



Click here for an brief audio overview of the features to note in this course outline.



AFM 361 – Taxation I Spring 2013

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Section	Days	Time	Room
001	Tues & Thurs	11:30 – 12:50	HH 1106
002	Tues & Thurs	10:00 – 11:20	HH 1106
003	Tues & Thurs	2:30 – 3:50	HH 1104
004	Tues & Thurs	4:00 – 5:20	HH 1104
005	Mon & Wed	11:30 – 12:50	HH 1102

“In this world nothing can be said to be certain, except death and taxes.”
----Benjamin Franklin, 1789

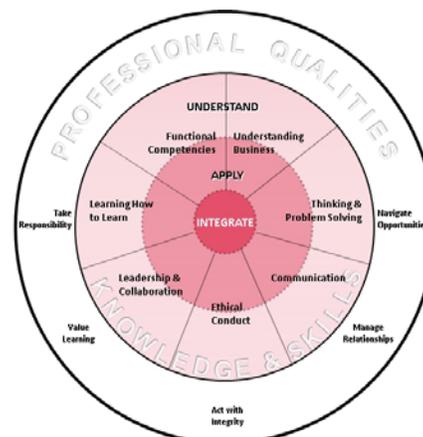
1. Course Objectives

This is the first of two full-term introductory courses in Canadian income taxation that you will take. Tax is both important and complicated; important because it is present in virtually every aspect of life, complicated because it is continually evolving to keep up with political and economic changes. And tax is a unique realm because it exists at the intersection of individual and societal interests; as we will discuss, income tax makes everyone else in the country (represented by the government) a partner in all of our economic endeavours. Whenever human beings are forced to interact and money is involved, things get messy pretty quickly.

In this course, we want to **build a solid foundation of understanding of the laws that govern the taxation of business in Canada and to begin to understand how the laws get applied.** As you can imagine, there are endless numbers of differences that can arise in fact patterns (this is what keeps our tax courts perpetually busy). In this course, we will spend most of our time looking at straightforward scenarios (the tax treatment of which is often far from straightforward). As our foundation builds some strength, we will begin to consider scenarios off the beaten path a bit.

When faced with tax-related issues, you should be able to:

- **Identify** the issues, including those not highlighted for you.
- Perform the necessary **research** to determine what alternatives exist.
- **Decide** what the best course of action is, given the specific facts of the situation.
- **Communicate** your decision clearly and effectively.





2. Continuous Learning Environment

The instructors highlight a feature of blended courses such as this one: learning can be continuous, rather than chunked into two parcels per week.

We want to think of the course as a continuous learning environment rather than as “80 minutes twice a week”. As much as possible, we will use class time for things that are best-suited to in-person communication and will move other things online.

2.i Videos

There will be videos (really screencasts) posted on our LEARN site before some classes. These videos will contain teaching of the material, working through sample problems, and setting up of problems to be done in class.

IMPORTANT: These videos are an **integral** part of the course. You are **required** to watch them. We will not be repeating what is done in the videos in class. Any video or other resource that we consider to be optional or supplemental will be posted under a different heading.

2.ii OneNote / Evernote

Everything we do in this class will be in a OneNote notebook. A link to a shared version of this notebook is on our LEARN page. If you have never used OneNote, you will want to get to know the essentials of the program. I have posted some helpful links for this purpose. Because there is no desktop version of OneNote on the Mac OS, a parallel version of the notebook will be kept in Evernote.

2.iii Online Q&A/discussion

The primary way to get answers to questions about course content is through our page on Piazza. Our goal will be to have all questions posted there answered by a TA or instructor within 24 hours. Posts on these boards will be visible to all students in all sections of the course, so should not contain anything personal in nature. You have the option of posting questions to this board anonymously. Questions posted to this board may be answered by another student, a Teaching Assistant or by one of us.

Find our class page at: <https://piazza.com/uwaterloo.ca/spring2013/afm361/home>

3. Office hours, communication with the professor

The instructors clarify policies and expectations regarding how students can contact them.

Throughout the term, if you want to communicate with us in person, by phone or by email, we will do our best to accommodate you. You should not expect much of this communication to occur outside of the hours of 9:00-5:00 on weekdays, but we will always do our best to respond as soon as possible.

