

# Legal Profession Admission Board

September 2022

## Taxation and Revenue Law

### Examiner's Comments

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#### General observations

1. Forty-seven students sat the examination. Four students received a distinction (9%), 12 students received a pass with merit (25%), 24 students a pass (51%) and 7 students failed (15%).
2. The failure rate was in line with previous terms. The classes this term were "live" although only about 32% of students regularly attended the evening lectures. The rate of attendance at the weekend schools was significantly higher. The fact that 18% of students who were enrolled did not sit the examination is high and the reason unknown.
3. As the examination was a confidential examination the comments that are provided are of a general nature only.

#### Questions

4. There were four questions and all were compulsory.
5. The first question involved general issues relating to assessable income, deductions and FBT. Generally the question was well done. Students who did not refer to *John Holland v FCT*, or referred to the case but did not really understand the issues in that case, received a lesser mark.
6. The second question involved a table of receipts and outgoings and required the students to calculate taxable income, the tax payable and entries to the franking account. Some students attempted to deal with the question by referring to general principles without undertaking calculations that were clearly required by the question. This indicated the students did not have a real understanding. The issue that most students struggled with was the manner in which trading stock should be dealt with in determining taxable income.
7. The third question involved the taxation of trusts and beneficiaries. The question was not too dissimilar from a question considered in class (and dealt with in the notes on Canvas). The fact that a few students did poorly in this question was an indication of a lack of study for the examination as it should have been a relatively easy question for a properly prepared student.
8. The fourth question required students to recognise the interplay between CGT and ordinary income. Most students simply referred to CGT and ignored ordinary income such that overall the question was poorly answered.

## **Exam self-evaluation - Take-aways for students**

Students are encouraged to consider the following points:

- Did I approach the open-book format in an honest and appropriate way?
  - Are the responses my own work?
  - Did I manage the time well?
  - Did I answer all required questions?
  - Did I address each point in each question?
  - Did I acquire enough knowledge in the course and considered it sufficiently prior to exam to be able to focus on critical thinking of each issue while responding to exam questions?
  - Did I focus on analysis, synthesis and evaluation rather than restatement of facts and information presented in the lectures and course materials?
  - Did I identify and apply the right legal principles?
  - Did I offer sufficient support to each argument and cite correct authorities?
  - Did I reach a conclusion on each issue identified and at the end of each response?
  - Where was my knowledge of this subject deficient?
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