

# Taxation (ACC3TAX) –SEM 1 2017

## Group Assignment - Updated Version 3<sup>rd</sup> April 2017

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**Assessment Title**

Group Assignment

**Task Description**

Students shall be required to analyse, interpret and apply the correct tax regulations to given problems and this may involve tax calculations.

As this is a group assignment students should form groups as quickly as possible from students in their class, and the group size is three students.

The key objective of the study group is to ensure that the performance of the individual study group members is maximised. In order to enhance results the study group members will work collaboratively during the semester to ensure that each group member fully understands and can apply taxation rules to simulated real-life problems.

As each group will include at least three students, one student should click on the "Group Assignment - Group Registration" link and enrol in an empty group. That is, select a group number from those available. That student then gives the group number to the other members of the group. They then click on the link and enrol in the same group.

Students should not join a group via the above link unless they have already agreed – in person – with the other students in that group to work with them on the Group Assignment. Students should not join more than one group.

It is expected that all members of the group are involved in the group assignment and it is highly recommended that the group hold regular meetings and submit work to each other for comment well in advance of the final submission date.

A word limit of 1,500 words will apply.

In the first instance please seek clarification from your lecturer/tutor regarding the requirements of your assignment. Further help is available at: <http://www.latrobe.edu.au/students/learning/drop-in-learning-support>

<b>Assessment Due Dates</b>	<p>5<sup>th</sup> May 2017 at 17.00 (5.00 pm)</p> <p><b>EXTENDED TO 10<sup>th</sup> of May 2017 at 21.00 (9 pm).</b></p> <p>There are policies and procedures to guarantee fair, consistent and transparent treatment of late submission of assessment tasks. Where a non-examination item of assessment including essays or assignments is not submitted by the due date and time, a penalty will be levied as follows: <i>The standard penalty for late submission of assessment tasks is 5% of the marks for that task for each delay in submission of a day or partial day up to a maximum of five (5) working days after the due date. Assessment tasks will not be accepted after the earlier of the following occurrences:</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <i>The fifth (5th) working day after the due date; or</i></li> <li><input type="checkbox"/> <i>Feedback on the assessment task has been returned to any student by the Teaching Team member.</i></li> </ul>
<b>Post Date to Students</b>	<p>Written feedback will be posted on LMS within three weeks of the submission date where they are submitted on time. Group Assignments which are submitted late may be posted after this time.</p>
<b>Weighting</b>	<p>15%</p>
<b>Submission</b>	<p>Online through the Group Assignment Submission Link on the LMS subject homepage.</p> <p>The group assignment must be submitted in one (1) document only. This can <b>only be in Word or PDF format.</b></p> <p>All assignments must be clearly identified with student names and student numbers</p>
<b>Assignment Format</b>	<p>Format your assignment as specified below:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Font: Times New Roman, size 12</li> <li><input type="checkbox"/> Line spacing: 1.5 between lines.</li> <li><input type="checkbox"/> Margins (left and right): 3.5cm or 1.5 inches (this allows space for comments to be made by the assessor).</li> <li><input type="checkbox"/> Printing: Size A4 white paper, printed in one side only</li> <li><input type="checkbox"/> Numbering: pages must be numbered consecutively.</li> <li><input type="checkbox"/> Word count: assignments must follow the specified word length, although a tolerance of 10% is allowed without penalty.</li> </ul> <p>Do not exceed the word limit if you can possibly avoid doing so. You may find that you have written too much so it is probably worthwhile to edit your assignment so that it is more tightly structured. Some of the information you have included in the text may be better placed in the footnotes or as an appendix or tables.</p>

## Reference System

The system of referencing to be used in this assignment is the Australian Guide to Legal Citation (AGLC) or alternatively the American Psychological Association (APA). Students may also use the Harvard referencing method. Additional information regarding the AGLC method of referencing is available <http://www.lib.latrobe.edu.au/referencing-tool/aglc/case-law>.

