

Comments for PEP on Candidate Performance on the July 2024 Taxation Elective Examination

Overall, candidates performed below expectations on the case portion of the exam. Most candidates appear to have fully understood the situations presented in the case portion of the exam and sufficiently addressed, analyzed and discussed the directed requirements. However, some candidates did not identify a required discussion that was not overly explicit in the case narrative. Candidates are encouraged to ensure that they are taking sufficient time to fully read and interpret the cases to ensure all required elements are identified.

Some candidates also appear to have struggled with the technical knowledge required to properly respond to each of the required elements of the cases. Many candidates did not demonstrate an understanding of the implications or tax planning opportunities related to the change in use of a principal residence to a rental property. In addition, in the context of Financial Reporting, many candidates did not demonstrate an understanding of how to record journal entries for recording current and future income tax expense. Candidates are reminded that this is a multi-competency exam and candidates should be prepared to demonstrate knowledge in other competencies when required.

Candidate performance met expectations on the objective format question (OFQ) portion of the exam. That said, noted areas of weakness included deadline to file notice of objections for an individual taxpayer, the calculation of required GST/HST remittance using the quick method, and employment expense deductions for a commissioned salesperson.

Comments on Skills

Assess the Situation: While most candidates identified and/or attempted to address all of the required elements of the cases, some candidates would have benefited from spending additional time planning their responses to ensure the relevant facts needed to fully address and respond to these required elements were being identified.

Analyze Major Issue(s): Candidates varied widely in their analysis of the issues. While most candidates provided a rich analysis of the issues, some candidates did not sufficiently integrate case facts into their analysis. This often resulted in incomplete or unsupported discussions.

Conclude and Advise: Most candidates appropriately advised on the matters presented in each of the cases and provided overall recommendations to the specific questions raised in the cases. However, candidates are reminded to always link their conclusions to the specific scenarios and



facts presented in the cases to ensure that conclusions/recommendations are as relevant as possible.

Communicate: Most candidates adequately communicated within their response. Language used was appropriate and quantitative information was well presented.

CPA Mindset: Most candidates provided professional responses tailored to their client by properly applying case facts to add depth to their response, all the while ensuring to maintain professional and ethical standards.