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**ACCT 583 – Income Tax Accounting and Auditing**

This course provides a foundation preparing and analyzing the financial statement accrual of income taxes considering the applicable accounting standards, tax laws and financial auditing principles.

**Syllabus Spring 2022 / January 11 – May 11, 2022**

**Section 14304R/Session 001 - Tuesdays and Thursdays 12:30 – 1:50 pm**

**INSTRUCTOR**: Paul Bader, CPA

Leventhal School of Accounting

University of Southern California

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Los Angeles, CA 90089-0441

**CONTACT**: Email: pbader@marshall.usc.edu

Office Hours: by appointment

**EMERGENCY**: USC Emergencies: 213-740-4321

**NUMBERS:** USC Public Safety- Non Emergencies: 213-740-6000

USC Emergency Information Line: 213-740-9233

USC Information Line 213-740-2311

KUSC Radio 91.5

**TEXTS**: **See Blackboard for instructions to access these materials online**

**(no cost to the student):**

1. Accounting Standards Codification (ASC) 740
2. PWC Income Taxes (ASC 740) Guide (partially updated May 2020). This is the primary text for the course
3. Deloitte A Roadmap to Accounting for Income Taxes (April 2020) – Chapter 14 (Disclosure of Income Taxes)
4. *South-Western’s Essentials of Taxation (South-Western) 2019 Edition, Chapter 3* (This chapter will be posted to Blackboard)

**There will be two types of PowerPoint slides utilized for this course. The first type will contain content related to the topic being discussed in each session. A single PowerPoint deck may be utilized for multiple class sessions; this will generally be noted on the front page of the deck. The second type of PowerPoint deck will contain questions, short case studies and problems. I refer to this deck as the “Interactive Deck”. Students should review these questions, case studies and problems prior to class but WILL NOT BE REQUIRED TO HAND IN THE ANSWERS PRIOR TO CLASS. The solutions to all questions, case studies and problems contained in the “Interactive” deck will be posted to Blackboard following the class session in which they were discussed.**

**PowerPoint slides to be utilized in class will be posted to Blackboard no later than the Friday before each week’s class (i.e. the PowerPoint decks for classes the week of January 31 will be posted by Friday January 28)**

**Additional reading material will be posted to Blackboard during the semester**

**PREREQUISITE:** ACCT 561T or Acct 585

**COURSE LEARNING OUTCOMES**:

Upon successfully completing this course, the student will be able to:

1. Prepare and explain the income tax footnotes to financial statements by preparing sample footnotes;
2. Determine the tax adjustments required to be recorded in connection with a business combination by analyzing fact patterns and solving problems;
3. Explain financial statement reporting of the tax consequences of issuing stock-based compensation by analyzing footnotes of public companies and solving problems;
4. Calculate and audit the amount of tax liability that should be recorded on the financial statements for uncertain tax positions;
5. Analyze the need to determine the amount of any valuation allowance needed for deferred tax assets by preparing a report and solving problems; and
6. Exhibit an understanding of the conceptual framework and guiding principles that the accounting for income tax standards rely upon by preparing comprehensive tax accounting entries for complex financial statement fact patterns which include international operations, tax law changes and intraperiod tax allocations.

**PROGRAM LEARNING OUTCOMES**:

The following are the five Student Learning Outcomes developed for this program by the USC Leventhal faculty and administration and filed with the AACSB, the accrediting body for accounting and business schools.  This course will deal primarily with learning outcomes #1, #2 and #3, and to a lesser extent with learning outcomes #4 and #5.

***1. Technical, Conceptual, Problem-Solving***

Students will be competent in and be able to apply discipline-specific knowledge and skills in the fields of accounting or taxation. This learning outcome includes the development of critical thinking and problem-solving skills, as well as an understanding of the strategic role of accounting and taxation in business organizations and society.

* MBT specific—Apply critical thinking and problem-solving skills related to taxation of individuals, flow-through entities, and corporations. Recognize potential opportunities for tax savings and tax planning.

***2. Professional Development***

Students will be able to communicate clearly and strategically, after considering the relevant audience, situation, and purpose of the communication. Students will demonstrate the ability to work productively with others to accomplish established goals.