3.i Meeting in person – Professor Markle

If you want to meet with me in person in my office, I am happy to do that as often as you like. I am in my office most days from 9:30 to 5:00 and you are welcome to come and knock on my door at any time. To set up an appointment in advance (which is



preferable because it ensures I will be available), simply send me an email with **at least three options** of times you would like to meet, listed in your order of preference. I will then reply with my choice of the three. The default length of the meeting will be 20 minutes. If you think you need to meet for longer than that, please indicate that in your email. I am happy to meet with more than one student at a time; just let me know how many are coming so that I know if I need to find a room bigger than my office.

3.ii Meeting in person – Professor Rogozynski

I will be in my office on Mondays and Wednesdays 1:00 – 2:00 and Tuesdays and Thursdays 1:15 – 2:15 *in the weeks that I teach*. If you want to meet with me in person in my office *outside of these times*, I am happy to do that when I am on campus. To set up an appointment, simply send me an email with **at least three options** of times you would like to meet, listed in your order of preference. I will then reply with my choice of the three. The default length of the meeting will be 20 minutes. If you think you need to meet for longer than that, please indicate that in your email. I am happy to meet with more than one student at a time; just let me know how many are coming so that I know if I need to find a room bigger than my office.

3.iii Email

You are welcome to email us with suggestions, thoughts, concerns, etc. at any time and we will do our best to respond. We always welcome your input and feedback (both positive and negative).

You may also email us with questions if you think they are not appropriate for an on-line discussion (which really means it is a question you would not want to ask in class). If your questions are more appropriate for the discussion board, we will tell you to post them there instead. If the answer to your question is readily available in other material, we will direct you to that material.

4. Text Material

The required text is:

- 1) R.E. Beam, S.N. Laiken and J.J. Barnett, *Introduction to Federal Income Taxation in Canada*, 2011-2012, 33rd Edition, CCH Canadian Limited, North York, Ontario, 2011. Available in the UW bookstore.

The optional text is:

- 1) *Canadian Income Tax Act with Regulations*, CCH Canadian Limited, North York, Ontario, 2011.



- You will have access to an internet version of the Income Tax Act, but if you are someone who likes flipping pages, highlighting and underlining, it is recommended that you buy the hard copy.

5. Evaluation

The instructors provide alternative ways for assessing students, in recognition that different students will excel in different ways.

Your grade in the course will be calculated 3 different ways and you will receive the *greatest of the five*. You do not choose one of the five ways; it is a simple “greatest of” calculation that will be done at the end of the term.

	1	2	3
Assignment	15%	15%	15%
Quizzes	10%	10%	10%
Contribution	15%	15%	0%
Midterm exam 1	10%	10%	10%
Midterm exam 2	25%	10%	25%
Final exam	25%	40%	40%
Total	100%	100%	100%

The instructors offer "contribution grades" as a means of allowing students to compensate for unforeseen "life events" that might otherwise detract from their final grade.

The best way to think about this approach is that it treats your contribution grade as insurance against bad days on exams. If you have a bad day on the second midterm or final, your contribution grade can lessen the damage (just like having insurance on your car lessens the financial damage of having an accident). If you have no insurance (i.e., your contribution grade is low), you will be in scenario 3.

You must earn at least 50% of the 85 non-assignment points in order to pass the course. As such, *both* your total score out of 100 *and* your percentage score out of the 85 non-assignment points must be at least 50% for you to pass the course.

5.i Assignment

The assignment is an opportunity for you to learn how to conduct tax research and to integrate concepts learned in the course. Additional information and instructions will be posted on LEARN well in advance of the due date.

For the assignment, you will form your own groups of *up to* 4 students. All members of a group will receive the same grade. Late assignments will receive a reduced grade of 10 percentage points immediately (e.g., 85% to 75%) and 10% more for each subsequent day late.



The instructors emphasize that students have an obligation not only to learn, but to contribute to the course so that others can learn from them.

5.ii Contribution

Your contribution to the learning of others is a component of your grade in this course because what you bring to class affects the learning of others. This is what separates class-based learning from individual study. If you invest time and energy in preparing for class, completing assignments, and reviewing what you are learning, you will most likely do well in the quizzes and exams. So the benefits of that effort to YOU are coming through in your grades on those components. However, such effort will also benefit those around you and this component of the grade is meant to reward that. Contributions can be made in many different ways, the most common of which are asking questions and contributing to discussions in class and on Piazza.

5.iii Quizzes

We will have several in-class quizzes throughout the term. These will be closed-book, hand-written, and will be done at the beginning of class. The testable material for a quiz will be the material covered in the previous class and the material expected to be prepared for the class in which the quiz is given. Missed quizzes receive a score of zero and there will be no make-up quizzes given under any circumstances. Students will only receive credit for a quiz if it is taken in the section in which they are enrolled. We expect to have between 8 and 12 quizzes throughout the term. Your 3 lowest scores will be dropped from the calculation of your grade out of 10 for this component.

