



Business School

School of Taxation & Business Law

Never Stand Still

Business School

Taxation and Business Law

TABL2013 TAXATION OF COMPANIES, TRUSTS AND PARTNERSHIPS

Course Outline Semester 2, 2015

Semester 2, 2015

Edition Semester 2, 2015

© Copyright The University of New South Wales, 2015

No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without the prior written permission of the Head of School.

Copyright for acknowledged materials reproduced herein is retained by the copyright holder.

All readings in this publication are copied under licence in accordance with Part VB of the Copyright Act 1968.

A U T H O R S

Helen Hodgson

BBus (WAIT), PostGradDip Business (Curtin)
MTax (UNSW), FCPA; FTIA

Yuri Grbich

LLM(VUW), PhD(LSE)

Michael Blissenden

BA LLB (UNSW), LLM (Sydney), GradDipTaxLaw
(Riverina College of Advanced Education) FTIA

R E V I S I O N S F O R 2 0 1 5 B Y :

Fiona Martin

(Materials updated as at June 2015)

Educational Design & Desktop Publishing by:



Blueprint **E**ducational **S**ervices P/L

<http://www.b-print.com.au>

P.O. Box 54

Stanhope Gardens NSW, 2768

Contents

COURSE OUTLINE

About the lecturer.....	4
Letter of introduction	5
Introduction to the course.....	6
Student learning outcomes and goals.....	8
How to use this package.....	11
Key to instructional icons.....	12
Profile of this course	13
Course description	13
Textbooks and references	14
Supporting your learning.....	16
Conferencing.....	16
School of Taxation & Business Law Website	17
Atax Student Guide.....	17
Library and resources.....	17
Online learning in this course	18
Other support	19
Academic Integrity at UNSW	20
Assessment: Undergraduate Students (TABL2013)	22
Assignments.....	22
Suggested study schedule.....	29
Appendix A—Assignment preparation and submission	
Sample Examination Paper	

STUDY GUIDE

Module 1	Tax on companies
Module 2	Tax on shareholder
Module 3	Trust
Module 4	Partnership
Module 5	The big picture—comparing structures

About the lecturer



Fiona Martin

LLB (Hons) (UTS) LLM (Hons) (UniSyd) PhD (UNSW) CTA

Dr Fiona Martin, CTA is an Associate Professor in the School of Taxation and Business Law, at the Business School, UNSW Australia. Her PhD thesis was an evaluation of the application of income tax principles to mining payments under the Native Title Act. This work was published as a book by Wolters Kluwer in 2014.

Before commencing as an academic Dr Martin was a solicitor in both private practice and for the Australian Government Solicitor's Office. Her main areas of professional practice were revenue law and taxation litigation. She has published over 50 journal articles in scholarly and professional tax journals in the areas of charity law, income tax and property development and the GST particularly as it relates to charities. Examples of her articles include 'The Legal Concept of Charity in the Context of Australian Taxation Law: The Public Benefit and Commercial Activity, Important Issues for Indigenous Charities' (2010) *Australian Tax Forum* and 'Prescribed Bodies Corporate under the Native Title Act 1993 (Cth): Can they be Exempt from Income Tax as Charitable Trusts?' (2007) *University of New South Wales Law Journal*. Dr Martin has also published a number of book chapters in the charity and revenue law area and co-authored *Taxation Law Manual: A Tax Workbook*.

Dr Martin has received numerous research awards including the 2009 International Fiscal Association Award for comparative tax research in a doctorate. She was also awarded the Vice Chancellor's Award for *Teaching Leadership* from the Queensland University of Technology. Her principal research interest is the taxation treatment of charities. She is regularly asked to present at Australian and international conference relating to taxation law, indigenous economic development and charity law.

Letter of introduction

Welcome to *Taxation of Companies, Trusts and Partnerships*.

This is an exciting course to teach, and because of its combination of the various business entities is hopefully an exciting course to study.

This course aims to provide a base of knowledge concerning the taxation implications of the use of companies, trusts and partnerships. It complements your study in TABL2009/5909 *The Law of Companies, Trusts and Partnerships* and builds upon the legal framework of these entities covered in that course.

We will not only be looking at the technical aspects of these entities, but in the final module of the course we will look at how the differences affect decisions relating to the choice of the appropriate entity to operate a particular business. I look forward to working with you!