When making a reference, cite the original source or authority in preference to a secondary source such as the textbook especially when you are discussing various sections of the legislation. This means you should make reference to legislation, cases and Tax Rulings as a priority to back up any arguments that you make in your assignment. Furthermore use academic formal language. Avoid colloquial language and spelling, grammatical and typographical errors. Repeated errors of this kind will be penalised.

Referencing help is available at: <http://www.latrobe.edu.au/students/academic-integrity/referencing-help>

## Academic Integrity

Academic integrity means being honest in academic work and taking responsibility for learning the conventions of scholarship.

Academic misconduct includes improper referencing, plagiarism, copying and cheating. You should familiarise yourself with your responsibilities in relation to Academic Integrity and if you have any questions, direct them to your Course Coordinator. Information can be found on the website at: <http://www.latrobe.edu.au/students/academic-integrity>

All assignments will be electronically checked for plagiarism and collusion. When you submit your assignment, Turnitin will issue an Originality Report. Where your Originality Report returns **a high matching percentage rate**, check that the similarities are not merely due to inappropriate quoting and referencing. Once this is checked you can re-submit an amended version until the due date (but not past the due date). Each re-submission normally takes longer to be uploaded than the first one.

Be aware that Issues involving plagiarism and collusion will be referred to the Faculty Disciplinary Committee in accordance with University policy and this is **a serious issue**.

## Special Consideration

Special Consideration is the term used to describe a process that applies an equity measure to ensure that where any temporary adverse circumstances beyond the control of a student, that impact negatively on that student's ability to demonstrate their learning achievement for an assessment task, is taken into account.

Extensions for assessments will only be considered where students meet the eligibility criteria. This must be satisfied in order to receive Special Consideration.

For full details students are to refer to the relevant policies, procedures and guidelines website at: <http://www.latrobe.edu.au/policy/>.

Submission of special consideration applications for assignments, mid-semester tests and final examinations should be made online at: <http://www.latrobe.edu.au/special-consideration>.

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**SILOs Assessed**

2, 3, &amp; 4

**Assessment Criteria****CASE STUDY 1**

**The ability to:** Analyse and apply tax regulations and principles of taxation to construct arguments and solutions to a fact based problem. [20 Marks]

**CASE STUDY 2**

**The ability to:** Identify and interpret the taxation rules and principles relevant to assessable income, allowable deductions and taxable income and apply these rules to a sole trader. [55 Marks]

**STRUCTURE, ORGANISATION, LANGUAGE & REFERENCING.**

**The ability to:** Prepare a written document that is clear, concise and coherent, using appropriate style and presentation for the intended audience, purpose and context as well as apply correct citation and referencing conventions in properly acknowledging all source material used.[10 Marks]

**TEAMWORK:**

**The ability to:** Collaborate equally with team members in constructing a well-argued written report and facilitate the achievement of group outcomes and deadlines. [5 Marks]

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**Total Marks 90**

## Group Members

Name	Student ID	Initial to confirm that you agree with all answers provided. Also indicate the proportion of your contribution to the overall task.

PARTA:

## CASE STUDY 1

[20 Marks]

Smith and Jones have been involved in property development for many years. Eight years ago Smith and Jones purchased two properties in an area where there was extensive real estate development. For six years the properties were used for sheep grazing and the properties were improved for that purpose.

Owing to drought conditions, the sheep grazing proved to be unprofitable. Furthermore there was an imminent zoning change whereby the properties could only be disposed of in 20-hectare lots instead of 5-hectare lots. Smith and Jones therefore quickly arranged to subdivide the land up into 5-hectare blocks and sold the whole property to one purchaser. At the 30<sup>th</sup> of June the amount is still unpaid. The Commissioner assessed Smith and Jones on the gross receipts in s 6-5 of ITAA 1997.

**Required:**

Discuss whether the sale of the property should be assessable under s 6-5 of the ITAA 1997 and what amounts are to be included in the year ending 30.06.2016. In your response ensure you state the appropriate legislation, tax rulings or common law cases to support your answer.

