

## SPRING 2013 INTRODUCTION TO TAXATION ACC 364

UNIQUE 2639 (GSB 3.106)

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### Goals

Introduction to the role of taxes in contemporary society and their impact on individuals and business entities; emphasis on federal income taxation. This course is specifically designed to develop the following:

- an understanding of basic tax concepts and their application to typical financial transactions,
- the ability to interpret financial accounting reports to understand the economics of tax accruals, and
- an appreciation of how taxation and accounting interact to influence business decisions.

### Prerequisites

Accounting 311 or 311H, and 312 or 312H, with a grade of at least C in each. Restricted to students in a business major.

### Text

Spilker et al., *Taxation of Individuals and Business Entities* (McGraw-Hill, 4<sup>th</sup> edition, 2014).

The text should be used as a reference to be read for additional background and detail. We cover topics very quickly in this class and the text contains some unimportant details (and some unimportant topics). Hence, the primary focus should be on the class notes. However, the text also contains additional problems and questions that provide important opportunities to develop and reinforce concepts and problem solving skills.

### Class Notes

Class notes and practice problems are available on the Blackboard class web site. Class notes are meant to provide focus, alternative perspectives, and additional details. The notes are organized by class session and the relevant part should be brought to class each day. Solutions for practice problems and old exam questions are available on Blackboard. Solutions for assigned problems will be posted on Blackboard by 4 pm on the due date.

### Additional References

The PCL (UT library) web site subscribes to two of the most popular on-line tax services: RIA Checkpoint and CCH Tax Research Network. Both of these services are heavily used by professional accountants and provide direct access to updated tax authorities as

well as editorial explanations of tax laws. An access guide to these services is provided on the first class day.

## Schedule

I distribute a class schedule on the first day of class, and I make every effort to adhere to it. However, I reserve the right to modify it as our interests and time permits. The exam dates, however, will not be changed.

## Course Requirements

Grades are a necessary means of motivating preparation and providing feedback. In this class, course grades are assigned based upon cumulative points from examinations, assigned problems, and quizzes. The following is the maximum number of points possible for each component:

Examinations:	
Midterm exams (100 points each)	200
Final exam	200
Assigned problems/quizzes	50
Optional research assignment	<u>50</u>
Total points possible	<u>500</u>

Letter grades are assigned according to relative performance in the class using plus/minus grading (i.e., A, A-, B+, B, B-, C+, etc.). I expect an overall class GPA between 3.0 and 3.4.

## Exams

There are two midterm exams and a final exam. All exams are closed book, but each exam includes a “cheat sheet” containing tax rate schedules, various fixed amounts (e.g., standard deductions), and typical statutory limits (e.g., §179 limitations). Midterm exams consist of a variety of objective questions, essay questions, and multiple-part problems whereas the final exam consists of objective questions. Although the final is not comprehensive *per se*, the course material is cumulative in nature. Hence, an inability to understand material early in the course will likely hamper comprehension and performance throughout the term.

If an exam is missed due to an emergency (an employment interview is not an acceptable emergency), please notify me as soon as possible. Failure to do so promptly may result in a score of zero for the missed examination. No make-up exams are given for excused absences from midterm exams, and instead, the weight of the missed exam is shifted to the final exam. For example, if a midterm exam is missed due to an excused absence, then the weight of the final exam is increased proportionately to 300 points.

## Assigned Problems/Quizzes

I reserve the right to assign problems for solution as homework and give in-class quizzes. Because last-minute preparation does not work well for this class (or any accounting class for that matter), this portion of the course grade is designed to motivate daily preparation, provide regular feedback, and monitor achievement. Students who prepare diligently and regularly participate in class tend to outperform students who often skip class or come unprepared. Note that daily attendance and class participation are not part of the course grade. Daily attendance is strictly optional.

## **Optional Research Assignment**

Besides teaching, accounting faculty regularly conduct research to explore and test economic theories and discover empirical regularities. If time and interest permit, I offer students optional points for participating in collecting and evaluating financial statement information in a formal research project.

## **Web Site**

A web-based, password-protected class site on Blackboard is used to distribute notices and class resources, and class e-mail rosters are a component of the site. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. The Blackboard site should be accessed regularly to stay informed about class announcements, assignments, and solutions.

## **Academic Integrity**

I adhere to the Policy Statement on Scholastic Dishonesty for the McCombs School of Business. For more information see: <http://new.mcombs.utexas.edu/BBA/Student-Codes-of-Ethics.aspx>. Your grade should reflect *your* mastery of the course material. I enforce the following rules:

1. Exams are scored solely on individual effort and comprise the bulk of the grade. Students must complete exams independently during the designated exam time. The only outside aid permitted during an exam is a calculator (scratch paper, present value tables, and depreciation schedules are provided with the exam) - accessing other materials of any kind is prohibited during the exam. Students are prohibited from using words or formulas stored in programmable calculators and from discussing the exam with other students (via any medium) until after the exam time is completed.
2. Except for exams, collaboration and group problem solving is permitted and encouraged. Students are also encouraged to post questions, solutions, or current events links to the class web site. Excluding examinations, students may also obtain assistance from others, including former students and professionals.

## **Disabilities**

*Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.*

## **Conduct**

My specific expectations of you are:

**1. I expect you to arrive at class on time.** It is very disruptive to me and other students when you enter the classroom after class has begun. A search for a vacant seat interrupts the flow of the discussion and it wastes my time and the time of other students.

Punctuality is an extremely valuable professional habit that will benefit you throughout your career.

**2. I expect that all electronic devices will be turned off once class begins.** Laptops, Ipads, cell phones, pagers, Blackberries, Ipods, and other communication devices are to be turned completely off (including “vibrate mode”) during class time. Getting up in the middle of class to “take a call” or directing your attention to outside materials (including text messages) is unnecessary, disruptive, and disrespectful. This is a very common professional expectation.

**3. I expect you to avoid unnecessary personal breaks during class.** Of course, from time to time you might find it unavoidable to leave class. However, students leaving and returning during class is very disruptive, so please keep these disturbances to an absolute minimum.

**4. I expect that you will not have unnecessary conversations during class.** Multiple conversations are distracting and are very disrespectful of the speaker.

**5. I expect that you will notify me or the TA if problems arise.** Learning problems often arise unexpectedly and even a consummate professional can not anticipate every possibility in a complex and dynamic environment. Timing of assignments and the speed of content coverage can become especially acute problems in a fast-paced survey class. Hence, I encourage you to contact me or the teaching assistant when you have difficulty comprehending the material or keeping up with assignments.

## **Concluding Remarks**

My teaching philosophy emphasizes the importance of teamwork - all of us are responsible for maintaining the proper ambiance for learning. Accordingly, I like class sessions to be interactive and informal, and you are encouraged to express opinions in class discussions, volunteer answers to problems worked in class, and ask questions during class.