Exhibit 3: Additional questions/options

The following factors (and questions/options) could be added to the assignment at the discretion of the instructor:

**The economy:** How would changes in the economy in general affect your decision/recommendation?
Options: Stable economy; declining economy; recovering economy

**The industry:** How could the industry in which the company operates affect your decision?
Options: Oil and gas industry; technology industry; automotive industry; sustainable energy industry

**Sales projections:** These figures assume that all additional parts manufactured are sold. How would alternative or uncertain future sales projections affect your answer?
Options:
- The company assumed that it is more likely than not that it will be able to sell the additional units.
- The company has a new buyer lined up for the new parts, or for 60% of the new parts.
- There is a 60% chance that the new parts will be sold.
- The company expects that it will take a few years before it is able to sell the additional units consistently.

**Sustainability issues:** What if the new equipment was more environmentally friendly? Perhaps it increases efficiency or it has reduced emissions, etc.
- Alternative energy considerations (e.g., solar panels).
- Federal and/or state tax incentives are available.

**Compare the two alternatives:** If you were asked to choose between the two proposals, which would you recommend?

*This exhibit accompanies the May 2013 Campus to Clients column in The Tax Adviser, “Making the Connection Between Tax and Strategic Business Decision-Making.”*