Fiona Martin

Introduction to the course

TABL2013/5913 builds on TABL2009/5909 *The Law of Companies, Trusts and Partnerships*.

This course is an introduction to taxation of the company, partnership and trust. The course provides a brief introduction to the key concepts and legal framework of each of these business and investment vehicles, with emphasis on the concept of legal personality. It pulls together the basic structural elements of the key business vehicles and provides a comparative overview of their key features and taxation. It covers practical problems arising from the taxation of the company and trust. This includes tax on the company itself, including restrictions on the carry-forward of losses and taxation of profits distributed to members. The course looks at the income taxation of the partnership or, more accurately, the partners. This includes the basis for allocating income and losses between partners. It deals with the basic capital gains tax framework on each of the vehicles. It gives a brief overview of the main heads of entity tax avoidance.

Relationship to other courses in program

Students are advised to have completed TABL1001/5901 *Principles of Australian Taxation Law* prior to undertaking this course.

Students enrolled in the Bachelor of Taxation are required to have completed or be currently enrolled in TABL2009/5909 *The Law of Companies Trusts and Partnerships*. Other students who have enrolled in this course without completion of TABL2009/5909 may find it necessary to refer to the materials used in that course to assist in their studies. These materials will be made available on Moodle. Due to copyright restrictions we are unable to reproduce the textbooks used in that course, but they are listed as recommended references.

This course is part of the foundation of tax training for professionals.

Course objectives

This course will help you develop the following skills and knowledge:

- an understanding of the legal status of companies, trust and partnerships with specific understanding of the concept of legal personality
- an understanding of the essential principles of taxation law applying to companies, trusts and partnerships and the ability to apply the legislative provisions that relate to each of these structures
- an ability to compare and contrast the tax and legal implications of investing via one or other of companies, trusts and partnerships, from the perspective of the investor/shareholder and in the case of companies and trusts that of the investment vehicle itself and provide clear, reasoned advice on the tax consequences
- an ability to recognise and solve legal and tax problems and to communicate your findings effectively.

Student responsibilities and conduct

Students are expected to be familiar with and to adhere to university policies in relation to attendance, and general conduct and behaviour, including maintaining a safe, respectful environment; and to understand their obligations in relation to workload, assessment and keeping informed.

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. More information on student conduct is available at:

<https://my.unsw.edu.au/student/atoz/BehaviourOfStudents.html>

Guide to online behaviour: <https://student.unsw.edu.au/online-study>

You should take note of all announcements made in lectures, tutorials, the Atax Bulletin, or on the course Website (Moodle). From time to time, the School or the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information. It is also your responsibility to keep the University informed of all changes to your contact details.

Information and policies on these topics can be found in the 'A-Z Student Guide: <https://my.unsw.edu.au/student/atoz/A.html> and specific information for students studying taxation programmes can be found in the Atax Student Guide. See, especially, information on Attendance and Absence, Academic Misconduct, Assessment Information, Examinations, Student Responsibilities, Workload and policies such as Occupational Health and Safety.

Student learning outcomes and goals

Learning outcomes are what you should be able to **do** by the end of this course if you participate fully in learning activities and successfully complete the assessment items. The learning outcomes in this course will help you to achieve some of the overall *learning goals* for your program. These program learning goals are what we want you to **be** or **have** by the time you successfully complete your degree. The following is a list of the Business School program learning goals for both undergraduate and postgraduate students.

Undergraduate Program Learning Goals

1. **Knowledge:** *Our graduates will have in-depth disciplinary knowledge applicable in local and global contexts.*
You should be able to select and apply disciplinary knowledge to business situations in a local and global environment.
2. **Critical thinking and problem solving:** *Our graduates will be critical thinkers and effective problem solvers.*
You should be able to identify and research issues in business situations, analyse the issues, and propose appropriate and well-justified solutions.
3. **Communication:** *Our graduates will be effective professional communicators.*
You should be able to:
 - a) Prepare written documents that are clear and concise, using appropriate style and presentation for the intended audience, purpose and context, and
 - b) Prepare and deliver oral presentations that are clear, focused, well-structured, and delivered in a professional manner.
4. **Teamwork:** *Our graduates will be effective team participants.*
You should be able to participate collaboratively and responsibly in teams, and reflect on your own teamwork, and on the team's processes and ability to achieve outcomes.
5. **Ethical, social and environmental responsibility:** *Our graduates will have a sound awareness of the ethical, social, cultural and environmental implications of business practice.*
You should be able to:
 - a) Identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice, and
 - b) Identify social and cultural implications of business situations.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals, and indicates where these are developed and assessed:

