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You can either fax the exam back to 1-317-219-3223 or scan it and email it back to info@cpaselfstudy.com. You will be notified of results within one week. A passing grade is 70%. If you prefer instant results, take the on-line exam and receive an instant grade and certificate for passing. Just click on the **Take EXAM** button on the www.cpaselfstudy.com website and enroll (at no additional cost) in the course. There is an answer key on the last page so please just fax the last 2 pages if you decide to fax.

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Bankruptcy Tax Guide Exam TAXB11107- 3 CPE Hours

Exam: Please circle the most appropriate response. Please make sure to clearly circle only one answer.

1. Bankruptcy proceedings begin with the filing of a petition with the bankruptcy court. The filing of the petition creates a _____.
 - A. Tax obligation
 - B. Bankruptcy estate
 - C. Sense of urgency
 - D. None of the above

2. A separate estate, for tax purposes, is not created for individuals who file a petition for bankruptcy under
 - A. Chapter 12
 - B. Chapter 13
 - C. Chapter 7
 - D. Both A and B

3. Assuming they are in Chapter 7 or 11, if Joe and Patricia, husband and wife, file a joint bankruptcy petition and their estates are jointly administered, a single joint tax return must be filed.
 - A. True
 - B. False

4. The estate, in both Chapter 7 and Chapter 11 proceedings, are always represented by a trustee.
 - A. True

- B. False
5. The individual debtor has the option of ending his/her tax year
- A. On the day before he/she filed the bankruptcy petition
 - B. On the day after he/she filed the bankruptcy petition
 - C. On June 30th of the year he/she file the bankruptcy petition
 - D. All of the above are acceptable options to the IRS
6. Which of the following statements are true?
- A. Any existing tax attributes are taken over by the bankruptcy estate when you file for bankruptcy
 - B. When the estate is terminated, the debtor assumes any remaining tax attributes that were taken over by the estate
 - C. Tax attributes include net operating loss carryovers and credit carryovers
 - D. All of the above statements are true
7. A transfer (other than by sale or exchange) of an asset from the debtor to bankruptcy estate is not treated as a "disposition" for income tax purposes.
- A. True
 - B. False
8. John Speed decides to end his tax year. He files a bankruptcy petition on July 10th. To have a timely filed election, he must file Form 1040 (or an extension) for the period January 1 through July 9 by _____.
- A. December 31
 - B. September 15
 - C. November 15
 - D. August 31
9. If the debtor's spouse files for bankruptcy later in the same year, he or she may also choose to end his or her tax year, regardless of whether he or she joined in the choice to end the debtor's tax year.
- A. True
 - B. False
10. Which of the following statements is not true?
- A. The estate can take one personal exemption
 - B. The estate can take either individual (itemized) deductions or the basic standard deduction for a married individual filing a separate

- return.
- C. The estate can take the higher standard deduction allowed for married persons filing separately who are 65 or older or blind.
 - D. The abandonment of property by the estate to the debtor is a nontaxable disposition of property.
11. Which of the following is false?
- A. The filing of a tax return for the bankruptcy estate relieves the individual debtor of his or her tax filing requirements
 - B. A partnership's debt that is canceled because of bankruptcy is included in the partnership's income.
 - C. The filing requirements for a partnership or a corporation in bankruptcy proceedings change.
 - D. All of the above statements are false.
12. The trustee of the bankruptcy estate may request a determination of any unpaid liability of the estate for tax by filing
- A. A tax return
 - B. A request for such determination by the IRS
 - C. Both A and B
 - D. None of the above- the trustee has to wait until the IRS contacts him or her.
13. The filing of a bankruptcy petition does not automatically result in a suspension of any US Tax Court proceedings to determine your tax liability as a debtor.
- A. True
 - B. False
14. The same rules apply to payment of eighth priority prepetition taxes whether they fall under Chapter 11,12 or 13
- A. True
 - B. False
15. Which of the following are true?
- A. Taxes incurred during administration by the bankruptcy estates are paid last, as administrative expenses.
 - B. Do not include a canceled debt in gross income if the cancellation takes place in a bankruptcy case under the US Bankruptcy Code
 - C. Do not include a canceled debt in gross income if you are insolvent and the amount excluded is not more than the amount by which you are

- insolvent.
D. Both B and C are true.

16. You must reduce the tax attributes on the IRS list first before reducing the basis of any depreciable property.

- A. True
B. False

17. If a partnership's debt is canceled because of bankruptcy or insolvency all choices such as the choice to reduce the basis of depreciable property before reducing other tax attributes and to end the tax year on the day before filing the bankruptcy case must be made by the individual partners, not the partnership.

- A. True
B. False

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1	A	B	C	D
2	A	B	C	D
3	A	B	C	D
4	A	B	C	D
5	A	B	C	D
6	A	B	C	D
7	A	B	C	D
8	A	B	C	D
9	A	B	C	D
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12	A	B	C	D
13	A	B	C	D
14	A	B	C	D
15	A	B	C	D
16	A	B	C	D
17	A	B	C	D

Course Evaluation

What was your estimated completion time? _____ 50 minute hours.

On a scale of 1 (lowest) to 5 (highest), please evaluate the following.

(1) poor (2) fair (3) good 4 (very good) 5 (excellent)

- ___1. How well did the course meet its stated learning objectives?
 ___2. How well did the program materials help in achieving the learning objective?
 ___3. How well did you like our web site?

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