

WRITE YOUR EXAM NUMBER HERE: _____

FINAL EXAMINATION
(Three and a half hours)

INSTRUCTIONS

This examination consists of 36 multiple-choice questions (Questions 1 through 36) and two essay questions (Questions 37 and 38). An hour and a half (90 minutes) is recommended for the multiple choice questions, and two hours is recommended for the two essay questions (one hour per essay question).

In determining grades, each multiple choice question will count for 1 point, and each essay question will count for 24 points. Therefore, you should budget your time according to the allocation just given. Experience has shown that failure to budget one's time appropriately can result in a drastic lowering of one's overall grade on this examination.

For the multiple choice questions, you must submit your answers using SofTest. You may write the answers to the essay questions either on SofTest or by hand. If you choose to write the essay answers by hand, you must write them in the bluebook(s) you have been provided, and return the bluebook(s) along with the hard copy of the essay questions.

At the end of the exam, all students must return the hard copy of the essay questions in the envelope in which it came. However, no credit will be given for anything written on the hard copy of the essay questions. Only your electronic answer file (and bluebook(s), if any) will be graded.

For the multiple choice questions, choose the best answer to each question posed. Choose one, and only one, answer to each question. Although an incorrect answer earns no credit, there is no penalty for an incorrect answer on the multiple choice questions, so it is in your interest to answer every question, guessing if necessary.

In the essay questions, pay close attention to the final portion, or "call," of each question. Failure to respond to the matters called for will result in a low score for the question. On the other hand, discussion of matters outside the scope of the call of the question will not receive credit. In your essays, be sure to explain as thoroughly as possible your answers to the questions posed. Your reasoning, discussion, and analysis are often as important as any particular conclusion you reach.

Unless otherwise expressly instructed, assume that all taxpayers described in the questions are individuals, and that they report their income on the cash method and the calendar year for federal income tax purposes. Any references to the "Code" mean the Internal Revenue Code of 1986, as amended.