

Taxes and Business Strategy Course Syllabus ACCTMIS 7430

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Class Time: Monday and Wednesday 1:15PM - 2:45PM
Class Location: Gerlach Hall 305
Office Hours: Wednesday 3:00 PM – 4:00 PM

Course Materials:

Scholes, Wolfson, Erickson, Hanlon, Maydew, Shevlin. *Taxes and Business Strategy*, 5th edition, Pearson Prentice Hall. ISBN: 978-0132752671. (SWEHMS)¹

Other required readings will be indicated throughout semester, as well as a small number of cases that will need to be purchased.

Objectives

This course is designed to give you the tools to identify, understand, and evaluate tax planning opportunities. To maximize the lasting benefit you will get from the course, we begin by developing a conceptual framework for thinking about how tax rules affect business decisions. Once developed, the framework is brought to life by application to a variety of settings.

Part of being financially savvy is having an understanding of how taxation affects business decisions, e.g., forming a corporation and raising capital, operating the firm, distributing cash to shareholders through dividends and share repurchases, expanding through acquisition, and divesting lines of business. Taxes have a direct impact on cash flow and often divert 30% to 40% of the firm's pretax cash flow to the government. Minimizing those cash outflows is key to value maximization. Having an understanding of taxation and how firms plan accordingly is important for just about any career path you choose, whether you will be an accountant, investment banker, venture capitalist, consultant, money manager, CFO, treasurer, controller, taking over a family-owned business, or as an entrepreneur setting up a new business. Taxes are everywhere and it pays to have some understanding of them.

Performance evaluation

The course grade will be determined based on the following four items:

¹ The book can be purchased in the bookstore, you can rent hardcover from Amazon (~\$55), buy new online (~\$190), buy used online (~\$190), rent etext online (~\$90), or buy the etext online (~\$130). Several online bookstores may have these purchase options. Amazon, for example has all three, and the prices listed are approximations of Amazon's price. Older versions of the text are available, although the tax laws will be different, and the question numbers may be different.

1. Professionalism/Participation. You are expected to attend, and participate in class. Ask and answer questions. Bring material from outside class to share with the class. Contribute as if your grade depends on it, because it does.

2. Homework Assignments. There will be three homework assignments throughout the course, and will be posted on Carmen well in advance of their due date. These may be completed in groups of up to five, or alone. If submitting as group, each group member needs to contribute to the assignment. Include all names of people in the group at the top of the assignment. If there are class members who would like to work in a group but need help coordinating groups, please email me, and I can help facilitate finding group mates.

3. Mini Quizzes. There will be five mini-quizzes administered throughout the course of the semester. Their dates will not be announced. They will be relatively simple, but, will require staying on top of the material in the class. The lowest quiz will be dropped, allowing slack for students who miss a quiz. There will be no makeup quizzes.

4. Final Celebration. There will be a written final exam, which is meant to celebrate the knowledge you have accumulated over the course of the semester.

Final Grade

Your final grade in this course will be determined by the total points you earn. The maximum points you can earn from each are as follows:

Professionalism/Participation	50 points
Homework Assignments (3)	150 points
Mini Quizzes (5)	50 points
Final Celebration	<u>150 points</u>
Total	400 points

Final grades will be determined by cumulating the points you earn, and rank ordering you among your classmates.

Other Class Policies

Academic Misconduct – Cheating will not be tolerated. As per University Rule 3335-31-02, all suspected cases of cheating will be reported to the Committee on Academic Misconduct.

Circular 230 Disclaimer - I make the following disclaimer with regards to IRS Circular 230, which regulates CPAs and attorneys: To ensure compliance with requirements imposed by the IRS, I inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marking or recommending to another party any transaction or matter addressed herein.

Course Communication – I will communicate with Carmen and email, so it is important that you regularly check your accounts. You can assume that we will take at least 24 hours to respond to

an email, so, emails sent minutes before an answer is needed (i.e. five minutes before a homework assignment is due) may not yield a useful response.

Disability Services - All students with a disability are encouraged to contact the Office of Disability Services, as well as the instructor, to explore the potential accommodations available to them.

Grade Disputes - Any concerns or questions about grading must be resolved within one week after the graded item is available for review. These disputes must be submitted IN WRITING to the instructor. Individual grading issues will be handled outside of normal class time. Regrading may result in a positive or negative adjustment to the previous score.

Laptop use – Don't distract others with your laptop. Doing so will affect your professionalism score.

Recording class – Please do not record class without prior permission of the instructor.

Tardiness – Don't be late for class. Tardiness will affect your professionalism score.

Taxes in the news - Some days in class I will randomly call on a student to tell us something that is going on with taxes and the news. A 30 second to 2 minute explanation of some recent tax-related news story, placing it in a broader context, is sufficient. To be prepared for this, you should be reading the business news, which will generally always include some tax component (to be serious business-people, you should be reading this business news anyways, even after you finish with the class).

TENTATIVE CLASS SCHEDULE (14 days of class)

Class Session	Day		Chapter
1	Wednesday, March 04, 2015	Introduction to tax planning	1
2	Monday, March 09, 2015	Introduction to tax planning	2
3	Wednesday, March 11, 2015	Taxation of Investments	3
4	Monday, March 23, 2015	Organizational Form	4
5	Wednesday, March 25, 2015	Nontax costs of tax planning/Tax information in Financial Statements	6
6	Monday, March 30, 2015	Tax information in Financial Statements	6
7	Wednesday, April 01, 2015	Tax Rates	7
8	Monday, April 06, 2015	Compensation Planning	8/9.1-9.2
9	Wednesday, April 08, 2015	Compensation Planning	8/9.1-9.2
10	Monday, April 13, 2015	Multinational and State Tax Planning	10
11	Wednesday, April 15, 2015	Multinational and State Tax Planning	11.2
12	Monday, April 20, 2015	Mergers and Acquisitions	14
13	Wednesday, April 22, 2015	Taxes and Public Perception	-
14	Monday, April 27, 2015	Grand Finale - Final exam	-

This is a tentative schedule that is subject to change. The most updated schedule, along with links to the readings and homework assignments, will be updated live at, with more detailed reading assignments and homework due dates:

<http://tinyurl.com/tabsschedule>

The readings will also appear posted on Carmen (to the extent they are postable—there will be a few cases that need to be purchased).