

School of Accounting & Commercial Law

TAXN 201 INTRODUCTION TO TAXATION

Trimester One 2010

COURSE OUTLINE

Names and Contact Details

Lecturers

Professor Kevin Holmes (KH)

RH 618

Phone: 463 5968

Email: kevin.holmes@vuw.ac.nz

Associate Professor David Dunbar (DD)

RH 631

Phone: 463 6709

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Course Coordinator

Kevin Holmes

Course Administrator

Rainet Mutandwa

RH 708

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The Course Administrator should be contacted in relation to any changes to scheduled tutorial attendance and other enquiries of an administrative nature. The Course Administrator is available Monday to Friday from 8.30am to 5.00pm.

Duty Tutor

A duty tutor is available to help you with course material on a one-to-one basis. The day(s), time(s) and location will be notified on *Blackboard*.

Trimester Dates

Teaching Period: Monday 1st March – Friday 4th June 2010

Study Period: Monday 7th June – Thursday 10th June 2010

Examination Period: Friday 11th June – Wednesday 30th June 2010 (inclusive)

Withdrawal from Courses:

Information available via

Withdrawal dates: Late withdrawals with Associate Dean (Students) permission
(See Section 8: Withdrawals - from the Personal Courses of Study Statute)

<http://policy.vuw.ac.nz/Amphora!~policy.vuw.ac.nz~POLICY~000000001743.pdf>

Withdrawal dates: refunds:

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

Class Times and Room Numbers

Monday and Thursday 2:40pm – 3:30pm RHLT 1

In addition, there are 9 tutorials of 50 minutes each. Tutorial times and locations are listed on the online *Blackboard* system (<http://blackboard.vuw.ac.nz>). See also under *Tutorials* on page 3.

Attendance at Lectures

This is a lecture based course. Therefore, you are strongly recommended to attend *all* lectures. Much information, which is examinable, is conveyed by the *spoken word only* and is not posted on *Blackboard* or otherwise distributed!

Course Content

A lecture outline, which lists the topics covered in the course is outlined below. Further information will be provided by lecturers.

LECTURE OUTLINE

Week	Beginning	Topic	Readings	Lecturer
1	1 March	Introduction to taxation Goods and services tax	NZT, Chp.1	Kevin Holmes
2	8 March	Goods and services tax	NZT, Chp. 19	Kevin Holmes
3	15 March		NZT, Chp. 2	Kevin Holmes
		Concepts of income tax Structure of Income Tax Act 2007 <u>TUTORIAL 1</u>		
4	22 March	<u>Income: General concepts</u> <u>TUTORIAL 2</u>	NZT, Chp. 2	Kevin Holmes
5	29 March	<u>Income: Employment and business</u> <u>TUTORIAL 3</u>	NZT, Chps 3 and 5	Kevin Holmes

6	19 April	Mid-Trimester Break		Kevin Holmes
		Income: Timing of derivation		
		<u>TUTORIAL 4</u>		
7	26 April		NZT, Chp.8	David Dunbar
		Deductions: General principles		
		Timing		
		<u>TUTORIAL 5</u>		
8	3 May		NZT, Chps 8 and 9	David Dunbar
		Deductions: Prohibitions		
		Capital vs. revenue expenditure		
		Repairs & maintenance		
		<u>TUTORIAL 6</u>		
		TEST		
		6:00pm Monday 3 May		
		(to be confirmed)		
9	10 May		NZT, Chps, 8, 9 and 10	David Dunbar
		Deductions: Depreciation		
		Trading stock		
		Interest		
		<u>TUTORIAL 7</u>		
10	17 May	<u>Introduction to entity taxation</u>	NZT, Chps. 14 and 15	David Dunbar
		<u>TUTORIAL 8</u>		
11	24 May		NZT, Chps 20, 21 and 22	David Dunbar
		Tax avoidance and tax evasion		
		Penalties		
		<u>TUTORIAL 9</u>		
12	31 May		NZT, Chp. 17	David Dunbar
		Introduction to international tax		
		FINAL EXAMINATION (2 hours)		
		during Examination period, 12-30 June (actual date to be advised)		

This is a general lecture outline only. Some topics may be addressed in a different week from that shown here.