Program Learning Goals		Course Learning Outcomes	Course Assessment Item
<i>This course helps you to achieve the following learning goals:</i>		<i>On successful completion of the course, you should be able to:</i>	<i>This learning outcome will be assessed in the following items:</i>
1	Knowledge	Demonstrate an understanding of the legal status of companies, trusts and partnerships in the context of the taxation treatment of various business entities.	Module Activities Assignments Examination
2	Critical thinking and problem solving	Compare and contrast the tax and legal implications of investing via one or other of companies, trusts and partnerships, from the perspective of the investor/shareholder and, in the case of companies and trusts, that of the investment vehicle itself.	Module Activities Assignments Examination
3a	Written communication	Recognise and resolve legal and tax problems. Develop clear, effective and well-reasoned analysis of the tax consequences of practical scenarios using the conventions of formal written legal advice.	Assignments Examination
3b	Oral communication	Produce a video presentation outlining an analysis of tax consequences of a practical scenario that is clear, persuasive and engaging.	Assignment
4	Teamwork	Not specifically addressed in this course.	
5a.	Ethical, environmental and sustainability responsibility	Not specifically addressed in this course.	
5b.	Social and cultural awareness	Not specifically addressed in this course.	

Course evaluation and quality enhancement

The School of Taxation & Business Law's quality enhancement process involves regular review of its courses and study materials by content and educational specialists, combined with feedback from students. Towards the end of the semester, you will be asked to complete an online survey via myUNSW to evaluate the effectiveness of your course lecturer and the actual course content. These surveys are administered as part of the UNSW Course and Teaching Evaluation and Improvement process ('CATEI'). Your input into this quality enhancement process through the completion of these surveys is extremely valuable in assisting us in meeting the needs of our students and in providing an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhance the quality of course content and delivery.

This course was restructured in 2008 to comply with the 12 week semester introduced in that year. At that time the assessment was restructured having regard to feedback received. Results from subsequent surveys have been very positive and this course has received a high satisfaction rating. The delivery mode was reviewed in 2013, with the number of audioconferences being increased and the regional class being removed. In 2015, learning and teaching will occur through webinars delivered by the lecturer.

How to use this package

If you are new to flexible learning you should carefully read this Course Outline. It contains most of the relevant information about how this course will be run and the expectations of you as a student. You should also refer to the Suggested Study Schedule at the end of this Course Outline as a guide to completing your coursework. So as to get the most out of your study we recommend that you follow this study schedule through the course and fit various time demands into a well-organised diary. Systematic study through the Semester is the key to success in a flexible learning program.

The Study Materials (which includes this Course Outline and the individual Modules and is sometimes referred to as the study materials or course materials) can help you in three ways.

1. It sets out a clear path of study over the Semester and helps you plan your workload. It also identifies learning outcomes and key concepts at the start of each module and provides a series of activities to help you learn actively and manage your own progress through the course.
2. It contains the core content for the course (often with reference to legislation, textbooks and other relevant material). The structure and layout of the Study Materials is designed to highlight key points and assist your revision for assignments, research papers and examinations.
3. It tells you when to refer to textbooks, legislation and other readings, giving precise details of what you should read.

Features of the Study Materials

Each module includes a range of features to assist you in managing your learning and developing study skills. These features include:

- Overview page
- Heading levels
- Learning outcomes and key concepts
- Module text
- Activities and feedback
- Readings
- Margin notes
- Instructional icons

Please familiarise yourself with the Key to Instructional Icons on the following page. These icons are intended to help you navigate the study materials and to encourage active learning.

Key to instructional icons



compulsory reading



**write responses outside
the Study Materials**

optional reading



**write response in the
Study Materials**



note this important point



pause to reflect

recall earlier work



**prepare for discussion in an
Audio Conference or Webinar**



discuss

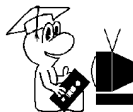


oral presentation

**access Moodle or
the internet**



**undertake investigation
or research**



use video resource



use audio resource

use software



perform fieldwork



Only some of the media shown in the instructional icons are used in this course.

