| For fill in answers in dollar values:* + Do not include any symbols (like $ (as will already be in question text next to fill in), commas for thousands/millions, or decimals).
	+ Enter all expenditure amounts requested as well as depreciation, amortization, and depletion answers as positive values.
	+ Do not include any extra spaces before or after numbers as correct answers must match the solution characters exactly
	+ Round to the nearest whole dollar
	+ Examples:
		- An answer of $101,000.41 would be typed in as 101000
		- An answer of $101,000.52 would be rounded up to the next dollar and typed in as 101001
* For fill in answers in percentages:
	+ Do not use any other symbols (like % (as will already be in question text next to fill in), commas for thousands/millions, or decimals) - just include numbers
	+ Do not include any extra spaces before or after numbers as correct answers must match the solution characters exactly
	+ Round to the nearest whole percentage
	+ Examples:
		- An answer of 24.435% would be typed in as 24
		- An answer of 24.515% would be typed in as 25
* For multiple choice, choose the BEST answer from the choices available.
 |  |
| --- | --- |
| Results Displayed |  |

###

### **Question 1**

|  |  |
| --- | --- |
|  | **1 - part a.**For the following scenario, determine the total depreciation amount for 2024 assuming the taxpayer opted out of Sec. 179 and bonus if they were available in the year of purchase. In addition, assume all taxpayers use a calendar year tax period and that the property mentioned was the only property purchased in the year of acquisition.**Fill in the blank: A bank purchased a new building for its headquarters, totaling $2 million on April 1, 2021. Total depreciation for 2024 is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 2**

|  |  |
| --- | --- |
|  | **1 - part b.**For the following scenario, determine the total depreciation amount for 2024 assuming the taxpayer opted out of Sec. 179 and bonus if they were available in the year of purchase. In addition, assume all taxpayers use a calendar year tax period and that the property mentioned was the only property purchased in the year of acquisition.**Fill in the blank: A dentist purchased 10 new chairs and a couch for the waiting room, which cost $3,000 on October 15, 2024. Total depreciation for 2024 is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 3**

|  |  |
| --- | --- |
|  | **1 - part c.**For the following scenario, determine the total depreciation amount for 2024 assuming the taxpayer opted out of Sec. 179 and bonus if they were available in the year of purchase. In addition, assume all taxpayers use a calendar year tax period and that the property mentioned was the only property purchased in the year of acquisition.**Fill in the blank: A restaurant purchased booths and chairs totaling $15,000 on November 1, 2024 and kitchen equipment costing $4,000 on June 15, 2024. Total depreciation for 2024 is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 4**

|  |  |
| --- | --- |
|  | **1 - part d.**For the following scenario, determine the total depreciation amount for 2024 assuming the taxpayer opted out of Sec. 179 and bonus if they were available in the year of purchase. In addition, assume all taxpayers use a calendar year tax period and that the property mentioned was the only property purchased in the year of acquisition.**Fill in the blank: A telemarketing company purchased a separate computer, office chair, and desk for each of its new staff on January 15, 2023. The total costs for the computers, office chairs, and desks were $30,000, $3,000, and $8,000, respectively. Total depreciation for 2024 is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 5**

|  |  |
| --- | --- |
|  | **1 - part e.**For the following scenario, determine the total depreciation amount for 2024 assuming the taxpayer opted out of Sec. 179 and bonus if they were available in the year of purchase. In addition, assume all taxpayers use a calendar year tax period and that the property mentioned was the only property purchased in the year of acquisition.**Fill in the blank: A moving company purchased a lightweight truck, which cost $38,650 on March 8, 2020. Total depreciation for 2024 is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 6**

|  |  |
| --- | --- |
|  | **2.**A hair salon purchases a new computer for the checkout desk on October 21, 2022 for $1,500, which was the only property it purchased that year. The firm sells the equipment on October 3, 2024.**Fill in the blank: Assume the firm always opts out of Sec. 179 and bonus if available and uses a calendar year tax period. The total depreciation the firm has for the computer in 2024 is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 7**

|  |  |
| --- | --- |
|  | **3.**A textile company purchased the following assets throughout 2024:

| Asset | Placed in service | Initial Basis |
| --- | --- | --- |
| Land for mill | January 1 | $1,000,000 |
| Mill building | January 1 | $300,000 |
| Equipment (new) | March 4 | $1,800,000 |
| Small used truck for deliveries | June 8 | $25,000 |
| Total |   | $3,125,000 |