* MBT specific—Convert complex and technical tax terminology into language that translates to non-technical audiences. Demonstrate strong interpersonal communication skills that build relationships with clients over time. Document exchanges with careful attention to word choice, tone, and accuracy.

**3. *Research/Life-Long Learning***

Students will be able to use relevant research databases and academic/professional literature to gain new knowledge and analyze business situations.

* MBT specific—Use computer-based and paper-based systems to thoroughly research tax codes, tax law, rulings and interpretations. Use knowledge to be able to adjust to changes in tax law over time.

**4. *Ethical Principles and Professional Standards***

Students will be able to apply ethical principles and professional standards in analyzing situations and making informed decisions.

* MBT specific—Demonstrate understanding of and apply consistently the ethical principles and professional standards related to the profession. Show the ability to express and follow rules of independence and the highest sense of professional ethics.

**5. *Globalization and Diversity***

Students will be able to demonstrate an international perspective and appreciation for diversity and cultural differences, along with their significance in global business.

* MBT specific—Explain key differences in taxing policies related to expatriates and the countries they live and work in. Reflect on cultural and ethnic differences in approaches to business and taxation policies.

**GRADES:**

Preparation and Participation 15%

Homework Problems and case study (see syllabus) 20%

Midterm Exams (2 midterm exams will be given) 40%

Final Exam (cumulative) 25%

Total 100%

**COURSE FORMAT:**

All of the course materials can be found in Blackboard (<https://blackboard.usc.edu>). This course is divided into modules, and each module will be covered in one to three class sessions. Module activities may include reading assignments, video recordings, interactive exercises, homework assignments, Blackboard discussion forums and attending class sessions. **It is expected that students will have completed all required activities and assignments *before* attending their class session each week.**

Students should ensure that they can access all of the online tools via Blackboard prior to the start of classes.

**OVERVIEW OF TOOLSETS:**

Blackboard (Bb). Blackboard is the primary learning management system currently used at USC and may be accessed at [USC Blackboard Home Page](https://blackboard.usc.edu/). From the Blackboard Course Home Page, students can access their course syllabus, identify readings, participate in discussion forums, submit assignments, take quizzes and exams, and review grades at any time. They can also access links to the other platforms used in this course.

Zoom. Zoom is the platform used for all online sessions and online office hours. A link and instructions to join the Zoom sessions will be posted in the Bb Home Page for ACCT 583. For more information about Zoom, go to: ZOOM Support Tutorials

**COURSE POLICIES:**

1. Your preparation and participation grade involves the timely completion (i.e. before each week’s class sessions) of the readings, questions, case studies and problems and homework for the class session, as well as general participation in each class session.
   1. The questions, case studies and problems contained in the Interactive PowerPoint deck for most class sessions will not be graded. However, your ability to participate each class will be significantly enhanced by your having reviewed the questions, case studies and problems prior to class.
   2. Homework problems (posted in the Assignment folder in Blackboard) are for your practice and learning and are not submitted for a grade. However, these homework problems will be covered in our sessions and **must be submitted prior to each class session.** Each student will be expected to present the solution to at least one homework problem during the semester as part of your participation grade.
   3. Attendance at each of our class sessions is important in developing a coherent understanding of the materials covered in the course. Attendance and active participation is expected at the synchronous class sessions. For students who are located in a time zone where the synchronous class sessions fall outside the window of 8 am to 10 pm in your local time zone, please contact me **before** our first class on January 11, 2022.
2. A case study (AIM Inc.) will be assigned and must be submitted by the noted due date. Cooperation with other students is **not** allowed on this case study. The case study due date is included in this syllabus.
3. Two midterms and a final exam will be given online and are both open book. Instructions will be posted on Blackboard. The midterm dates are indicated in the syllabus; the final exam date will be May 11, 2022. Make up examinations will generally not be given, except in the case of a well-documented emergency, and arranged for in advance with the instructor. Extra credit assignments will not be available.
4. Please feel free to contact me for individual office hours (via Zoom or phone call) if you have questions or need assistance with the material. I will generally reply to emails or texts within 24 hours. Graded assessments (case studies and exams) will be returned with feedback prior to the due date of the next graded assessment.

