

COURSE OUTLINE

WINTER 2003

BA 2040 Wealth Accumulation Investment 3 (3-0)

Text: *Income Tax Planning*, CFP on the Web, from the Canadian Institute of Financial Planning. These materials will be used extensively. The materials will be available from the Department of Business Administration, and the \$200.00 cost of such materials includes registration as a student with the Institute.

Prerequisites:

- BA1050 Business Mathematics and Statistics and BA1110 Introduction to Accounting.
- Equivalent courses, or
- Consent of the instructor.
- It is **strongly** recommended that students registered in this course have obtained at least a 5 in BA1050.
- Students should possess and be familiar with the operations of a financial calculator such as Hewlett-Packard HP10B or HP10B II, Sharp EL-733A or Texas Instruments BAII Plus or Student Business Analyst.

Instructor:

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Course Description:

- Introduces students to the process of wealth accumulation.
- How wealth is acquired and preserved through the use of business and financial assets.
- Students will be required to acquire the knowledge, judgement, and expertise to understand the economic issues, business activities, investment products, their income tax implications and the numerous strategies

Course Objectives:

To provide students with knowledge of the process of wealth accumulation and maintenance, and the role of income tax planning.

Transfer:

This course transfers to the Canadian Institute of Financial Planning's Wealth Accumulation course. Student must write and pass the Institute's exam to receive credit from the Institute. The final exam in the course is for GPRC credit only. Prior to writing the Institute exam, a passing grade in the GPRC course must be obtained.

Evaluation:

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| Unit Assignments (8) | 40% |
| Mid-term Exam February 20, 2003 | 25% |
| Final Exam | 35% |

The assignments must be submitted via the Web to the CIFP to be marked.

Course Content:**Introduction to Income Tax Planning**

- Money Management
- Understanding Credit
- Income Tax Basics
- Completing a Personal Income Tax Return
- Integrating Income Tax Planning and Financial Planning

Proprietorships and Partnerships

- Role of Businesses in Wealth Accumulation
- Partnerships
- Partnerships and Income Tax
- Limited Partnerships
- Business Income

Corporations

- Defining a Corporation
- Types of Business Corporations
- Shares and Shareholders
- Organizational Structure of a Corporation
- Corporate Taxation
- Taxation of Shareholders
- Corporations as Wealth Accumulation Vehicle to the Owner/Manager

Income Tax Planning and Research

- Residency and Installment Payments
- Deadlines, Penalties and Reviews
- Income Tax Planning and Research
- Miscellaneous Deductions

Taxation of Employees and the Alternative Minimum Tax

- Types of Employment Income and Taxable Benefits
- Fringe Benefits not Included in Income
- Employee Stock Option Plans
- Alternative Minimum Tax

Mid-Term Examination—Thursday, February 20, 2003

Taxation of Property Income

- Interest, Dividends and Income Earned as a Specified Member
- Rental Income
- Capital Cost Allowance
- Disposing of Depreciable Property
- Other Deductions from Business and Property Income
- Income Attribution Rules

Taxation of Capital Property

- The Role of Property in Wealth Accumulation
- Calculating Capital Gains and Losses
- Dispositions
- Losses
- Special Situations
- Capital Gains Exemptions

Making Use of Tax Advantages

- Tax Advantages
- Investment Benefits
- Choosing the Right Tax Advantages