

VILLANOVA UNIVERSITY
College of Commerce and Finance
Department of Accountancy
ACCT 2460 – Federal Income Tax
Fall 2003

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Office Hours: Tuesday and Thursday, 2:45 – 3:45 pm, and by appointment

Course Objectives

This course provides an introduction to federal income taxation with primary emphasis on the tax implications of business transactions. The objectives of the course are:

- To develop a basic understanding of federal income tax laws
- To provide a framework for integrating tax planning into the decision-making process
- To introduce tax research resources and basic tax research methods
- To provide students with knowledge of the interrelationship and differences between financial accounting and tax accounting

Prerequisite: Junior or senior standing. It is the student's responsibility to be certain that the prerequisites have been successfully completed. If at any time during the semester it is determined that a student has not completed the prerequisites, the student can be administratively dropped from the course without credit or tuition refund.

Text: *Principles of Taxation for Business and Investment Planning* by Sally M. Jones, published by Irwin/McGraw-Hill, 2004 Edition.

Course Requirements

Quizzes: There are 10 quizzes as indicated on the attached course schedule. The quizzes will occur at the beginning of the scheduled class period as we undertake new material, and are intended to ensure that you have read the assigned chapter and have a minimum understanding necessary for class discussion. Each quiz will consist of 5 multiple-choice questions of a conceptual nature (no calculations required). Your two lowest quiz scores will be dropped and the remaining 8 quizzes will be included in the calculation of your final course grade. Make-up quizzes are not permitted. If you miss class on a day that a quiz is scheduled, that quiz will be one of the two quiz grades to be dropped in computing your final grade.

Exams: There will be a two midterm exams and a cumulative final exam, on dates as indicated on the attached course schedule. Emphasis is on understanding and application rather than memorization. **Exams are open book and open notes.**

I do not give make-up exams. If you miss a midterm exam for a reason such as serious illness or family emergency, please discuss the circumstances with me preferably before the exam or as soon as possible afterward. For such an excused absence from a midterm exam, your average score on the remaining two exams will be substituted for the score on the missed exam. If you miss a midterm exam without a legitimate reason, you will receive a zero for the exam, which usually implies failing the course. The final exam must be completed in order to receive a passing grade in the course.

Research Exercises: Two computerized research exercises will provide an opportunity to explore tax research in the electronic age. On September 9th, we will conduct an online demonstration of RIA Checkpoint, a computerized tax research database that you will use to complete the research exercises and writing assignments. You must bring your laptop to class on September 9th. Due dates for the research exercises are indicated on the attached course schedule.

Writing Assignments: Two short writing assignments, based on tax ‘minicases,’ are intended to give you experience in researching the types of tax issues inherent in business transactions. The analysis for these assignments will require electronic research using the RIA Checkpoint online database.

The writing assignments require a short paper, not to exceed 5 pages in length. Further details regarding paper requirements and the assigned minicases will be distributed in class on October 7th. The due dates for the writing assignments are indicated on the attached course schedule.

Tax Return Project: This project will require that you calculate taxable income and tax liability for a realistic taxpayer fact situation and complete all IRS forms required to file the taxpayer’s federal income tax return. You will each work individually to complete a set of forms and submit them for grading. You will then work in groups during class to resolve differences between your individual solutions and complete a group-consensus set of forms.

Late research exercises, writing assignments, and tax return projects will not be accepted. If you cannot be in class when an assignment is due, it is your responsibility to get it to me prior to class. Email submission of research exercises and writing assignments, as word documents, is acceptable. The email submission must be time labeled prior to the start of the class period in which the assignment is due.

Class Participation: You are expected to attend class. This course covers a lot of material. I prefer an informal classroom environment, combining short lectures, student identification and discussion of critical issues, and solving of illustrative problems. In my experience, performance in this course is directly related to preparation and participation in class. I encourage you to ask questions, and to volunteer when you have something of value to contribute to class discussion. I will ask questions and call on you often. In particular, I will solicit your participation in class discussions of the homework problems listed on your course schedule.

Homework: Suggested homework problems are indicated on the attached course schedule. You should attempt these problems as part of your preparation for class. Although I will not grade or

collect homework, we will work many of these problems in class as the basis for class discussion. In my experience, completing and understanding all suggested homework is vital to success on the exams and in this course.