## CASE STUDY 2

[55 Marks]

Jenna is single and an Australian resident for tax purposes. She is 32 years of age and an experienced orthodontist. On 1 July 2015 she acquired "SmilesRG8" dentistry clinic in Sydney. Jenna has been operating as a sole trader but employs three orthodontists and six assistants in addition to nursing and administrative staff. She provide you the following records for the 2016 income year.

<b>Receipts (\$):</b>	
2, 400,000	Cash from Dentistry Fees (see note 1 & 3)
8,000	Bad debts recovered
<b>Payments (\$):</b>	
500,000	Staff Salaries and Wages (see note 2 & 4)
15,000	Motor Vehicle Operating Expenses: fuel, repairs, registration and insurance
20,000	Fringe benefits tax
3,000	Jenna's travelling expenses from home to work and return
2,000	Legal fees for the renewal of lease of the office building
1,500	Debt collection expenses paid to a solicitor
500	Council rates on business premises
200,000	Purchase of Dental Supplies
55,000	Rent on business premises
20,000	Provision for doubtful debts (see Note 5)

Notes and Additional Information		
1.	Outstanding Consulting Fees – On 30.06.2016	\$55,000
2.	Outstanding Wages Owing to Staff – On 30.06.2016	\$12,000
3.	On 1/2/ 2016 Jenna discovered that an employee had stolen \$1,000 cash in respect of money received from fees.	
4.	Staff salaries include \$10,000 paid to Jenna’s niece Tamara for casual reception duties. The Commissioner considers \$5,000 to be a reasonable commercial rate for this task.	
5.	Jenna is owed \$10,000 by a debtor who is bankrupt. It is very unlikely that she will recover any money from the debtor, and Jenna does not take any action to recover the money.	
6.	Plant Equipment and Motor Vehicles acquired during the financial year includes: Computers \$100,000 acquired on 1 July 2015 Equipment and Furniture \$150,000 acquired on 1 July 2015 Security System \$30,000 acquired on 15 July 2015 Alfa Julietta (Car) \$60,000 acquired on 1 July 2015	
7.	Jenna wishes to <b>minimise</b> her tax liability for the income year.	
8.	Assume Jenna does not qualify as a SBE.	

**Required:**

Complete a Statement of Taxable Income for the year ending 30.06.2016 with appropriate schedules. Ensure you support your calculations and your arguments with appropriate legislation and common law cases. [55 Marks]

## Detailed Grading Criteria: Structure, Organisation, Language, Referencing & Teamwork

Achievement	14-15 Marks	11-13 Marks	8-10 Marks	5-7 Marks
<b>Structure and organisation [5 marks]</b>	Structure and sequence are used effectively to help integrate ideas or support logical argument. Soundly structured throughout.	Ideas are sequenced in a logically satisfying way; connections between different themes or sections are well made.	Sequence and structure are logical and easy to follow. Introductory and concluding sections used effectively.	Well enough structured to make sense; could be better organised and more tightly focused upon the topic. Instances of irrelevance or confusion.
<b>Use of language and adherence to academic conventions [5 marks]</b>	Powerful, confident and precise use of language; mastery of style and tone. Near perfect acknowledgement of sources throughout the paper.	Language used demonstrates precision and expressiveness as well as clarity. Evidence of appropriate citation of work.	Language is generally sound and clear throughout. Some evidence of appropriate citation of work.	Clear enough to be understood; some confused or unclear expression. Spelling, punctuation & grammar generally satisfactory but likely to need attention. Poor referencing.
<b>Teamwork [5 marks]</b>	Excellent group co-operation. Engages proactively with team members in decision making and facilitates the achievement of all group outcomes. Collaborates to construct an excellent written report and makes an equitable contribution to the overall task.	Very good group co-operation. Meets task deadlines and collaborates to construct a well-argued written report. Makes an equitable contribution to the overall task.	Satisfactory group co-operation. Meets the task deadlines and some collaboration to construct the written report is present. Work reflects a reasonable contribution to the overall tasks.	Limited group co-operation. Fails to meet task deadlines. Little collaboration to construct the written report is present. Work reflects poor contributions to the overall task.