Unit Outline*

ACCT8637

Principles of Taxation

Semester 1, 2011
Crawley

Assistant Professor Mark Holub

Business School
www.business.uwa.edu.au

* This Unit Outline should be read in conjunction with the Business School Unit Outline Supplement available on the Current Students web site http://www.business.uwa.edu.au/students
UNIT DESCRIPTION

Introduction

Welcome to ACCT8637 Principles of Taxation. This unit forms part of the Master of Professional Accounting course providing non-accounting graduates with knowledge and skills in accounting. The unit provides an introduction to the law and practice of income taxation in Australia, including capital gains tax. It focuses on the principles governing the assessability of income and deductibility of expenditure, together with aspects of compliance and the appeals process as they relate to individuals, partnerships, companies and trusts. Relevant case law and real examples will be used to bring the material to life in a relevant way for students. Those who actively participate will gain the most from this unit.

Prerequisites: ACCT8432 Introductory Financial Accounting or equivalents

Unit content

ACCT8637 Principles of Taxation is an introductory unit designed to acquaint you with the fundamental concepts of Australia’s principle revenue raising legislation – the Income Tax Assessment Acts of 1936, 1997 (as amended) [ITAA36 and ITAA97]. The primary focus will be on applying the core provisions to individuals, partnerships and partners, companies and shareholders, and trusts and beneficiaries. The unit covers administrative aspects of taxation including objections and appeals, penalties and prosecutions, and the general anti-avoidance provisions. It also presents an overview of capital gains taxation, fringe benefits tax, and the GST.

The unit is presented using a three-hour weekly seminar. Seminars will cover the key aspects relevant to each topic but are not intended to be exhaustive, and you will be expected to read and study the related materials in the texts specified. You are further expected to prepare answers to theoretical and practical taxation questions in advance of seminars to facilitate active discussion and participation, and to participate in team-based seminar activities.

The goal of the unit

The goal of this unit is to acquaint you with the fundamental concepts and operating principles behind Australian tax law. As well as developing a basic understanding of the conceptual and policy framework within which taxes are levied in Australia, it aims to enable you to understand and be aware of the key legislative and practical requirements of federal income tax, fringe benefits tax, and GST, with a primary focus on the current Australian income tax legislation.

This unit contributes towards your progress in the Master of Professional Accounting, and once satisfactorily completed, counts towards accreditation by CPA Australia and the Institute of Chartered Accountants in Australia.
Learning outcomes

On completion of this unit you should be able to:

- identify and locate the fundamental provisions of the ITAA36, ITAA97 and Fringe Benefits Tax Assessment Act [FBTAA] and commentaries and cases relevant to them;
- undertake problem identification, analysis and solution, and in particular:
  - identify and advise of the assessability/deductibility of receipts/expenditures;
  - solve basic-to-moderately difficult problems involving the computation of taxable income and tax liability; and
  - advise of the tax consequences of various courses of action, such as a change in residency, the creation of a partnership, or the payment of an amount to a beneficiary of a trust;
- think and reason logically and creatively in examining Australian income tax issues, particularly drawing on knowledge gained in relation to the interpretation and application of legislation and case law, and the history of income taxation in Australia;
- adapt knowledge of how to approach and understand legislation and case law to future taxation reforms and also to other areas of the law;
- question accepted wisdom in relation to Australian taxation law and be open to new ideas and possibilities;
- communicate solutions to Australian income tax issues in a clear, concise and logical manner;
- acquire mature judgement and responsibility in ethical and moral issues related to application of taxation law with particular appreciation of anti-avoidance issues and legislation;
- work independently and in a team.

Educational principles and graduate attributes

In this unit, you will be encouraged to develop the ability and desire to:

- critically evaluate and solve taxation problems;
- demonstrate self-management and independent learning skills through the completion of prescribed weekly exercises; and
- work collaboratively with members of a team, demonstrating effective verbal communication skills when discussing the taxation treatment of different issues.