Profile of this course

Course description

Course number/s TABL2013/5913

Course name The Taxation of Companies, Trusts and Partnerships

Units of credit 6

This course is taught in parallel to both undergraduate (TABL2013) and postgraduate (TABL5913) students. The study materials are universal for all students, however, the assessment tasks differ.

Suggested study commitment You should plan to spend an average of 10–12 hours per week on this course to perform well (including class attendance, online participation, assignments, examination preparation etc). The information included on the overview page of each module should help you plan your study time.

Semester and year Semester 2, 2015

Lecturer **Fiona Martin**

Contact details

Telephone: +61 (2) 9385 9558

Email: f.martin@unsw.edu.au

Textbooks and references

Prescribed textbook/s

You must purchase or have access to the following publication/s.

Woellner RH, Barkoczy S, Murphy S, Evans C and Pinto D, *2015 Australian Taxation Law* (Sydney: Oxford University Press, 25th edition 2015).

These are referred to throughout the Study Guide as 'Textbook'.

The paragraph references have been updated for the most recent version of the textbook, but paragraph references for the earlier editions are also provided where they are different from the current edition.

Act/s

You must purchase or have access to the following publication/s.

Income Tax Assessment Act 1936

Income Tax Assessment Act 1997

or

2015 Australian Tax Legislation—Student Edition (Sydney: Australian Tax Practice, 2015).

or

Fundamental Tax Legislation 2015 (Sydney: Australian Tax Practice, 2015).

or

2015 Australian Income Tax Legislation (Sydney: CCH, 2015).

or

2015 Core Tax Legislation and Study Guide (Sydney: Oxford University Press, 18th edition 2015).

Citation and style guide

In presenting written work for assessment in this course you must use an appropriate and consistent style for referencing and citation. The following is a selection of acceptable citation and style guides, which you may use as the basis for your written work. You must purchase or have access to one of the following publications.

Australian guide to legal citation (Melbourne University Law Review Association & Melbourne Journal of International Law, 3rd ed, 2010). Available from <http://mulr.law.unimelb.edu.au/go/aglc>.

(This is free to download and is the citation style guide used by the majority of Australian legal journals. **The assessment for this course includes an assignment. Students are expected to adhere to the citation style guideline when preparing their assignment.**)

Stuhmcke A, *Legal referencing* (Sydney: LexisNexis, 4th ed, 2011).

Recommended reference/s

Below is a list of further references that you may find useful in this course. Purchase of recommended references is not compulsory.

Woodley M (ed), *Osborn's Concise Law Dictionary* (London: Sweet & Maxwell, 11th ed, 2009).

This is the classic, concise dictionary of legal terms which is very useful for students of law based subjects.

Evans M, *Equity & Trusts* (Sydney: Butterworths LexisNexis, 3rd ed, 2011).

Lipton P & Herzberg A, *Understanding company law* (Sydney: Law Book Co, 17th edition 2013).

TABL2009/5909 The Law of Companies, Trusts and Partnerships Study Guide, 2015.

Supporting your learning

Conferencing

Conferences will be conducted via the webinar function (conducted over the Internet). Instructions on preparing for and participating in webinars are available on the Taxation & Business Law website and in your course Moodle website.

These Conferences provide an opportunity for you to clarify and extend your understanding of the material in this course. They are designed to try out new ideas and give you a forum to ask questions and discuss issues with your lecturer and other students. Do not be afraid to participate—it is only by trying out new ideas and exploring their dimensions that you will learn in any real depth.

Thorough preparation is essential if you are to gain maximum benefit from a Conference. You can only start to come to grips with material if you work on it actively. As a general rule each Conference will cover the module/s between the previous Conference and the week it falls within on the Suggested Study Schedule. However, more specific information on material to be covered in each Conference may be provided via Moodle throughout the Semester (see ‘Online learning in this course’ below). Exact dates and times for Conferences will be advised via a timetable that you will find on Moodle and on the TBL Website (under *Timetables*).