 **Fill in the blank:** **Assume that the land and mill building do not qualify as qualified real property for Sec. 179 and that the company has sufficient taxable income that it creates no binding limitation on any potential Sec. 179 expense (if applicable). The *maximum total* depreciation expense possible that the corporation may deduct in 2024 is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 8**

|  |  |
| --- | --- |
|  | **4 - part a.**Google acquired the assets of a small company on May 1, Year 1 for $20 million where $3 million of it was ultimately allocated to the tax basis of a patent the small company had held. At the date of purchase, the patent had a remaining life (until the patent’s expiration date) of exactly 5 years (60 months).**Fill in the blank: The total amount of amortization that Google can recognize in Year 1 for the patent is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 9**

|  |  |
| --- | --- |
|  | **4 - part b.**In part a, Google acquired the assets of a small company on May 1, Year 1 for $20 million where $3 million of it was ultimately allocated to the tax basis of a patent the small company had held. At the date of purchase, the patent had a remaining life (until the patent’s expiration date) of exactly 5 years (60 months).**Fill in the blank: Based on the discussion in your text (and my notes), if Google had instead directly purchased the patent alone from the company for $3 million instead of purchasing it along with the rest of the assets of the small company for a single purchase price, the appropriate amortization for Year 1 in this alternative scenario is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 10**

|  |  |
| --- | --- |
|  | **5 - part a - i.**Robert started an accounting firm in Year 1 and organized as a partnership. Performance of services began on July 1, Year 1. The following expenditures were associated with the partnership’s activities in Year 1:

| Expense | Date | Amount |
| --- | --- | --- |
| April 1-June 30 rent | March 1 | $15,000 |
| June 1-June 30 wages | June 30 | $25,000 |
| April 1-June 30 utilities | June 30 | $800 |
| Legal fees for partnership agreements | June 25 | $12,500 |
| July 1-Sept. 30 rent | July 1 | $15,000 |
| July 1-July 31 wages | July 31 | $50,000 |
| July 1-Sept. 30 utilities | Sept. 30 | $1,600 |

 **Fill in the blank: The total amount of the start-up costs expenditures is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 11**

|  |  |
| --- | --- |
|  | **5 - part a - ii.**Robert started an accounting firm in Year 1 and organized as a partnership. Performance of services began on July 1, Year 1. The following expenditures were associated with the partnership’s activities in Year 1:

| Expense | Date | Amount |
| --- | --- | --- |
| April 1-June 30 rent | March 1 | $15,000 |
| June 1-June 30 wages | June 30 | $25,000 |
| April 1-June 30 utilities | June 30 | $800 |
| Legal fees for partnership agreements | June 25 | $12,500 |
| July 1-Sept. 30 rent | July 1 | $15,000 |
| July 1-July 31 wages | July 31 | $50,000 |
| July 1-Sept. 30 utilities | Sept. 30 | $1,600 |

 **Fill in the blank: The total amount of organizational expenditures is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 12**

|  |  |
| --- | --- |
|  | **5 - part b - i.**Robert started an accounting firm in Year 1 and organized as a partnership. Performance of services began on July 1, Year 1. The following expenditures were associated with the partnership’s activities in Year 1:

| Expense | Date | Amount |
| --- | --- | --- |
| April 1-June 30 rent | March 1 | $15,000 |
| June 1-June 30 wages | June 30 | $25,000 |
| April 1-June 30 utilities | June 30 | $800 |
| Legal fees for partnership agreements | June 25 | $12,500 |
| July 1-Sept. 30 rent | July 1 | $15,000 |
| July 1-July 31 wages | July 31 | $50,000 |
| July 1-Sept. 30 utilities | Sept. 30 | $1,600 |

 **Ignore your answer in a. Assume that the total amount of start-up costs expenditure is $48,200 and the total amount of the organizational expenditure is $17,900.****Fill in the blank: The amount of the start-up costs the partnership may immediately expense in Year 1 is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 13**

|  |  |
| --- | --- |
|  | **5 - part b - ii.**Robert started an accounting firm in Year 1 and organized as a partnership. Performance of services began on July 1, Year 1. The following expenditures were associated with the partnership’s activities in Year 1:

| Expense | Date | Amount |
| --- | --- | --- |
| April 1-June 30 rent | March 1 | $15,000 |
| June 1-June 30 wages | June 30 | $25,000 |
| April 1-June 30 utilities | June 30 | $800 |
| Legal fees for partnership agreements | June 25 | $12,500 |
| July 1-Sept. 30 rent | July 1 | $15,000 |
| July 1-July 31 wages | July 31 | $50,000 |
| July 1-Sept. 30 utilities | Sept. 30 | $1,600 |

