

Tax Analysis of Investments Using the Internet

Course Description & Study Guide

Taxes aren't taxes – they are dollars in terms of the net return on investment. All tax professionals need to know the tax-economics of investing for themselves and their clients. This need is accentuated by the rapid rise of the Internet as a broad-based and effective investment tool.

The tax professional is in a special position to detect a client's need for financial planning. Preparing returns discloses assets, savings, business entities, and family members. Knowledge of the client's assets, activities and the tax characteristics of available entities permits investment matching for maximum after-tax return.

The basic tax characteristics of the primary tax entities are explored and analyzed. Their ability to defer, reduce, and eliminate tax is examined. Client goals, purposes and risk tolerances are determined and quantitated using the Sharp ratio. Investments and assets are then evaluated using a variety of tools found on the Internet. Finally, investments and entities are matched to produce the best after-tax return for the client.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

Field of Study: Taxes

Prerequisite: General understanding of federal income taxation.

Advanced Preparation: None

Learning Assignments & Objectives

As a result of studying each assignment, you should be able to meet the objectives listed below each assignment.

ASSIGNMENT	SUBJECT
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Chapter 1	Introduction
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At the start of Chapter 1, participants should identify the following topics for study:

- * Myths of retirement
- * Cash management & savings
- * Physical assets
- * Stocks
- * Bonds
- * Mutual funds
- * Life insurance
- * Social Security
- * Active investment strategies
- * Passive investment strategies

Learning Objectives

After reading Chapter 1, participants will be able to:

1. Determine the differences between goals & purposes when retirement planning and how to implement strategies to preserve wealth by maintaining buying power.
2. Identify the various cash management strategies and their effectiveness as part of an overall financial plan.
3. Specify categories of assets noting their role in improving investment planning.
4. Recognize the impact of Social Security and insurance in developing a financial plan for retirement.
5. Identify active versus passive investment selection and evaluation strategies and the role each of the techniques can play in a financial plan for retirement.

After studying the materials in Chapter 1, answer the exam questions 1 to 29.

ASSIGNMENT	SUBJECT
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Chapter 2	Building an Estate
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At the start of Chapter 2, participants should identify the following topics for study:

- * Types of income
- * Information reporting on taxable income
- * Rules of budgeting
- * Cash
- * Acquisition
- * Assets
- * Rules of management
- * Managing risk
- * Taxes
- * Leverage

Learning Objectives

After reading Chapter 2, participants will be able to:

1. Determine the role income in money management by identifying the various types of income particularly tax-free and tax-deferred income and their impact on financial and retirement planning.
2. Recognize the principles of budgeting and cash management to increase discretionary income by citing budgeting techniques and specifying how to expand financial planning opportunities through the use of savings, deductions, and emergency funds.
3. Identify ways to manage assets using the author's guidelines for purchasing assets and specify rules for acquiring financial assets that improve investment return and minimize risk.
4. Recognize the tax advantages of accelerating deductions and leveraging the purchase of assets.

After studying the materials in Chapter 2, answer the exam questions 30 to 48.

ASSIGNMENT

SUBJECT

Chapter 3

Preserving the Estate

At the start of Chapter 3, participants should identify the following topics for study:

- * Obstacles to preservation
- * Tracking spending
- * Building savings
- * Designing a budget
- * Determining worth
- * Analyzing net worth
- * Ignorance
- * Inflation
- * Taxes

* Tax planning tactics

Learning Objectives

After reading Chapter 3, participants will be able to:

1. Recognize the impact of taxes, inflation, and bad spending habits on wealth preservation and a budget to increase discretionary income.
2. Identify the process of taking an asset inventory noting its impact on net worth and variables that impact net worth.
3. Specify the importance of personal responsibility when it comes to financial planning noting the importance of personal control over finances and recognize the role of asset allocation, risk tolerance, diversification, and tax planning tactics in maximizing investment returns.

After studying the materials in Chapter 3, answer the exam questions 49 to 61.

ASSIGNMENT

SUBJECT

Chapter 4

Distribution of the Estate

At the start of Chapter 4, participants should identify the following topics for study:

- * Unlimited marital deduction
- * Applicable exclusion amount
- * Stepped-up basis
- * Basic estate planning goals
- * Simple will
- * Types of trusts
- * Charitable trusts
- * Insurance trusts
- * Family documents
- * Private annuities

Learning Objectives

After reading Chapter 4, participants will be able to:

1. Identify the unlimited marital deduction noting its effect on the value and death transfer of property and specify the tax implications of the applicable exclusion amount for estate planning.
2. Recognize stepped-up basis at death and its importance to surviving spouses and heirs.
3. Determine primary dispositive plans and identify their effects on estate planning starting with simple wills, identify the various asset types that are included and not included in wills, and specify the various types of trusts and their characteristics noting their advantages and disadvantages relative to estate planning.

4. Recognize the roles of a conservatorship and durable power of attorney play in estate planning and identify the advantages and disadvantages of former private annuities.

After studying the materials in Chapter 4, answer the exam questions 62 to 80.

Notice

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