

**Tennessee CPA Journal**  
**Self-Study CPE Exam**

Sponsored by the  
Educational & Memorial Foundation of the  
Tennessee Society of CPAs  
Recommended CPE Credit: 1 hour

Issue Date: March 2009  
Exam valid through October 1, 2009.  
Must be postmarked on or  
before October 1, 2009.

If you are not a member of TSCPA, please enclose a check for \$20 payable to the Educational & Memorial Foundation of TSCPA.

**Instructions:**

**Members may earn free CPE by reading the Tennessee CPA Journal.** To be eligible for continuing professional education credit, you should spend approximately one to two hours reading the material in the current issue of the Tennessee CPA Journal. Then answer the following questions by darkening the circle which represents the best answer. Certify that you have completed the reading requirement for this exam by signing below. You must answer five of the seven questions correctly to receive credit. You should receive a copy of your graded test within four weeks of the date of submission. If you have not received a response within this time, please call TSCPA at 615/377-3825 or toll-free 1-800/762-0272. This program has been approved by the Tennessee State Board of Accountancy. This exam qualifies for credit under the reporting sub-category "Other - Code 10." **CPAs licensed to practice in Tennessee may earn up to 20 percent of their total CPE requirements through this type of examination.**

	True	False
<b>From "The Subprime Mortgage Debacle: A Tax Issue"</b>		
1. Before the amendment, debt discharge income was excluded from gross income if the discharge occurred in a case under Title 11.	<input type="radio"/>	<input type="radio"/>
2. All of the discharged debt income will be applied first against the "qualifying" loan, leading to an exclusion.	<input type="radio"/>	<input type="radio"/>
3. Reducing basis in your home and increasing the gain on the sale of your home generates an increased amount of income. However, Congress previously decided to exclude gain from the sale of a qualified personal residence.	<input type="radio"/>	<input type="radio"/>
4. Debt discharge income will never be "phantom" income. It will always be untaxable income.	<input type="radio"/>	<input type="radio"/>
<b>From "Communicating Internal Control-Related Matters in SAS No. 115"</b>		
5. One change with SAS No. 115 was that communications of internal control related matters to management and those charged with governance were allowed to be communicated verbally, whereas SAS No. 60 required them to be communicated in writing.	<input type="radio"/>	<input type="radio"/>
6. The term "reportable condition" was eliminated and the terms "significant deficiency" and "material weakness" were used to describe control deficiencies that must be communicated to management and those charged with governance with SAS No. 115.	<input type="radio"/>	<input type="radio"/>
7. A deficiency in internal controls exists when the design or operation of a control does not allow management or employees to prevent, or detect and correct misstatements on a timely basis.	<input type="radio"/>	<input type="radio"/>

Return the original, completed test to:

Tennessee Society of CPAs  
201 Powell Place  
Brentwood, TN 37027

**For official use only:**

**Date Received:** \_\_\_\_\_

- Three or more questions were answered incorrectly; therefore, credit is not granted.
- All requirements have been successfully completed. One hour of continuing professional education credit as set out by the Tennessee CPA Journal Self-Study Exam guidelines is granted.
- You failed to sign below for credit. After doing so, you do not need to return this form.

**Date Graded:** \_\_\_\_\_ **Examiner:** \_\_\_\_\_

**I certify that I have read the March 2009 Tennessee CPA Journal, from which these questions were taken.**

**Signature:** \_\_\_\_\_

(Please print the information below. **Must** be legible for Post Office to use as return address.)

Name: \_\_\_\_\_ Date submitted: \_\_\_\_\_

Address: \_\_\_\_\_ Member of TSCPA? ( ) Yes ( ) No

City, State, Zip: \_\_\_\_\_ E-mail: \_\_\_\_\_

Optional question: What topic would you like to read about in the *Tennessee CPA Journal*? \_\_\_\_\_