 **Ignore your answer in a. Assume that the total amount of start-up costs expenditure is $48,200 and the total amount of the organizational expenditure is $17,900.****Fill in the blank: The amount of organizational expenditures the partnership may immediately expense in Year 1 is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 14**

|  |  |
| --- | --- |
|  | **5 - part c - i.**Robert started an accounting firm in Year 1 and organized as a partnership. Performance of services began on July 1, Year 1. The following expenditures were associated with the partnership’s activities in Year 1:

| Expense | Date | Amount |
| --- | --- | --- |
| April 1-June 30 rent | March 1 | $15,000 |
| June 1-June 30 wages | June 30 | $25,000 |
| April 1-June 30 utilities | June 30 | $800 |
| Legal fees for partnership agreements | June 25 | $12,500 |
| July 1-Sept. 30 rent | July 1 | $15,000 |
| July 1-July 31 wages | July 31 | $50,000 |
| July 1-Sept. 30 utilities | Sept. 30 | $1,600 |

 **Ignore your answer in a. Assume that the total amount of start-up costs expenditure is $48,200 and the total amount of the organizational expenditure is $17,900. Also, assume that the company immediately expensed $5,000 of start-up costs and $5,000 organizational cost.****Fill in the blank: The amount the partnership can deduct as amortization expense for the organizational expenditures in Year 1 (not including the amount it immediately expensed) is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 15**

|  |  |
| --- | --- |
|  | **5 - part c - ii.**Robert started an accounting firm in Year 1 and organized as a partnership. Performance of services began on July 1, Year 1. The following expenditures were associated with the partnership’s activities in Year 1:

| Expense | Date | Amount |
| --- | --- | --- |
| April 1-June 30 rent | March 1 | $15,000 |
| June 1-June 30 wages | June 30 | $25,000 |
| April 1-June 30 utilities | June 30 | $800 |
| Legal fees for partnership agreements | June 25 | $12,500 |
| July 1-Sept. 30 rent | July 1 | $15,000 |
| July 1-July 31 wages | July 31 | $50,000 |
| July 1-Sept. 30 utilities | Sept. 30 | $1,600 |

 **Ignore your answer in a. Assume that the total amount of start-up costs expenditure is $48,200 and the total amount of the organizational expenditure is $17,900. Also, assume that the company immediately expensed $5,000 of start-up costs and $5,000 organizational cost.****Fill in the blank: The amount the partnership can deduct as amortization expense for the start-up costs in Year 1 (not including the amount it immediately expensed) is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 16**

|  |  |
| --- | --- |
|  | **5 - part d - i.**Robert started an accounting firm in Year 1 and organized as a partnership. Performance of services began on July 1, Year 1. The following expenditures were associated with the partnership’s activities in Year 1:

| Expense | Date | Amount |
| --- | --- | --- |
| April 1-June 30 rent | March 1 | $15,000 |
| June 1-June 30 wages | June 30 | $25,000 |
| April 1-June 30 utilities | June 30 | $800 |
| Legal fees for partnership agreements | June 25 | $12,500 |
| July 1-Sept. 30 rent | July 1 | $15,000 |
| July 1-July 31 wages | July 31 | $50,000 |
| July 1-Sept. 30 utilities | Sept. 30 | $1,600 |

**Ignore your answer in a. Assume that the total amount of start-up costs expenditure is $48,200 and the total amount of the organizational expenditure is $17,900. Also, assume that the company immediately expensed $5,000 of start-up costs and $5,000 organizational cost.****Fill in the blank: The total amount of deduction allowed for organizational expenses in Year 1 (including both the portion immediately expensed and relevant amortization of remaining expenses) if Robert started a sole proprietorship instead of a partnership is $\_\_\_\_\_\_\_.** |  |  |  |
|  |  |  |  |

### **Question 17**

|  |  |
| --- | --- |
|  | **5 - part d - ii.**Robert started an accounting firm in Year 1 and organized as a partnership. Performance of services began on July 1, Year 1. The following expenditures were associated with the partnership’s activities in Year 1:

| Expense | Date | Amount |
| --- | --- | --- |
| April 1-June 30 rent | March 1 | $15,000 |
| June 1-June 30 wages | June 30 | $25,000 |
| April 1-June 30 utilities | June 30 | $800 |
| Legal fees for partnership agreements | June 25 | $12,500 |
| July 1-Sept. 30 rent | July 1 | $15,000 |
| July 1-July 31 wages | July 31 | $50,000 |
| July 1-Sept. 30 utilities | Sept. 30 | $1,600 |

 **Ignore your answer in a. Assume that the total amount of start-up costs expenditure is $48,200 and the total amount of the organizational expenditure is $17,900. Also, assume that the company immediately expensed $5,000 of start-up costs and $5,000 organizational cost.****Fill in the blank: The total amount of deduction allowed for start-up costs in Year 1 (including both the portion immediately expensed and relevant amortization of remaining expenses) if Robert started a sole proprietorship instead of a partnership is $\_\_\_\_\_\_\_.** |  |  |  |