**GRADING POLICY**

This course adheres to the USC Leventhal School of Accounting and Marshall School of Business grading standards for graduate programs. In general, final course grades at the graduate level in a core course average approximately B+ (3.3) but may vary based on class performance. For elective courses, the class average is usually higher (approximately 3.5), which is between a B+ and an A-. You must receive a C or better to pass a required class, and you must have an *overall* B average (3.0 minimum) from all your courses in order to graduate from USC. The graded elements of this course are listed in this syllabus along with information about how they will be evaluated.

**ACADEMIC CONDUCT**

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code.  Students are responsible for obtaining, reading, and understanding the Honor Code System handbook.  Students who are found to have violated the Code will be subject to disciplinary action as described in the handbook.  For more specific information, please refer to the Student Honor Code System handbook, available in class or from the receptionist in ACC 101. Also see the links posted in Blackboard.

**STUDENTS WITH DISABILITIES**

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. **Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester.** A letter of verification for approved accommodations can be obtained from DSP. **Please be sure the letter is delivered to me as early in the semester as possible**. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m. – 5:00 p.m. Monday through Friday. The phone number for DSP is (213) 740-0776. Email: [dsp@usc.edu](mailto:dsp@usc.edu).

**PLAGIARISM**

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in [SCampus in Section 11, Behavior Violating University Standards](https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/). Other forms of academic dishonesty are equally unacceptable. See additional information in [SCampus and university policies on scientific misconduct](http://policy.usc.edu/scientific-misconduct/).

**SUPPORT SYSTEMS**

*Counseling and Mental Health - (213) 740-9355 – 24/7 on call*

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention <http://www.studenthealth.usc.edu/counseling>

*National Suicide Prevention Lifeline - 1-800-273-8255 – 24/7 on call*

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. [http://www.suicidepreventionlifeline.org](https://urldefense.proofpoint.com/v2/url?u=http-3A__www.suicidepreventionlifeline.org_&d=DwMFAg&c=clK7kQUTWtAVEOVIgvi0NU5BOUHhpN0H8p7CSfnc_gI&r=_36nnFETM-Q6pZ6iq9FbkRLnOqB2hAKf3hpB7emICZo&m=E2UsZJRCMqi9OEfKUeqk9Y1uY3eDgl_cjSeDni9P-3s&s=twu831aNHupJnoiSEzsXZ1lmq9yCzJvEv35V5v5dYAY&e=)

*Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-9355 (WELL) - 24/7 on call; press “0” after hours*

Free and confidential therapy services, workshops, and training for situations related to gender-based harm <http://www.studenthealth.usc.edu/sexual-assault>

*Office of Equity and Diversity (OED) – (213) 740-5086 /Title IX compliance – (213) 821-8298*

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following *protected* *characteristics*: race, color, national origin, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and government regulations. The university also prohibits sexual assault, non-consensual sexual contact, sexual misconduct, intimate partner violence, stalking, malicious dissuasion, retaliation, and violation of interim measures.

<http://www.equity.usc.edu> <http://www.titleix.usc.edu>

*Reporting Incidents of Bias or Harassment* – (213) 740-5086 or (213) 821-8298

A venue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity / Title IX for appropriate investigation, supportive measures and response

<http://www.usc-advocate.symplicity.com/care_report>

*USC Student Support & Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://www.uscsa.usc.edu>

*Diversity at USC –* (213) 740-2101

Information on events, programs and training, the Provost’s Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students

[*https://diversity.usc.edu/*](https://diversity.usc.edu/)

*USC Emergency* – UPC: (213) 740-4321, HSC: (323) 442–1000; 24/7 on call

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible

<https://emergency.usc.edu> <https://dps.usc.edu>

*USC Department of Public Safety* – UPC: (213) 740-6000, HSC: (323) 442-1200; 24/7 on call

Non-emergency assistance or information <https://dps.usc.edu>

**STATEMENT ON RETENTION OF PAPERS FROM THE CURRICULUM OFFICE**

According to the *Guidelines on Documents Retention*, University policy requires that final exams and all other grade work which affected the course grade be kept for one year.  Other papers or work that instructor’s hand back but that students fail to pick up can be held for one month.