TEACHING AND LEARNING RESPONSIBILITIES

Teaching and learning strategies

In designing this unit a seminar format has been selected, allowing you the ability to participate in an interactive environment where the subject matter taught is able to be immediately translated into practical problem based learning. You will need to prepare in advance of seminars through completion of set readings and seminar questions.

Additionally, you will be required to work in teams to complete an ongoing case study. The case study has a practical focus and aims to provide you with a practical means of reinforcing the concepts being covered in class and developing the skill sets required when examining tax issues in practice.

There is a large quantity of material to cover and students hoping to achieve the most from this unit will need to ensure that they keep up to date with prescribed materials and “get involved” in the learning process.
Teaching and learning evaluation

You may be asked to complete two evaluations during this unit: the Student Perception of Teaching (SPOT) and the Students’ Unit Reflective Feedback (SURF). The SPOT is administered in class and is an evaluation of the lecturer and the unit. The SURF is completed online and is a university-wide survey that deals only with the unit. You will receive an email from the SURF office inviting you to complete the SURF when it is activated. We encourage you to complete the forms as your feedback is extremely important and can be used to make changes to the unit or lecturing style when appropriate.

Attendance

Participation in class, whether it is by discussing seminar questions or getting involved in team activities, is an important part of the learning process. More formally, the University regulations state that ‘to complete a course or unit students shall attend prescribed classes, lectures, seminars and tutorials’. It is therefore important that you attend classes and become actively involved in the learning process. You should take particular note of the requirement to attend at least 75% of the seminars for this unit (see Assessment section below).

As a general rule, where, due to exceptional circumstances, you are unable to attend a scheduled class, you are required to obtain prior approval of the unit coordinator to be absent from that class. Any student absent from class without having had such absence approved by the unit coordinator may be referred to the faculty for advice and may be required to withdraw from the unit.

CONTACT DETAILS

<table>
<thead>
<tr>
<th>Unit coordinator/lecturer</th>
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<tbody>
<tr>
<td>Name: Dr Mark Holub</td>
</tr>
<tr>
<td>Email: <a href="mailto:mark.holub@uwa.edu.au">mark.holub@uwa.edu.au</a></td>
</tr>
<tr>
<td>Phone: 6488 2647</td>
</tr>
<tr>
<td>Consultation hours: By appointment</td>
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<tr>
<td>Lecture times &amp; venues: Monday, 5.00pm-8.00pm (ARTS: LR4) or Tuesday, 9.00am-12.00pm (ENCM: G11)</td>
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TEXTBOOK(S) AND RESOURCES

Unit website
Unit support materials are available in WebCT 6 (http://webct.uwa.edu.au). To login to WebCT, you need to supply a valid Person ID and password. Your Person ID is your student number (8 digits) and your password is your Pheme password.

If you are having trouble using WebCT please consult the WebCT Student Help page located at http://students.webct.uwa.edu.au/.

In addition to course materials being available on the unit website, links have also been provided to a number of relevant websites that may assist with your studies. These include: the Australian Taxation Office [ATO] website and the Australasian Legal Information Institute [AustLII] website, which provide access to case law, legislation and other taxation materials; and a link to CCH IntelliConnect (an online subscription to CCH tax resources made available to students through the UWA Library website).

Student email account
In addition to announcements posted on the unit website, unit email lists may also be used to send information to all students enrolled in the unit. You are advised to regularly monitor your student email account as important information regarding the unit may not be automatically forwarded to private email addresses.

Recommended/required texts

Prescribed texts
The following texts are prescribed for this unit:

  [ISBN: 978-1-921593-97-0] [FTL]

These texts are available in a discount student pack (*Foundations Student Taxpak 1 2011* [ISBN: 978-1-921701-71-9]) from the University Co-op Bookshop.

Recommended texts
You may also find the following texts helpful:


Copies of all texts noted in this section are available in the Reid Business Library’s Reserve Collection.
**Important note about tax texts:** Taxation material ages rapidly due to the pace of change in the law itself. You should be extremely careful when using non-current material. If you plan to use the previous year’s versions of the annual publications prescribed above, you need to be aware of any significant changes that may have occurred in tax law since the date of publication.

