

**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: May 2009  
Exam valid through December 1, 2009.  
Must be postmarked on or  
before December 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 "Use of the Newly Amended Section 121 Residential Gain Exclusion Rules for Converted Vacation and Rental Homes in 2009"</b>		
1. The pre-2009 Section 121 required taxpayers to include gain on the "cash out" of a primary residence that was previously used as either a vacation or rental.	<input type="radio"/>	<input type="radio"/>
2. The main exception provides that if a taxpayer moves out of a primary residence occupied for at least two years, nonqualified use will not accrue for the after move period provided the property is sold within three years of move out.	<input type="radio"/>	<input type="radio"/>
3. The amended Section 121 makes it easier for a taxpayer to exclude taxable gain on the sale of a vacation or a rental home by converting it to a principal residence.	<input type="radio"/>	<input type="radio"/>
<b>From "The Internal Revenue Service Offers Guidance for Ponzi Scheme Victims"</b>		
4. Currently, an individual is allowed a deduction for any loss sustained during the year that is not compensated for by insurance or otherwise.	<input type="radio"/>	<input type="radio"/>
5. As theft losses are deductible in arriving at adjusted gross income, they are included in the definition of miscellaneous itemized deductions and are subject to the four percent of adjusted gross income.	<input type="radio"/>	<input type="radio"/>
<b>From "To End Recession, We Must Change Our Credit Culture"</b>		
6. By some measures, the current recession is the worst in post-war history. The unemployment rate today is 10.8 percent. In 1983, it was 8.5 percent.	<input type="radio"/>	<input type="radio"/>
7. Home prices are now, on average, 30 percent lower than they were at the peak of the housing boom.	<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 May 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*? \_\_\_\_\_