**EQUIPMENT AND SYSTEM REQUIREMENTS**

The following equipment and system requirements are required to successfully participate in the online section of this course:

* Computer with webcam (i.e. [Logitech webcam](http://www.logitech.com/en-us/product/hd-webcam-c525?crid=34))
* Headset (i.e. [Logitech headset](http://www.amazon.com/Logitech-ClearChat-Comfort-Headset-Black/dp/B000UXZQ42/ref=pd_sim_e_2))
* High speed Internet connection
* Current operating system for Windows or Mac
* Current browser
  + Google Chrome
  + Firefox
  + Internet Explorer (not recommended)
  + Safari (Mac)

**TECHNICAL SUPPORT**

* **USC Systems**(Blackboard, USC Login, MyUSC, USC Gmail, GoogleApps)

For assistance with your USC login or other USC systems, please call +1 (213) 740-5555 or email [Consult@usc.edu](mailto:Consult@usc.edu).  They are open Mon – Fri 9:30am – 5pm and weekends from 8am - 5pm (all Pacific time).

* **Zoom Video Web Conferencing System (**MarshallTALK)

For assistance using Zoom, go to [Zoom Support Page](https://support.zoom.us/hc/en-us).  You may also call +1 (888) 799-9666 ext. 2 or +1 (650) 397-6096 ext. 2.  They are available 24/7.

* **Marshall Systems** (MyMarshall, Marshall Outlook email)

For assistance with Marshall systems you can call +1 (213) 740-3000 Mon-Fri 8am-6pm (Pacific), email [HelpDesk@marshall.usc,edu](mailto:HelpDesk@marshall.usc,edu), or use our self-help service portal as shown below.  The portal allows you to get immediate assistance by searching for the information you need.  You can also use it to chat with a technician or input a request.  To access the service portal follow these steps:

* + On a computer or mobile device, go to [MyMarshall Home Page](https://mymarshall.usc.edu/) and click the “**Help**” link on the upper right.
  + Log in using your Marshall username and password.   
    (If you don’t know your Marshall login please follow the onscreen instructions pertaining to login issues)

**IMPORTANT DATES – Spring Semester 2022**

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| **January 10, 2022** | First day of classes |
| **January 28** | Last day to add/drop class (with refund) |
| **February 25** | Last day to drop class without a “W” on transcript only (no refund) |
| **April 8** | Last day to drop class with a mark of “W” |
| **April 29** | Last day of classes |
| **April 30 – May 3** | Study days |
| **May 4 – May 11** | Final Exams |

**SCHEDULE – ACCT 583 – Spring 2022**

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|  | **MODULE 0: Course Overview and Background of ASC 740** |
| **Learning Outcomes** | 1. Understand the expectations and cumulative nature of this course 2. Explain why Accounting for Income Taxes is so complicated and why in many other countries it is not nearly as complex as in the U.S. 3. Discuss the topicality of Accounting for Income Taxes and how it is often inaccurately interpreted in the U.S. business press 4. Identify the key **broad** differences between GAAP and Federal Income Tax accounting |
| **Readings** | **SWFT:** Chapter 3  **PowerPoint slides for Module 0**  **NY Times article:** “How FedEx Cut It’s Tax Bill to $0” (November 17, 2019)  **WSJ Article:** “Biden Targets Firms that Pay Little Tax” (July 28, 2020)  **FedEx 2018 Form 10K Income Tax disclosures** |
| **Assignments** | Complete Homework #1 (Assignment Folder) submit prior to class on January 13 |
| **Attend Class** | **January 11 and 13** |

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|  | **Module 1: Basic Principles of ASC 740** |
| **Learning Outcomes** | 1. Explain the basic formula for computing the total income tax provision 2. Identify the basic terminology utilized in accounting for income taxes 3. Distinguish between the balance sheet and income statement approach to accounting for income taxes 4. Identify the type of taxes which are subject to ASC 740 |
| **Readings** | **PWC:** Chapters 1 and 2  **PowerPoint slides for Module 1**  **Apple Inc. Fiscal 2020 Form 10K Excerpts** |
| **Assignments** | Review the Interactive PowerPoint Deck for Module 1  Complete Homework #2 submit prior to class on January 20 |
| **Attend Class** | **January 18 and 20** |