NZT ≡ Alley, *et.al.*, (2010) *New Zealand Taxation 2010 – Principles, Cases and Questions*, Thomson Reuters, Wellington.

Note: Not all of the material in each chapter is covered in this course. Specific pages of readings in the above chapters will be provided in lectures.

Course Learning Objectives

This course is an introduction to taxation. The overall objective of the course is to enable you to:

- research and analyse tax concepts through debate with other students;
- develop skills to analyse tax cases; and
- apply tax concepts to everyday business activities.

The particular learning objectives are:

New Zealand taxation

- a) Demonstrate an awareness of direct and indirect taxation as an instrument of fiscal policy
- b) Demonstrate an awareness of income tax, goods and services tax, fringe benefit tax, withholding taxes and imputation credits
- c) Display an awareness of the international tax regime

Income tax

- a) Distinguish taxable from non-taxable income and deductible from non-deductible expenditure
- b) Describe how tax timing issues arise
- c) Describe the process for calculating income tax liabilities

Goods and services tax

- a) Demonstrate an awareness of the principles underlying goods and services tax
- b) Demonstrate an understanding of the concepts of taxable activity, taxable person, taxable period, taxable supplies, exempt supplies and zero-rating
- c) Demonstrate the calculation of goods and services tax using the invoice and cash bases, apportionment and adjustments

Expected Workload

You should expect to spend on average 10 hours per week on the course (*excluding* time to study for the test and final examination). How this time is made up varies from week to week, but typically comprises:

- 2 hours in scheduled lectures;
- 5 hours preparing for, and participating in, tutorials and completing your bullet-point summaries (referred to under *Tutorials* below);
- 3 hours reading for lectures, and revising lecture and tutorial notes.

In order to benefit fully from lectures, you should read the relevant sections of the textbook relating to each lecture topic *before* the lectures.

Group Work

Working in groups is an important component of this course. The content and expectation of group work for tutorials is explained under *Tutorials* below.

Readings

The prescribed text for this course is:

Alley, *et. al.*, (2010) *New Zealand Taxation 2010 – Principles, Cases and Questions*, Thomson Reuters, Wellington.

While not directly taught in this course, you have the opportunity to improve your writing and oral expression skills, which are critical to working in the accounting and general commercial environment. To assist you in this respect, you are advised to purchase or refer to a copy of Fleet, W., Summers, J. and Smith, B., (2004) *Communication Skills Handbook for Accounting*, Wiley, Milton.

Any additional reading material will be provided in lectures and on *Blackboard*.

Materials and Equipment

Most course materials can be downloaded from *Blackboard*. Lecturers do not hold spare copies of any course materials. If you are having any trouble obtaining course materials, please contact the Course Administrator.

Electronic calculators and foreign language dictionaries may be used in the test and final examination. Calculators *must* be battery powered and silent in operation. Mobile phones are *not* permitted. No electronic device may connect to the Internet.

Tutorials

1. Tutorial presentations

The course contains 9 tutorials. The topics/questions for the tutorials will be posted on *Blackboard* **approximately 10 days before the week of the tutorial.**

Tutorials take place in the following weeks:

	<i>Week beginning</i>
Tutorial 1	15 March 2010
Tutorial 2 (KH)	22 March 2010
Tutorial 3 (KH)	29 March 2010

Mid-trimester break

Tutorial 4 (KH)	19 April 2010
Tutorial 5 (KH)	26 April 2010
Tutorial 6 (DD)	3 May 2010
Tutorial 7 (DD)	10 May 2010
Tutorial 8 (DD)	17 May 2010
Tutorial 9 (DD)	24 May 2010

Tutorial sign-up is on-line (<https://signups.victoria.ac.nz>) during the first week of the trimester. The exact time that the signup starts (and any access denial times) will be given in the lecture on Monday 1 March 2010. Instructions for signing up are on page 10. The 16 places in each tutorial are allocated on a “first-come, first-served” basis. Tutorial groups and presentation teams (see below) will be posted on *Blackboard* by 10 March 2010.