**Additional resources and reading material**

You may also find the following texts useful:


**UNIT SCHEDULE**

The *Unit Schedule*, which provides a week-by-week guide to topics, readings and seminar questions, is provided in a separate document.

**ASSESSMENT MECHANISM**

**The purpose of assessment**

There are a number of reasons for having assessable tasks as part of an academic program. The assessable tasks are designed to encourage you to explore and understand the subject more fully. The fact that we grade your work provides you an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process.

The method of assessment for ACCT8637 Principles of Taxation is summarised below. As noted earlier, it is a unit requirement that students attend at least 75% of the seminars. This is considered particularly important as there is a considerable amount of material to cover in this unit and non-attendance at seminars may result in you being inadequately prepared for examinations.

**Assessment mechanism summary**

<table>
<thead>
<tr>
<th>Item</th>
<th>Weight</th>
<th>Due date</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seminar activities</td>
<td>15%</td>
<td>Weekly</td>
<td>Students are expected to attend at least 75% of the seminars held during the semester unless they present adequate documentary evidence to justify their absence.</td>
</tr>
<tr>
<td>Mid-semester exam</td>
<td>30%</td>
<td>18 April 2011</td>
<td>Duration: 1.5 hours</td>
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</table>
| Final exam        | 55%    | TBA         | Duration: 3 hours  
|                   |        |             | Held during UWA exam period.                                                                                                              |

*Note:* Results may be subject to scaling and standardisation under faculty policy and are not necessarily the sum of the component parts.
Assessment components

Seminar activities (15%)
The seminar activities require you to participate in an ongoing case study that encourages you to apply the concepts you are learning in the unit to a set of real life circumstances. The exercise is completed in teams, giving you the opportunity to discuss issues and determine the appropriate taxation treatment. Your team's submission is collected and graded each week and contributes toward a total mark worth 15% of your unit grade. The case study will be introduced at the seminar in Week 3.

All team members are expected to contribute equally to the case study tasks. Students will have the opportunity to assess the contribution of their fellow team members. Team members who do not contribute fully and consistently to their team's effort can expect to receive a lower mark. Details about the peer assessment process will be provided in class.

Mid-semester examination (30%)
A mid-semester exam will be held on Monday 18 April, commencing at 6.00pm in the Weatherburn Lecture Theatre (Maths building). The mid-semester exam will cover the material discussed in seminars up to, and including, Week 6. It will be 90 minutes in duration and is worth 30% of your unit grade. Further details in relation to the exam will be provided closer to the exam date.

You must ensure that you are available to sit the mid-semester exam at the scheduled time. Extra-curricular activities will not provide sufficient grounds for deferrals, except for the few situations provided for in University regulations. Note specifically that requests for deferrals will not be allowed for part-time work commitments. All requests for deferred exams must be made to the Sub-Dean of the Business School.

Final examination (55%)
The final examination will be held in the University's second semester examination period. The final exam will focus on material covered in seminars from Week 7 onwards. While the final exam will not specifically re-examine the topics covered in the mid-semester exam, the earlier material is nevertheless relevant in that it provides the foundation for the material covered in the later part of the unit. The duration of the final exam will be 3 hours plus 10 minutes reading time. The final exam is worth 55% of your unit grade.

Open book exam policy
An open book exam policy applies to all exams in the unit. This means that in addition to a Faculty-approved calculator, you are permitted to take into the examination room typed and hand-written materials including textbooks, lecture slides and handouts, and your own notes. Laptop computers and electronic devices are not permitted.
**Student Guild**

Contact details for the UWA Student Guild are as follows:

Phone: (+61 8) 6488 2295  
Facsimile: (+61 8) 6488 1041  
E-mail: enquiries@guild.uwa.edu.au  
Website: http://www.guild.uwa.edu.au

**Charter of Student Rights and Responsibilities**


**Appeals against academic assessment**

The University provides the opportunity for students to lodge an appeal against assessment results and/or progress status (refer http://www.secretariat.uwa.edu.au/home/policies/appeals).