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|  | **MODULE 2: Temporary and Permanent Differences** |
| **Learning Outcomes** | 1. Distinguish between Permanent and Temporary Differences 2. Identify common Permanent and Temporary Differences 3. Explain the concept for establishing Deferred Tax Assets and Deferred Tax Liabilities |
| **Readings** | **PWC:** Chapter 3  **PowerPoint slides for Module 2** |
| **Assignments** | Homework #3 submit prior to class on January 25  Review the Interactive PowerPoint deck for Module 2 |
| **Attend Class** | **January 25** |

**AIM, Inc. Case Study will be available after class on January 25. The case can be found in the Assignment Folder.**

**The AIM, Inc. Case Study is due at midnight on Sunday February 6, 2022**

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|  | **MODULE 3: Recognition and Measurement** |
| **Learning Outcomes** | 1. Calculate Deferred Tax Assets and Deferred Tax Liabilities 2. Explain the importance of enacted tax rates 3. Distinguish between the income tax rates utilized to compute the current and deferred components of the income tax provision 4. Explain the federal, state and international/foreign components of the income tax provision |
| **Readings** | **PWC:** Chapter 4; Chapter 7 (Sections 7.1-7.3)  **PowerPoint slides for Module 3** |
| **Assignments** | Homework #4 submit prior to class on February 1  Review the Interactive PowerPoint deck for Module 3 |
| **Attend Class** | **January 27 and February 1** |

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|  | **MODULE 4: Valuation Allowances** |
| **Learning Outcomes** | 1. Understand the purpose of a Valuation Allowance 2. Apply the four sources of income approach to determine if a valuation allowance is needed 3. Recognize and evaluate positive and negative evidence 4. Define and apply tax planning strategies 5. Explain how to change an existing Valuation Allowance |
| **Readings** | **PWC:** Chapters 5 and 6  **PowerPoint slides for Module 4** |
| **Assignments** | Homework #5 (submit prior to class on February 3) and Homework #6 (submit prior to class on February 8)  Review the Interactive PowerPoint deck for Module 4 |
| **Attend Class** | **February 3, 8 and 10. Note that our class session on February 10 will be to review the AIM, Inc. case study** |
|  | **AIM, Inc. case study is due at midnight on Sunday February 6** |

Class on February 15 will be a comprehensive review of the course material to date.

**The First Midterm Exam will be given on Thursday February 17.**

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|  | **MODULE 5: Uncertain Tax Positions** |
| **Learning Outcomes** | 1. Distinguish between the recognition and measurement of contingent liabilities under ASC 450 and ASC 740 2. Define the term “more likely than not” 3. Apply the “cumulative probability assessment” methodology 4. Identify the rules for subsequent recognition of an uncertain income tax position |
| **Readings** | **PWC:** Chapter 15  **Overview of Income Tax Opinions**  **PowerPoint slides for Module 5** |
| **Assignments** | Homework #7 submit prior to class on February 24  Review the Interactive PowerPoint deck for Module 5 |
| **Attend Class** | **February 22 and 24** |

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|  | **MODULE 6: Financial Statement Disclosures** |
| **Learning Outcomes** | 1. Determine the appropriate disclosure for all components of the income tax provision 2. Prepare and interpret a Rate Reconciliation 3. Explain the interrelationship between the various income tax disclosures contained in public company financial statements (Form 10K) |
| **Readings** | **Deloitte:** Chapter 14  **PowerPoint slides for Module 6**  **Six Public Company Rate Reconciliations** |
| **Assignments** | Homework #8 submit prior to class on March 3  Review the Interactive PowerPoint for Module 6 |
| **Attend Class** | **March 1 and 3** |

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|  | **MODULE 7: Intra Period Allocation and Interim Reporting** |
| **Learning Outcomes** | 1. Explain the concept of intra period allocations and apply these concepts to income tax items 2. Define Other Comprehensive Income and how ASC 740 is applied to it 3. Apply the methodology for determining income tax provisions for interim periods 4. Determine the effect of new tax law on interim reporting |
| **Readings** | **PWC:** Chapter 12 (Sections 12.1-12.3) and Chapter 16 (Sections 16.1-16.4)  **PowerPoint slides for Module 7** |
| **Assignments** | Homework #9 submit prior to class on March 8  Review the Interactive PowerPoint for Module 7 |
| **Attend Class** | **March 8** |