5.iv Exams

The exams in the course will be closed-book exams, but you will be allowed to bring in “cheat sheets”. The guidelines for these sheets will be discussed in class and posted in LEARN well in advance of each exam.

6. Academic Integrity

We view cheating as an offence against your fellow students in the course, against the professor, and against the university as a whole. Because it is a large part of our responsibilities as professors to ensure that all students are treated fairly and to uphold and build the reputation of the school, we take all forms of cheating very seriously and will impose maximum penalties allowed under the policies of the university.

The following are SAF and University policies with which you must be familiar:

SCHOOL OF ACCOUNTING & FINANCE POLICIES:

Accommodations for Missed Assessments:

Students are expected to complete all course assessments and write their examinations as regularly scheduled; however, there may be circumstances where accommodating a missed assessment is approved. Accommodation is not automatic upon the presentation of documentation. Instructors will use the documentation along with all information available to them, when determining whether accommodation is warranted. Please note that there will no deferred mid-terms or final exams prepared



this term for this course. Based on an approved absence, the weighting of the final exam will be adjusted to make up for an excused absence from a mid-term or any other component of the course. If you are excused from the final exam due to an approved absence, you will be required to write the exam the next time the course is offered. At the end of the current term you will receive an INC course grade. When you have written the final exam, a grade revision will be submitted based on the results of the final exam and your other course work. Failure to write the deferred exam the next time the course is offered will result in a course grade based on the elements of the course that you completed.

Documentation Requirements Supporting Requests for Accommodation

UW's policy regarding documentation to support requests for accommodation due to illness can be found at http://www.registrar.uwaterloo.ca/students/accom_illness.html. To support requests for accommodation due to illness, students should seek medical treatment and then provide a completed University of Waterloo Verification of Illness Form. This form is normally the only acceptable medical documentation and is available on line at <http://info.uwaterloo.ca/infoheal/StudentMedicalClinic/VIFOnline.pdf>. For other requests for accommodations, such as death of a family member, appropriate documentation should be provided within a reasonable time period. Students who miss the final exam also must provide the Faculty of Arts Incomplete Grade Agreement Form which is available on line at http://arts.uwaterloo.ca/sites/ca.arts/files/download_doc/INC_Grade_Agreement_Form_-_final_June_2012.pdf.

- Non-School of Accounting and Finance students should provide supporting documentation to the instructor **within 2 working days of the missed assessment**.
- School of Accounting and Finance students should provide supporting documentation to the SAF Undergraduate Coordinator, Carol Treitz at HH 3156 (if the Undergraduate Coordinator is not available, the documentation should be provided to the receptionist in the Program Office), **within 2 working days of the missed assessment**. School of Accounting and Finance students must also complete and submit the *SAF Request for Exam Accommodation Form* (mid-term or final exams) in addition to the supporting documentation noted above. This form can be obtained from the SAF Undergraduate Coordinator at HH 3156. All forms must include student name, ID number, course number of missed examination, and instructor's name. The SAF Undergraduate Coordinator will complete the bottom section of the *SAF Request for Exam Accommodation Form*, and provide a copy to the instructor. The Coordinator will maintain a record of missed exams by student (name, ID #), so that unusual situations can be identified and addressed.

Recording of Lectures

The SAF recognizes that recording (e.g., audio, video) a class for the purpose of private study may be a useful learning tool. Any student wanting to record (in whole or part) a lecture is required to seek the consent of the instructor before doing so and the instructor may, at her/his discretion, decline. Where recording is required as part of disability accommodation the instructor is to be advised through provision of the appropriate AccessAbility Services paperwork. In the event that consent is given by an instructor, unless otherwise stated in writing, the consent for recording is strictly limited to the purpose of private/personal study and for no other reason (e.g., loaning the recording or reproducing a copy for another student, contesting grading, posting in whole or part online, etc.). Any failure to abide by these requirements is a violation of the university's academic integrity requirements and is subject to proceedings under Policy 71, Student Discipline.



UNIVERSITY POLICIES:

Academic Integrity

In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect, and responsibility.

Academic Integrity Office (UW): www.uwaterloo.ca/academicintegrity/

Academic Integrity (Arts): <http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility>

Grievance

A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70, Student Petitions and Grievances, Section 4, www.adm.uwaterloo.ca/infosec/Policies/policy70.htm.