There are six webinars for this course during the Semester. The Suggested Study Schedule in this Outline indicates in which weeks Webinars will be held. Each Webinar is of approximately one and a half hours duration.

Remember Webinars are *not* lectures—your active participation is an important part of the learning experience and preparation for examinations!

School of Taxation & Business Law Website

The School of Taxation & Business Law's website is at:

<https://www.business.unsw.edu.au/about/schools/taxation-business-law>

In addition to general information for all of the School's students and visitors, there is a portal under Student Resources which contains information specific to those students undertaking flexible learning courses—for example, information about exams, timetables and the Weekly Bulletin:

<https://www.business.unsw.edu.au/about/schools/taxation-business-law/student-support>

Atax Student Guide

The Atax Student Guide is a vital source of information for students studying flexible learning courses. It provides administrative and other information specific to studying these courses and you should make a point of being familiar with its contents. You can access the 2015 Atax Student Guide from your Moodle course website(s).

Library and resources

There are several resources that you can access from the School of Taxation & Business Law website to help you with your academic and research goals. Online tax and legal resources can be found at: <https://www.business.unsw.edu.au/about/schools/taxation-business-law/student-support/useful-links>.

From this site you can access:

- The UNSW Library's catalogue, online databases and e-journals
- The UNSW Learning Centre for online academic skills resources (eg, essay and assignment writing, plagiarism), and
- Gateway' links to legislation, case law, tax and accounting organisations and international tax agencies.

UNSW Library

UNSW Library provides information resources, services and research support that can assist UNSW students complete their course requirements. Online library resources such as online databases, e-books and e-journals are available 24 hours a day via the [Library Homepage](http://www.library.unsw.edu.au/) (<http://www.library.unsw.edu.au/>).

Information about [your borrowing rights](#) for hardcopy resources is available from the Library Homepage. All students can use the [InterLibrary Loan](#) service to access resources not held within UNSW Library.

Library Subject Guides

The UNSW Library has developed Subject Guides which identify major electronic resources in specific subject areas and are the ideal starting point for research.

Subject Guides

There are a range of [Subject Guides](#) in Business and Law topics, and a guide specific to electronic Taxation resources in the [Taxation Subject Guide](#) at <http://subjectguides.library.unsw.edu.au/law/taxation>.

Getting Library help

The Help Zones are where you can find library staff to help you. They are located just inside the entrance to each library.

See [opening hours](#) for staffed hours of library Help Zones.

See [Contact Us](#) for telephone numbers of the Help Zones.

Help Zone staff can assist you with:

- locating journal articles, cases and legislation
- searching on-line databases and e-journals
- loans of books

You can also use the 'Ask Us' icon on the Library Homepage to ask the Library a question online.

For library related queries you can also contact the [Faculty Outreach Librarian](#) to the UNSW Business School.

Online learning in this course

UNSW Australia uses an online learning platform called 'Moodle'. You should try to familiarise yourself with Moodle early in the semester. The Moodle course websites are where lecturers post messages and deliver documents to their class, submit assignments and participate in discussions, etc. This platform is an important link between you, your lecturer and your peers, and you should make a habit of regularly accessing your Moodle course website as part of your study regime.

All of the School's flexible learning courses will have a Moodle course website, which is accessible only by students enrolled in that particular course. The contents of each site will vary, but at a minimum will

provide you with information about the course, course content, assignment submission, email, relevant links to online resources and the opportunity to network with fellow students. In addition, Webinars will be recorded and made available via Moodle.

Log into Moodle from: <https://moodle.telt.unsw.edu.au/>.

Moodle support

A complete library of how-to guides and video demonstrations on the Moodle learning management system is available via the UNSW Teaching Gateway at <http://teaching.unsw.edu.au/elearning>.

Moodle technical support

If you encounter a technical problem while using Moodle, please contact the UNSW IT Service Desk via the following channels:

Website: <https://www.it.unsw.edu.au/students/>

Email: ITServiceCentre@unsw.edu.au

Telephone: +61 (2) 9385 1333

Phone and email support is available Monday to Friday 8am – 8pm, Saturday and Sunday 11am – 2pm. Online service requests can be made via their website.

Other support

Additional support for students is available from the UNSW Learning Centre, which provides a range of services to UNSW students. The Learning Centre website also features very helpful online resources which may assist you to refine and improve your study skills. You can access these resources and find out more about the services available at www.lc.unsw.edu.au.

