Mid-Term Exam</li> </ul>  | <ul style="list-style-type: none"> <li>• All course textbook, PowerPoint, exercise/problem/Self-Study/other material covered to date will be testable on the mid-term exam</li> </ul> |
| 7  | Nov 1, 2017  | <ul style="list-style-type: none"> <li>• Section 85 Rollovers</li> <li>• General Rules for Transfers</li> <li>• Pricing Transfers Under s.85</li> </ul>  | <ul style="list-style-type: none"> <li>• Text: Ch. 16</li> <li>• Problems: 16-1, <b>16-3</b>, 16-5, 16-6</li> </ul>   |
| 8  | Nov 8, 2017  | <ul style="list-style-type: none"> <li>• Section 85 Rollovers (Cont'd)</li> <li>• Allocation of Elected Value</li> <li>• Paid-Up Capital of Issued Shares</li> <li>• Dividend &amp; Capital Gains Stripping</li> </ul>   | <ul style="list-style-type: none"> <li>• Problems: 16-9, 16-10, <b>16-11</b>, 16-13</li> </ul>  |
| 9  | Nov 15, 2017 | <ul style="list-style-type: none"> <li>• Other Rollovers and Incorporated Business Sale</li> <li>• Share-for-Share Exchange</li> </ul>   | <ul style="list-style-type: none"> <li>• Text: Ch. 17</li> <li>• Problems: 17-1, 17-3, <b>17-4</b>, 17-5</li> <li>• <b>Individual Research Project Due</b></li> </ul>                 |
| 10 | Nov 22, 2017 | <ul style="list-style-type: none"> <li>• Other Rollovers and Incorporated Business Sale (Cont'd)</li> <li>• Reorganizations</li> <li>• Amalgamation</li> <li>• Wind-Ups</li> <li>• Convertible Properties</li> </ul>   | <ul style="list-style-type: none"> <li>• Problems: 17-6, <b>17-7</b>, 17-9</li> </ul>   |
| 11 | Nov 29, 2017 | <ul style="list-style-type: none"> <li>• Partnerships</li> <li>• Joint Ventures &amp; Other Syndicates</li> <li>• Partnership Income</li> <li>• Partnership Interest</li> <li>• Limited Partnerships</li> <li>• Transfers Involving Partnerships</li> </ul>  | <ul style="list-style-type: none"> <li>• Text: Ch. 18</li> <li>• Problems: 18-2, 18-3, 18-5, 18-6 -18-7, <b>18-8</b>, 18-9</li> </ul>   |
| 12 | Dec 6, 2017  | <ul style="list-style-type: none"> <li>• Trusts and Estate Planning</li> <li>• Classification &amp; Taxation</li> <li>• Income and Allocations to Beneficiaries</li> <li>• Purchase or Sale of Trusts</li> <li>• Planning</li> <li>• Freezes</li> </ul>  | <ul style="list-style-type: none"> <li>• Text: Ch. 19</li> <li>• Problems: 19-1 to 19-5; <b>19-6</b>, 19-7, 19-9, 19-10</li> <li>• *Course Recap</li> </ul>                           |

Generally, assigned problems will be taken up in the class or following class in which they are assigned. I will post solutions on OWL after they are taken up in class. It is critical to your preparation for class that you prepare 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. These exercises serve as additional work that you can complete to ensure you understand the material in the chapter, and to prepare for tests. Practice a lot, as practice does make perfect when it comes to taxation.

### About Your Professor

Jan Klakurka is a full-time, tenure-track Professor at Huron University College, Western University, Consultant to SME's, and Sessional Lecturer in Strategy at the Rotman School of Management, University of Toronto. He is former Director, Corporate Planning and Business Development of the Wasteco Group of Companies, specializing in waste management and recycling services, based in Toronto. At Wasteco, he led strategy, long-term and operational planning, change management, and development activities reporting to the founder-owner-President. Prior to Wasteco, Jan was Corporate Controller and Director, Process Improvement for U.K.-based infrastructure and construction services company, Carillion with responsibility for Corporate taxation, and was a senior project manager with the strategy consulting practice of Deloitte & Touche LLP, leading transformation engagements with Fortune 500 companies globally for over five years. Jan's professional experience also includes working for both General Motors of Canada and McCarney Greenwood, an entrepreneur-focused CA firm.