Discipline

A student is expected to know what constitutes an academic offence, to avoid committing an academic offence, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about "rules" for group work/collaboration should seek guidance from the course instructor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offences and types of penalties, students should refer to Policy 71 - Student Discipline, www.adm.uwaterloo.ca/infosec/Policies/policy71.htm.

Appeals

A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances, (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read Policy 72 - Student Appeals, www.adm.uwaterloo.ca/infosec/Policies/policy72.htm

Academic Offences and Implications

Students majoring in accounting programs at UW should be aware that, due to the highly structured nature of the study plans and the fact that many AFM courses are offered on a limited basis, a penalty imposed as a result of an academic offence could result in a significant delay of the student's degree completion and convocation dates - particularly if the penalty involves a suspension.

Avoiding Academic Offences

The Faculty of Arts has prepared a website dealing with ways to avoid academic offences.

http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html

Violation of Standards by Another Student

Allowing another student to obtain course marks by deceit contributes to a general lowering of the ethical standards of the University and contributes to deception of potential employers and other academic institutions. Thus, you have an obligation to take some action when you know another student is violating the course's academic integrity standards. This is a difficult personal trial to face, but it is an important part of your ethical obligation as a student. If you know that another student is violating the standards, it is your responsibility to inform the student's instructor. This requirement closely parallels those found in the standards of conduct of all of the professional accounting bodies in Canada (see, for example, the Institute of Chartered Accountants of Ontario, *Rules of Professional Conduct*, section 211).

Note for Students with Disabilities

The [Office for Persons with Disabilities](#) (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.



Schedule (subject to change. Information on the LEARN site supercedes this.)

Class #	Date	Topic	Reading	Exercises	Problems
1	M 5/6 T 5/7	Intro and fundamentals			
2	W 5/8 R 5/9	Source and ordering	Posted		Posted
3	M 5/13 T 5/14	Computation of tax payable	11160-11335.20	11: 9,10	11: 6
4	W 5/15 R 5/16	Capital Cost Allowance	5000-5080, 5110-5150	5: 1,3,4,9	5: 2
	M 5/21 T 5/22	NO CLASS			
5	W 5/22 R 5/23	Eligible capital property	5200-5330	5: 10,11	5: 4
	F May 24	Midterm exam 1 4:30 - 5:30			
6	M 5/27 T 5/28	Exchange of property	5090-5100, 8170-8200	5: 7, 8: 2	8: 3,6
7	W 5/29 R 5/30	Business income	4000-4150, 8000-8035	4: 2	4: 2,1
8	M 6/3 T 6/4	Deductions from business income	4200-4245 S 4015	4: 4,6,8	4:13
9	W 6/5 R 6/6	Deductions from business income	4250-4325	4: 12	4: 16
10	M 6/10 T 6/11	Employment inclusions I	1240-1260, 3037-3170, 3400-3406	3: 3,5,6	3: 2,3
11	W 6/12 R 6/13	Employment inclusions II	3220-3290	3: 7-10	3: 7,13
12	M 6/17 T 6/18	Loss carryforwards	10030-10040, 10070-10080, 11000-11085	11: 1-5	11: 1
13	W 6/19 R 6/20	Acquisition of control	11090-11155	11: 6-8	11: 3
	F June 21	Assignment due by 6:00 pm			
14	M 6/24 T 6/25	Acquisition of control	11160		Posted
15	W 6/26 R 6/27	Scientific Research & Experimental Development	4310-4325, 11340-11370		4: 15, 11: 7
16	T 7/2 W 7/3	Review			
	R 7/4	NO CLASS			
	F July 5	Midterm exam 2 2:00 - 4:00			
17	M 7/8 T 7/9	Employed vs. self-employed	1141, 3000-3035	3: 1	3: 1
18	W 7/10 R 7/11	Employment deductions	3300-3470, 3600	3: 12,14	3: 14
19	M 7/15 T 7/16	Liability for tax	2000-2260	2: 1-4	2: 4, Case 1
20	W 7/17 R 7/18	Intro to tax planning	S 1900-1945		S 1: 1-4
21	M 7/22 T 7/23	Tax planning for business			S 4: 1, S 8: 1(A)
22	W 7/24 R 7/25	Integration of tax issues			ICAO, S 11: 1

* Note: "S" denotes that the item is found in the supplemental notes that are posted on our LEARN site.