As well as the Learning Centre, the faculty's Education Development Unit (EDU) provides academic writing, study skills and maths support specifically for Business School students. Services include workshops, online and printed resources, and individual consultations. For further information, see:

<https://www.business.unsw.edu.au/students/resources/learning-support>

The EDU contact details are as follows:

Phone: +61 (2) 9385 5584

Email: edu@unsw.edu.au

The 'Academic Support' section of the Atax Student Guide details further services available to assist in achieving success in a flexible learning environment.

Those students who have a disability that requires some adjustment in their teaching or learning environment are encouraged to discuss their study needs with the course convenor prior to, or at the commencement of, their course, or with the Equity Officer (Disability) in the UNSW Equity and Diversity Unit (telephone: +61 (2) 9385 4734; email: seadu@unsw.edu.au). Issues to be discussed may include access to materials, signers or note-takers, the provision of services and additional exam and assessment arrangements. Early notification is essential to enable any necessary adjustments to be made. For further information, you may also wish to look at the Student Equity and Disabilities Unit homepage at <http://www.studentequity.unsw.edu.au/>

Academic Integrity at UNSW

UNSW has an ongoing commitment to fostering a culture of learning informed by academic integrity. All UNSW staff and students have a responsibility to adhere to this principle of academic integrity. Plagiarism undermines academic integrity and is not tolerated at UNSW. Plagiarism at UNSW is defined as using the words or ideas of others and passing them off as your own.

The UNSW Student Code

(<https://www.gs.unsw.edu.au/policy/documents/studentcodepolicy.pdf>) provides a framework for the standard of conduct expected of UNSW students with respect to their academic integrity and behaviour. It outlines the primary obligations of students, and directs staff and students to the Code and related procedures.

In addition, it is important that students understand that it is not permissible to buy essay/writing services from third parties as the use of such services constitutes plagiarism because it involves using the words or ideas of others and passing them off as your own. Nor is it permissible to sell copies of lecture or tutorial notes as students do not own the rights to this intellectual property

Where a student breaches the Student Code with respect to academic integrity the University may take disciplinary action under the Student Misconduct Procedure

(<https://www.gs.unsw.edu.au/policy/documents/studentmisconductprocedures.pdf>)

Examples of plagiarism including self-plagiarism

Copying: Using the same or very similar words to the original text or idea without acknowledging the source or using quotation marks. This includes copying materials, ideas or concepts from a book, article,

report or other written document, presentation, composition, artwork, design, drawing, circuitry, computer program or software, website, internet, other electronic resource, or another person's assignment, without appropriate acknowledgement.

Inappropriate paraphrasing: Changing a few words and phrases while mostly retaining the original structure and/or progression of ideas of the original, and information without acknowledgement. This also applies in presentations where someone paraphrases another's ideas or words without credit and to piecing together quotes and paraphrases into a new whole, without appropriate referencing.

Collusion: Presenting work as independent work when it has been produced in whole or part in collusion with other people. Collusion includes students providing their work to another student before the due date, or for the purpose of them plagiarising at any time, paying another person to perform an academic task and passing it off as your own, stealing or acquiring another person's academic work and copying it, offering to complete another person's work or seeking payment for completing academic work. This should not be confused with academic collaboration.

Inappropriate citation: Citing sources which have not been read, without acknowledging the 'secondary' source from which knowledge of them has been obtained.

Self-plagiarism: 'Self-plagiarism' occurs where an author republishes their own previously written work and presents it as new findings without referencing the earlier work, either in its entirety or partially. Self-plagiarism is also referred to as 'recycling', 'duplication', or 'multiple submissions of research findings' without disclosure. In the student context, self-plagiarism includes re-using parts of, or all of, a body of work that has already been submitted for assessment without proper citation.

Assessment: Undergraduate Students (TABL2013)

All assignments must be submitted **electronically** through Moodle. Please refer to Appendix A for guidelines on assignment preparation and rules for electronic submission of assignments (as well as information on deadlines and penalties for late submission).

