

# EA Exam Review Course – Part I

## Addendum

1. Question 44 on page 140 should read:

How much income should Devin, who uses the cash method of accounting, report on his 2009 return from the following transactions?

\$300 was garnished from his wages to pay his debts.

\$500 (gross) paycheck received December 28, 2009, but

not cashed until January 2, **2010**.

\$900 (gross) wages paid directly to his mother at his request.

2. Question 24 on page 201 should read:

Sally, age 38, converted \$14,000 from her traditional IRA to a Roth IRA in 2009. When she had her tax return prepared for 2009, her tax professional informed her that the conversion was not allowed because her income was \$300,000. If she does not do a recharacterization by April 15, **2010** what are her consequences?

3. Question 36, choice C, on page 275 should read:

C. Vickie has a short-term gain of \$3,000 on her 2009 tax return and Larry takes the short term loss \$1,000 on his **2008** tax return.

4. Question 3 on page 355 should read:

Marco and Leigh Ann Green (husband and wife) moved from New Jersey to Florida on July 1, 2009, at Marco's request. Leigh Ann immediately found a job as a part-time substitute teacher, but only worked 23 weeks during the year. Marco, a self-employed solar heating unit salesman, could not continue in the same line of work after the move. In Florida he held one full-time job for 10 weeks, then another full-time job for 6 more weeks during 2009. Marco expects to start a new full-time job as an employee of a landscaping company in January of **2010**. Can Marco and Leigh Ann claim a deduction for moving expenses on their 2009 jointly filed return?

5. Question 8 on page 441 should read:

Dan and Marge filed a joint return for 2009. Dan was 67 years old and Marge's 65th birthday was January 1, **2010**; neither of them are disabled. During 2009 they received total nontaxable income of \$3,800 from social security. Their adjusted gross income was \$15,000. How much can they claim as a credit for the elderly in 2009?