Tutorials 2–9 are conducted as follows: Generally 4 students (depending on the size of the tutorial) are required to lead the discussion on the topic nominated for the tutorial. You will be required to lead **2** tutorials during the course: one in Tutorials 2-5 and the other in Tutorials 6-9.

In Tutorial 1, tutors will outline their expectations of your presentations and your bullet point summary solutions (see below). You will also have an opportunity to exchange email addresses, telephone numbers and other contact details with other students in your tutorial for the purpose of planning your presentations.

The success of your tutorial presentations depends on you getting together with the other students in your group before the presentation to plan the content and how the presentation will be run. Hence, it is expected that you will contact each other once the tutorial lists are published on *Blackboard*, using your VUW student email address. If you do not use your VUW email address, you must ensure that you create a diversion within the VUW email system to your preferred email address, e.g. Gmail, Yahoo, Hotmail, etc.

Up to 20% of your final grade for this course is awarded for your preparation for, presentation in, and leading of, the discussions in the 2 tutorials in which your team presents. 10 marks are allocated to *each* presentation, as follows:

- 2 marks for preparation and coordination with the other presenters in your group
- 2 marks for confident oral expression
- 6 marks for strength of argument, facilitating the discussion with the other students and your ability to debate your view convincingly.

At the conclusion of each tutorial in which you present, your tutor will discuss your presentation. Your mark will be uploaded on *Blackboard* in the week following each of your presentations. Your mark cannot be seen on *Blackboard* by other students.

If you are unhappy with your mark, you must first discuss, and attempt to resolve, the matter with your tutor before the following tutorial. If you cannot reach a satisfactory resolution with your tutor, the tutor will forward the matter to the Course Coordinator for consideration.

If you have a compelling reason for not attending the regular tutorial group in which you are enrolled in a particular week, and you are *not* presenting in that week, you may attend another tutorial group (subject to seating capacity in that group). If you do so, you must advise the “alternative” tutor of your details and also inform the Course Administrator of the one-off change in your tutorial attendance. You must not make a habit of switching tutorials.

2. Tutorial participation and bullet-point summaries

For *each* tutorial in which you are *not* giving a presentation, you must prepare in electronic form a bullet-point summary solution to the tutorial questions and send it to the assignment folder on *Blackboard* **before 5:00pm on Friday** of the week before the tutorial. *Blackboard* will accept MS Word and .pdf files.

Late summaries will *not* be accepted. Note that *Blackboard* automatically provides us with the date and time that you submitted your bullet-point summaries and automatically declines submissions after the due time. Your summaries must be written in comprehensible and legible English.

To assist your participation in the tutorials, you should retain a hard copy of your bullet-point summary solution for use at the tutorial.

No suggested solutions to tutorial questions are provided on *Blackboard* or elsewhere, or distributed by tutors. Therefore, you need to attend the tutorials to ensure that you get the full benefit of the discussion and debate on the subject material. Tutors have notes to ensure that the presentations and discussion in the tutorials adequately cover the topic.

Your tutorial participation and bullet-point summary solutions are part of the *Mandatory Course Requirements* (see below).

Assessment Requirements

To pass this course, you must obtain a weighted average mark of 50% or more from the 3 pieces of assessment in the course stated below:

	<i>Percentage of final grade</i>	<i>Date</i>
Tutorial presentations	20%	
Test (2 hours)	40%	6:00pm, Monday, 3 May 2010 (to be confirmed)
Examination (2 hours)	40%	During the mid-year examination period (13-30 June 2010) – actual date and time to be advised by the Student and Academic Services Office

(Note that the above assessment percentages differ from, and supercede, those shown in the *Faculty of Commerce and Administration Bachelors' Degrees Prospectus 2010* and in the *Accounting and Commercial Law Undergraduate Prospectus 2010*.)

Rooms for the test will be advised on *Blackboard* at least one week before the test.

Assessment of your ability in the test and final examination takes a variety of forms to cater for different aptitudes of different students. The assessment methods may include multiple choice questions, short-answer questions, calculation questions, and essay questions.