Grading

Grades will be based on relative performance and allocated to required course elements as follows:

Eight Quizzes	12%
Midterm exams*	35%
Final exam	25%
Research exercises	6%
Writing assignments	10%
Tax return project	6%
Class participation	<u>5%</u>
Total	<u>100%</u>

- * The midterm exam on which you receive the highest raw score will count for 20% of your course grade. The midterm exam on which you receive the lowest raw score will count for 15% of your course grade.

Academic Integrity Policy Statement

The Code of Academic Integrity of Villanova University addresses cheating, fabrication of submitted work, plagiarism, handing in work completed for another course without the instructor's approval, and other forms of dishonesty. For the first offense, a student who violates the Code of Villanova University will receive 0 points for the assignment. The violation will be reported by the instructor to the Dean's office and recorded in the student's file. In addition, the student will be expected to complete an education program. For the second offense, the student will be dismissed from the University and the reason noted on the student's official transcript.

Statement on Disability

It is the policy of Villanova to make reasonable academic accommodations for qualified individuals with disabilities. If you are a person with a disability please contact me after class or during office hours and make arrangements to register with the Learning Support Office by contacting 610-519-5636 or nancy.mott@villanova.edu as soon as possible. Registration is needed in order to receive accommodations.

Course Calendar – ACC 2460 Fall 2003

DATE	CHAPTER	TOPICS	SUGGESTED HOMEWORK
8-26	1	Introduction and Review of Syllabus Types of Taxes	
8-28	2	Tax Policy Issues	QPD: 15, 17 AP: 2, 3, 5
9-2	3	Taxes as Transaction Costs	Quiz 1 AP: 3, 5, 12 TPC: 1
9-4		St. Thomas of Villanova Day – No Class	
9-9	Appendix C	RIA Checkpoint Demo	Bring Laptop to Class
9-11	4	Basic Maxims of Income Tax Planning	Quiz 2 AP: 1, 3, 8, 11, 12 TPC: 1
9-16	5	Taxable Income from Business Operations	Quiz 3 AP: 2, 4, 8, 14, 18, 19
9-18	5	Taxable Income from Business Operations continued	Research Exercise 1 Due
9-23		NO CLASS	
9-25	6	Property Acquisitions and Cost Recovery Deductions	Quiz 4 AP: 1, 2, 3, 9, 13, 17
9-30	6	Property Acquisitions and Cost Recovery Deductions continued	
10-2		Exam 1	
10-7	7	Property Dispositions	AP: 4, 8, 11, 19, 21 TPC: 3
10-9	7	Property Dispositions continued	Research Exercise 2 Due
10-14 & 10-16		No Class – Fall Break	
10-21	8	Nontaxable Exchanges	Quiz 5 AP: 1, 11, 15, 16, 18, 19
10-23	8	Nontaxable Exchanges continued	
10-28	9	Sole Proprietorships, Partnerships, and S Corporations	Quiz 6 AP: 5, 9, 11, 12, 18, 19
10-30	10	The Corporate Taxpayer	Writing Assignment 1 Due Quiz 7 AP: 1, 2, 4, 7, 14, 16
11-4	10	The Corporate Taxpayer continued	
11-6		Exam #2	
11-11	11	The Choice of Business Entity	AP: 4, 6, 9, 11 TPC: 2
11-13	13	The Individual Tax Formula	Quiz 8 AP: 1, 3, 5, 7, 20

DATE	CHAPTER	TOPICS	SUGGESTED HOMEWORK
11-18	13	The Individual Tax Formula continued	
11-20	15	Investment and Personal Financial Planning	Quiz 9 AP: 3, 5, 12, 15, 20, 21, 24, 25
11-25	15	Investment and Personal Financial Planning continued	Writing Assignment 2 Due
11-27		No Class – Thanksgiving Holiday	
12-2	16	Tax Consequences of Personal Activities	Quiz 10 AP: 5, 7, 10, 11, 12, 16
12-4		In-Class Group Discussion of Tax Return Project	Tax Return Project Due
12-9		No Class – Friday Class Day	
12-11		Course Wrap-up and Review for Final Exam	
12-17		FINAL EXAM, 4:15 – 6:15 pm	

QPD = Questions and Problems for Discussion AP = Application Problems
 TPC = Tax Planning Cases