Jan taught *Strategic Management* at UTM between 2005-2009 and Rotman (2012-2018), *Management Control* at UTSC in Winter 2011, *International Strategy* (formerly International Business) (2012-2017 and in the MBA program Fall 2014), *Management Consulting* at Rotman Commerce (2011-2018), and *Introduction to Management* at Rotman Commerce (2011-2017). In 2014 he developed *Strategy in the European Context*, an experiential course through Rotman in Brno, Czech Republic (at partner Masaryk University) which has continued in 2015-2017 and is scheduled for 2018. He has also taught the general management Ivey LEADER (Leading Education in Emerging Regions) program in Dnepropetrovsk, Ukraine and Minsk, Belarus, has spoken on leadership, consulting, and finance at Brock University and the Ivey Business School, taught *Organizational Strategy* in the Leadership program at Laurier-Brantford, taught on the topic of wines at the Independent Wine Education Guild (Toronto), and has developed and delivered training programs to Deloitte consulting staff on a range of topics.

A graduate of UTM's Commerce program, Jan went on to complete his CA (CPA) and CMC designations, and obtained his MBA from the Richard Ivey School of Business. His favourite business book is *Competing for the Future*, by Hamel and Prahalad, he enjoys skiing, white-water kayaking, golf, and strategic investments. His greatest project is having fun with his two daughters who are eleven and nine years-old. In 2006, he was awarded the AIWS designation, joining 2,500 others worldwide that have completed the Diploma in Wines & Spirits (Dipl.WEST) from the Wine & Spirit Education Trust based in London and in 2009 began the long road in pursuit of the Master of Wine designation. Jan's research interests include strategic foresight/futuring, holistic integration of business functions, CSR, and integrated management education pedagogy. Jan has completed the Chartered Director's program offered at the Director's College, Degroote School of Business, McMaster University. Currently, Jan sits on the Board of Corporations for Community Connections, a Siemens affiliate, where he is also CFO. He also sits on the Finance Committee of the Board at Mansfield Ski Club.



## Appendix to Course Outlines

### Prerequisite Information

Students are responsible for ensuring that they have successfully completed all course prerequisites. Unless you have either the requisites for this course or written special permission from your Provost and Dean to enrol 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.

### Conduct of Students in Classes, Lectures, and Seminars

Membership in the community of Huron University College and the University of Western Ontario implies acceptance by every student of the principle of respect for the rights, responsibilities, dignity and well-being of others and a readiness to support an environment conducive to the intellectual and personal growth of all who study, work and live within it. Upon registration, students assume the responsibilities that such registration entails. The academic and social privileges granted to each student are conditional upon the fulfillment of these responsibilities.

In the classroom, students are expected to behave in a manner that supports the learning environment of others. Students can avoid any unnecessary disruption of the class by arriving in sufficient time to be seated and ready for the start of the class, by remaining silent while the professor is speaking or another student has the floor, and by taking care of personal needs prior to the start of class. If a student is late, or knows that he/she will have to leave class early, be courteous: sit in an aisle seat and enter and leave quietly.

Please see the *Code of Student Rights and Responsibilities* at:

<http://www.huronuc.ca/CurrentStudents/StudentLifeandSupportServices/StudentDiscipline>

### Technology

It is not appropriate to use technology (such as, but not limited to, laptops, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and is distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

### Academic Accommodation for Medical/Non-Medical Grounds

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

[http://www.sdc.uwo.ca/ssd/?requesting\\_acc](http://www.sdc.uwo.ca/ssd/?requesting_acc)

#### **(a) Medical Grounds for assignments worth 10% or more of final grade: Go Directly to Academic Advising**

University Senate policy, which can be found at

[http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/accommodation\\_medical.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf),

requires that all student requests for accommodation on medical grounds for assignments worth 10% or more of the final grade be made directly to the academic advising office of the home faculty (for Huron students, the "home faculty" is Huron), with supporting documentation in the form (minimally) of the Senate-approved Student Medical Certificate found at:

[http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform\\_15JUN.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform_15JUN.pdf).

The documentation is submitted in confidence and will not be shown to instructors. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Provost and Dean. The instructor's decision is appealable to the Provost and Dean.

**(b) Accommodation on Medical Grounds for assignments worth less than 10% of final grade: Consult Instructor Directly**

When seeking accommodation on medical grounds for assignments worth less than 10% of the final course grade, the student should contact the instructor directly. The student need only share broad outlines of the medical situation. The instructor **may** require the student to submit documentation to the academic advisors, in which case she or he will advise the student and inform the academic advisors to expect documentation. The instructor may not collect medical documentation. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Provost and Dean. The instructor's decision is appealable to the Provost and Dean.

**(c) Non-medical Grounds: Consult Instructor Directly**

Where the grounds for seeking accommodation are not medical, the student should contact the instructor directly. Late penalties may apply at the discretion of the instructor. Apart from the exception noted below, academic advisors will not be involved in the process of accommodation for non-medical reasons.