In addition to obtaining a weighted average mark of 50% or more across tutorial presentations, the test and the final examination, you must also meet the *Mandatory Course Requirements* (see below). *If you obtain a weighted-average mark of 50% or more but fail to meet the Mandatory Course Requirements, you will **FAIL** the course and be given a 'K' grade.*

If your performance is affected by sickness or other personal difficulties (e.g. bereavement of a close relative), you must contact the Course Administrator as soon as possible. You must not delay this until the end of the course or when final results are posted. In case of sickness, it is essential that you see a registered medical practitioner as soon as possible while you are sick and obtain a medical certificate that certifies that in the opinion of the doctor you are sick and the extent of disability suffered by you during the period of sickness.

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

The final examination for this course will be scheduled at some time during the period from **Examination Period: Friday 11^h June – Wednesday 30th June 2010**

Mandatory Course Requirements

In addition to the *Assessment Requirements* above, to pass the course you **must**:

- (i) deliver **2** tutorial presentations;
- (ii) satisfactorily complete and submit **at least 6** of the 8 bullet-point summary solutions; and
- (iii) attend **at least 6** of the 9 tutorials.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

This Course Outline, along with other information and materials relating to the course, is available on *Blackboard*. You are expected to have access to *Blackboard* to participate in this course. All announcements and notices are posted in the *Announcements* section of *Blackboard*. If you have problems accessing *Blackboard*, you should contact Student Computing Services or the Course Administrator.

Additional information is also conveyed to you in the lectures, and important announcements are e-mailed to your VUW student email.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy>

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/

Detailed Tutorial Signup Instructions

To sign up for your TAXN 201 tutorial you need to follow the instructions below.
Read these instructions carefully and take your time to follow the procedure step-by-step.

1. Go to the signup website at: <https://signups.victoria.ac.nz>
2. Enter your SCS username and password to log into the system.
3. The *Signup Home* page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on **TAXN 201**.
4. The TAXN 201 course page opens. It shows the course contact and brief details of the signup instructions. A **KEY** is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorials.
6. If there are spaces left in a particular tutorial, you will see the **ENROL** button next to it. Click this button to enrol yourself in that tutorial.
7. If there are no more spaces left in a particular tutorial, you will see the **JOIN WAITLIST** button, if a waitlist is available. Click this button to join the waitlist for that tutorial. (Note that if you do this, you will be removed from any other waitlist that you may have joined earlier). If somebody withdraws from this tutorial, you will automatically be moved up the waitlist or, if you are already at the top of it, you will be enrolled in the tutorial. An email will be sent to you if you are enrolled in the tutorial from the waitlist.
8. Note that you can only join a waitlist if you have *already enrolled* in one of the other available tutorials. In other words, you must first enrol in one tutorial and then you can choose to join the waitlist for another preferred tutorial.
9. You can choose to **WITHDRAW** from a tutorial you have already enrolled in. You can also choose to **CANCEL WAITLIST** to remove yourself from a particular waitlist.
10. A **FULL** button indicates that all seats and the waitlist are full for that tutorial. You must choose another tutorial.
11. More details on the various buttons are available in the **KEY** section at the bottom of the signup page.
12. You should enrol in only **ONE** tutorial and may join the waitlist for only **ONE** other tutorial.
13. This online signup system is available around the clock over the internet. You can log in and sign up (or change your signup) anytime **before the closing date** of the tutorial signup. ***You will NOT be able to sign up or change your choice after the tutorial signups have closed.*** Any requests after this date are manually handled by the Course Administrator. You must submit a written application stating why you were not able to sign up on time using the online system, along with other relevant documentation, such as medical certificate, etc.
14. You can view/confirm details of the tutorials that you are enrolled in and waitlisted for, such as the day, time and location, by clicking on **My Signups** on the left hand menu.
15. Click on **Support** on the left hand menu if you are having problems.

Finally, **you must always attend the tutorials that you have signed up for**. If you attend a different tutorial, your attendance may not be recorded.