Assessment for students undertaking this course will be on the basis of:

- | | | |
|-----|--|-----|
| (a) | Assignment 1: Written Case Analysis + Video Presentation | 25% |
| (b) | Assignment 2: Written Case analysis | 20% |
| (c) | Final examination | 55% |

In order to pass this course, a student enrolled at Bachelor, Graduate Certificate, Graduate Diploma or Masters in Taxation Studies level must obtain:

- 50 per cent or more of the total marks available in the course **and**
- at least 40 per cent of the marks available for the final examination in the course.

Assignments

Assignment submission dates

Assignment 1

Due date: Monday, 14 September 2015

There are two components to this assignment:

1.1 Written case analysis

Weighting: 20%
 Word limit: 2000 words (plus or minus 10%)

1.2 Video presentation

A 3 minute video presenting your analysis of the case
 Weighting: 5%

Assignment 2

Due date: Monday, 12 October 2015 (AEDT*)
 Weighting: 20%
 Word limit: 2000 words (plus or minus 10%)

*Australian Daylight Saving time

Assignment topics are included on the following pages.

You may be asked to submit your assignment through Turnitin, which will allow you to check your work for inadvertent plagiarism and resubmit as many times as you need up until the due date. You will do

this via Moodle. Note that the version lodged at the due date will be taken as your final submission in the course.

For information on Turnitin functions and how to interpret originality reports please refer to the following online resource:

<http://www.turnitin.com/static/training/student.php>

Final examination

The final examination will be **open book**, of 2 hours duration plus 10 minutes reading time, and will cover the whole Semester's content. Note that you will not be permitted to write during the reading time.

Examinations are held from **Friday 6 November to Saturday 21 November 2015** for Semester 2, 2015. Students are expected to be available for exams for the whole of the exam period.

The final examination timetable is published prior to the examination period via the **Atax Weekly Bulletin** and on the School's website at:

<https://www.business.unsw.edu.au/about/schools/taxation-business-law/student-support/examinations>

This is not a negotiable schedule. The School of Taxation & Business Law publishes the exam schedule as a matter of courtesy, and to ensure that any clashes of examinations are brought to our attention.

► **ASSIGNMENT 1: TABL2013**

Undergraduate Students only

Due date: To be submitted via Moodle by
Monday, 14 September 2015

There are two components to this assignment:

- 1.1 Written case analysis
Word limit: 2000 words (plus or minus 10%)
Weighting: 20%
- 1.2 Video presentation
A 3 minute video presenting your analysis of the case
Weighting: 5%

1.1 Written Case Analysis

Tower of Babel Pty Ltd (TOB) is a company incorporated in Australia. TOB manufactures air conditioning units which it sells by wholesale to various retailers. TOB is not listed on the stock exchange and has 25 shareholders, all with equal rights in the company. Most of the shareholders are individuals.

During the year ended 30 June 2015 the following events occurred:

- TOB made a net profit for the year ended 30 June 2015 from trading of \$315,000. This amount excludes GST.
- TOB received a fully franked dividend of \$50,000 from Samson Enterprises Pty Ltd. Samson Enterprises was incorporated in Australia.
- TOB paid a fully franked dividend of \$80,000 to its shareholders on 1 December 2014.
- TOB paid an instalment of the previous year's company tax of \$20,000 on 31 November 2014.
- TOB paid a fully franked dividend of \$15,000 to its shareholders on 1 June 2015.

Required

1. Calculate the taxable income of TOB for the year ended 30 June 2015.
2. Calculate the tax payable by TOB for the year ended 30 June 2015.
3. Prepare the franking account for TOB for the year ended 30 June 2015.
4. Explain and calculate the amount that is to be included in the assessable income of an individual shareholder of TOB that receives a fully franked dividend of \$1,000.

In your answer make sure that you refer to all sections in legislation, case law and taxation rulings that are relevant. Make sure that you explain why the sections, cases and rulings that you refer to are applicable. You must also footnote to all the sources that you use, using the citation style stated in the course outline.

You are not required to include a bibliography in your assignment answer.

1.2 Video Presentation

Produce a 3 minute oral presentation of your analysis. Video record this presentation.

This presentation is intended to develop your ability to engage your audience by delivering a clear and focussed presentation. The presentation will be based on summarising the main findings in your assignment. A video resource is provided on Moodle, which is a guide developed for UNSW Business School students and will help you prepare your presentation and to understand how oral presentations are evaluated. Your presentation must not exceed 3 minutes.