Where a student seeks accommodation on non-medical grounds where confidentiality is a concern, the student should approach an academic advisor with any documentation available. The advisors will contact the instructor after the student's request is received, and will outline the severity and duration of the challenge without breaching confidence. The student will be informed that the instructor has been notified that significant circumstances are affecting or have affected the student's ability to complete work, and the student will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. Before denying a request for accommodation where documentation has been submitted to an academic advisor, the instructor will consult with the Provost and Dean. The instructor's decision is appealable to the Provost and Dean.

**Statement on Academic Offences**

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/pdf/academic\\_policies/appeals/scholastic\\_discipline\\_undergrad.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf)

**Statement on Academic Integrity**

The International Centre for Academic Integrity defines academic integrity as "a commitment, even in the face of adversity, to five fundamental values: honesty, trust, fairness, respect, and responsibility. From these values flow principles of behaviour that enable academic communities to translate ideals to action." (CAI Fundamental Values Project, 1999).

A lack of academic integrity is indicated by such behaviours as the following:

- Cheating on tests;
- Fraudulent submissions online;

Plagiarism in papers submitted (including failure to cite and piecing together unattributed sources);  
Unauthorized resubmission of course work to a different course;  
Helping someone else cheat;  
Unauthorized collaboration;  
Fabrication of results or sources;  
Purchasing work and representing it as one's own.

### **Academic Integrity: Importance and Impact**

Being at university means engaging with a variety of communities in the pursuit and sharing of knowledge and understanding in ways that are clear, respectful, efficient, and productive. University communities have established norms of academic integrity to ensure responsible, honest, and ethical behavior in the academic work of the university, which is best done when sources of ideas are properly and fully acknowledged and when responsibility for ideas is fully and accurately represented.

In the academic sphere, unacknowledged use of another's work or ideas is not only an offence against the community of scholars and an obstacle to academic productivity. It may also be understood as fraud and may constitute an infringement of legal copyright.

A university is a place for fulfilling one's potential and challenging oneself, and this means rising to challenges rather than finding ways around them. The achievements in an individual's university studies can only be fairly evaluated quantitatively through true and honest representation of the actual learning done by the student. Equity in assessment for all students is ensured through fair representation of the efforts by each.

Acting with integrity at university constitutes a good set of practices for maintaining integrity in later life. Offences against academic integrity are therefore taken very seriously as part of the university's work in preparing students to serve, lead, and innovate in the world at large.

A university degree is a significant investment of an individual's, and the public's, time, energies, and resources in the future, and habits of academic integrity protect that investment by preserving the university's reputation and ensuring public confidence in higher education.

**Students found guilty of plagiarism will suffer consequences ranging from a grade reduction to failure in the course to expulsion from the university. In addition, a formal letter documenting the offence will be filed in the Provost and Dean's Office, and this record of the offence will be retained in the Provost and Dean's Office for the duration of the student's academic career at Huron University College.**

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com.

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.

Personal Response Systems ("clickers") may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else's clicker in class constitutes a scholastic offence,
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

**Policy on Special Needs**

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

[http://www.sdc.uwo.ca/ssd/?requesting\\_acc](http://www.sdc.uwo.ca/ssd/?requesting_acc)

**Attendance Regulations for Examinations**

A student is entitled to be examined in courses in which registration is maintained, subject to the following limitations:

- 1) A student may be debarred from writing the final examination for failure to maintain satisfactory academic standing throughout the year.
- 2) Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course will be reported to the Provost and Dean of the Faculty offering the course (after due warning has been given). On the recommendation of the Department concerned, and with the permission of the Provost and Dean of that Faculty, the student will be debarred from taking the regular examination in the course. The Provost and Dean of the Faculty offering the course will communicate that decision to the Provost and Dean of the Faculty of registration.

**Class Cancellations**

In the event of a cancellation of class, every effort will be made to post that information on the Huron website, <http://www.huronuc.ca/AccessibilityInfo> ("Class Cancellations").

**Mental Health @ Western**

Students who are in emotional/mental distress should refer to Mental Health @ Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.

**Academic Advising**

For advice on course selections, degree requirements, and for assistance with requests for medical accommodation [see above], students should contact an Academic Advisor in Huron's Student Support Services ([huronsss@uwo.ca](mailto:huronsss@uwo.ca)). An outline of the range of services offered is found on the Huron website at: <http://www.huronuc.ca/CurrentStudents/AcademicAdvisorsandServices>

Department Chairs and Program Directors and Coordinators are also able to answer questions about their individual programs. Their contact information can be found on the Huron website at:

<http://www.huronuc.ca/Academics/FacultyofArtsandSocialScience>