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|  | **MODULE 8: Business Combinations – Basic Concepts** |
| **Learning Outcomes** | 1. Identify the basic principles of acquisition accounting from a GAAP and U.S. Federal Income Tax perspective 2. Explain the concept of taxable and nontaxable acquistions 3. Distinguish between GAAP and income tax goodwill |
| **Readings** | **PWC:** Chapter 10 (Sections 10.1-10.7)  **Overview of M&A Tax**  **Excerpts from ASC 850**  **PowerPoint slides for Module 8** |
| **Activities** | Watch the pre-recorded lectures and complete the self-assessment exercises in Blackboard for Module 8 |
| **Assignments** | Homework #10 submit prior to class on March 22  Review the Interactive PowerPoint for Module 8 |
| **Attend Class** | **March 10 and 22** |

**There will be no classes on Tuesday March 15 and Thursday March 17 – Spring Break**

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|  | **MODULE 9: Business Combinations – Advanced Concepts** |
| **Learning Outcomes** | 1. Calculate deferred tax assets and deferred tax liabilities related to taxable and nontaxable acquisitions 2. Distinguish between Component 1 and Component 2 Goodwill 3. Apply appropriate adjustments to the “acquisition accounts” in periods following an acquisition |
| **Readings** | **PowerPoint slides for Module 9** |
| **Assignments** | Homework #11 submit prior to class on March 24  Review the Interactive PowerPoint for Module 9 |
| **Attend Class** | **March 24** |

Class on March 29 will be a comprehensive review of Modules 5 - 9

**Midterm #2 will be given on Thursday March 31**

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|  | **MODULE 10: International Aspects/Outside bases differences/APB 23** |
| **Learning Outcomes** | 1. Explain what causes an “inside/outside” basis differential in the international context 2. Identify the components of the U.S. income tax law, related to international operations, that impact the aforementioned “inside/outside” basis differential 3. Explain why APB 23 is a significant exception to ASC 740 and whether it is still relevant today 4. Understand how APB 23 caused many companies effective income tax rate to be lower than expected and how this lower effective income tax rate was disclosed in rate reconciliations |
| **Readings** | **PWC:** Chapter 11  **PWC FAQs on the impact of the 2017 U.S Tax Reform on ASC 740 (January 24, 2019 update)**  **Overview of U.S. International Income Tax Provisions**  **PowerPoint slides for Module 10** |
| **Assignments** | Homework #12 submit prior to class on April 7  Review the Interactive PowerPoint for Module 10 |
| **Attend Class** | **April 5 and 7** |

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|  | **MODULE 11: Stock Based Compensation Arrangements** |
| **Learning Outcomes** | 1. Distinguish the various types of stock-based compensation and the income tax treatment of each 2. Identify the key dates that are typically important for addressing the U.S. income tax and GAAP implications of stock-based compensation 3. Explain the general accounting principles applicable to stock-based compensation 4. Calculate the permanent and temporary differences arising on the key dates related to qualified and unqualified stock-based compensation plans |
| **Readings** | **PWC:** Chapter 17 (Sections 17.1-17.8 and 17.14)  **Overview of U.S. Federal Income Tax Implications of Basic Stock-Based Compensation Plans**  **PowerPoint slides for Module 11** |
| **Assignments** | Homework # 13 (submit prior to class on April 12) and #14 (submit prior to class on April 14)  Review the Interactive PowerPoint deck for Module 11 |
| **Attend Class** | **April 12 and 14** |

THE FOLLOWING TOPICS WILL BE COVERED OVER THE REMAINING FOUR CLASSES:

**APRIL 19** – AUDITING THE INCOME TAX ACCOUNTS

**APRIL 21** – APPLICATION OF ASC 740 TO CURRENT BUSINESS TOPICS AND EVENTS

**APRIL 26** – SPECIAL ISSUES

**APRIL 28** – ADVANCED ANALYSIS OF FINANCIAL STATEMENTS

DETAILS FOR EACH OF THESE TOPICS WILL BE DISTRIBUTED LATER IN THE SEMESTER

**SUMMARY OF DELIVERABLES:**

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| **Assignment** | **Module** | **Due Date** |
| AIM, Inc. Case Study | Modules 0-4 | Midnight Sunday February 6 |
| Midterm #1 | Modules 0-4 | February 17 |
| Midterm #2 | Modules 5-9 | March 31 |
| Final Exam | Cumulative | May 11 |