ASSIGNMENT 2: TABL2013

Undergraduate Students only

Due date: To be submitted via Moodle by
Monday, 12 October 2015 (Midnight, AEDT*)

Weighting: 20%

Length: 2000 words (plus or minus 10%)

*Australian Daylight Saving time

Topic

The Jonas Family Trust (JFT) was established in July 1993. JFT is a discretionary trust. The potential beneficiaries of the trust are John Jonas, Sally Parsons (John's wife), and their two children, Pamela (aged 22) and Daisy (aged 13). The trustee is the family accountant, Fleur Woodbury. JFT owns and operates an independent grocery store in Pymble, Sydney. Even though small, the shop has a loyal customer following.

The income statement of JFT for 2014-15 is as follows:

Item	Amounts	Totals
<u>Revenue</u>		
Sales of groceries	\$2,100,000	\$2,100,000
<u>Expenses</u>		
Purchases	\$1,500,000	
Rent	\$150,000	
Staff salaries	\$170,000	
Advertising	\$10,000	
Depreciation of Assets *	\$30,000	
Promotions/advertising	<u>\$40,000</u>	<u>\$1,900,000</u>
Profit		<u><u>\$200,000</u></u>

* The accounting depreciation figure was equal to the tax depreciation figure for the year.

Fleur Woodbury exercises her discretion and made binding resolutions that allocated JFT's profits for the 2014-15 year as follows:

Beneficiary	Amounts
Jonas	\$80,000
Sally	\$80,000
Pamela	\$30,000
Daisy	\$10,000

Note that Daisy's share was not paid to her but paid to her private school to cover part of her school fees.

Required

Advise Fleur of the taxable income (net income) of JFT and the assessable income from the trust of all beneficiaries (if any). Also explain the rate of tax that is payable by each of the beneficiaries on their inclusion. *Do not calculate* actual tax payable. Explain your calculations and advice by reference to tax legislation, case law, tax rulings and tax principles.

Evaluation criteria

An important note on word limits

Assignments are exercises in filtering material and communicating it succinctly. Quantity is not to be confused with quality. Your lecturers will uniformly apply this principle in their assessment of assignments.

Most word processing packages indicate word lengths, or otherwise some manual check must be done in the drafting process. Indicate the actual number of words of your assignment in the space indicated on your assignment cover sheet.

The following criteria will be used to grade assignments:

- ability to cut through the undergrowth and penetrate to key issues (ie, the ability to identify the **relevant** facts in the case)
- identification of key facts and the integration of those facts in the logical development of argument—Does your the discussion of the key facts link to the reasons the Court decided the case in the way it did? What of any dissenting judgments?
- demonstration of an understanding of the key issues of the case
- identification of to what extent this case clarified, amplified or changed the law—how did it do this?
- demonstration of a critical mind at work and, in the case of better answers, of value added to key issues over and above that of the source materials
- clarity of communication—this includes development of a clear and orderly structure and the highlighting of core arguments (including, where appropriate, headings)
- sentences in clear and, where possible, plain English—this includes correct grammar, spelling and punctuation
- correct referencing and bibliographic style in accordance with a recognised and appropriate citation and style guide (when uploading, check your footnotes have been correctly submitted).

You are encouraged to read beyond the study materials and references to do the assignment.

Suggested study schedule

Week	Beginning	Module	Topic	Events and submissions
1	27 July	1	Tax on companies	
2	3 August	1	Tax on companies	
3	10 August	1	Tax on companies	Webinar 1
4	17 August	2	Tax on shareholder	
5	24 August	2	Tax on shareholder	
6	31 August	3	Trust	Webinar 3
7	7 September	3	Trust	Webinar 3
8	14 September	3	Trust	Assignment 1 due
9	21 September	3	Trust	Webinar 4
Mid-semester break from Saturday 26 September to Tuesday 6 October 2015 (NOTE: Daylight saving begins on Sunday 4 October 2015)				
10	5 October	4	Partnership	
11	12 October	5	The big picture—comparing structures	Assignment 2 due
12	19 October	5	The big picture—comparing structures	Webinar 5
13	26 October	–	Course revision	Webinar 6
Examination period from Friday 6 November to Saturday 21 November 2015				