

Comments for PEP on Candidate Performance on the December 2023 Taxation Elective Examination

Overall, candidates met expectations on the case portion of the exam. Most candidates appear to have fully understood the situations presented in the case and sufficiently addressed, analyzed and discussed the directed requirements. Most candidates successfully achieved an appropriate balance between the quantitative and qualitative aspects of their responses and provided well supported discussions.

Some candidates, however, struggled with the technical knowledge required to properly respond to the cases. In particular, when asked to determine the tax implications related to an RRSP withdrawal, some candidates incorrectly assumed that only the income or gains earned within the RRSP are taxable. In addition, when asked to complete a personal tax calculation, many candidates provided quantitative exhibits with numerous errors, such as deducting non-refundable credit amounts in full, without applying a 15% rate to the credit base. In addition, candidates performed poorly on a financial reporting request related to future income taxes. 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 the GST/HST implications related to bad debts, the principal residence exemption, and interest and penalties on late filings and overdue balances.

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 and accurately identifying the relevant case facts for use in their discussions. In some cases, candidates provided responses which lacked depth as they had not fully captured all of the relevant case facts needed to complete their analysis.

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 provide explanations to support their discussions or calculations. Candidates must apply case facts to their analysis, including appropriate explanations for their quantitative exhibits, in order to be useful for their client.



Conclude and Advise: While most candidates appropriately advised on the matters presented in each of the cases, some did not provide overall recommendations to the specific questions raised in the cases.

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.