

SAMPLE COURSE - MAXIMIZING DEDUCTIONS FINAL EXAM

The following exam will not be graded. It is attached only for your convenience while you read the course text. To access the exam to be submitted for grading, go to your account and select Take Exam.

1. **What was the standard mileage rate for a car used for business in 2017:**
 - A. 14 cents
 - B. 24 cents
 - C. 51.5 cents
 - D. 53.5 cents

2. **An expense that is helpful and appropriate for your business is considered to be which of the following:**
 - A. an ordinary expense
 - B. a necessary expense
 - C. necessary if it is required
 - D. an extravagant expense

3. **In order to satisfy the rest requirement, which of the following is correct:**
 - A. you must be away from your tax home for a whole day
 - B. you must at least take a nap in your car
 - C. your relief from duty must be long enough to get necessary sleep or rest
 - D. you must take a lunch break of one hour or longer

4. **Generally, where is your tax home:**
 - A. your regular place of business
 - B. the metropolitan area that you live in
 - C. your personal residence
 - D. the location where you spend the most time

5. **Each of the following is true regarding indefinite jobs or assignments except:**
 - A. the location of the assignment/job becomes your new tax home
 - B. you may be able to deduct the cost of relocating to your new tax home as a moving expense
 - C. you must include in your income any amounts you receive from your employer for living expenses
 - D. you can deduct your travel expenses while at the location of the assignment/job

6. **Which of the following is true when you travel back to your tax home while on a temporary assignment:**
 - A. you are considered away from home even when you are back in your home town on your days off
 - B. you can deduct your travel expenses while traveling between your temporary place of work and your tax home
 - C. you cannot deduct the cost of your hotel room if kept while at home
 - D. you cannot go back home on your days off

7. **Generally, you cannot deduct the travel expenses of someone who goes with you on a business trip if which of the following is true:**
 - A. that person is your employee
 - B. that person has a bona fide business purpose for the travel
 - C. that person would otherwise be allowed to deduct the travel expenses
 - D. that person is your dependent

8. Which of the following is correct regarding the amount of the standard meal allowance:

- A. it is the federal rate for your meals and incidental expenses (M&IE)
- B. it is the value assigned by the corporation
- C. it is any reasonable rate
- D. it is assigned by each state

9. Incidental expenses do not include which of the following:

- A. tips for hotel staff
- B. telephone costs
- C. tips for a porter
- D. tips for stewards on ships

10. For travel outside the United States, even if you did not spend your entire time on business activities, your trip is considered entirely for business if you meet the following exception:

- A. you did not have substantial control over arranging the trip
- B. non-business activities were less than 50%
- C. you were outside of the U.S. for more than seven consecutive days
- D. there are no exceptions to this rule