ECON6344 - Transfer Pricing

ECON 6344 Transfer Pricing (3 semester hours) The economics of transfer pricing of goods, services, and intellectual property traded among units (divisions or affiliated firms) of a common parent company. Multidivisional firms and multinational enterprises use transfer pricing for coordination of divisional objectives, allocating internal resources, and maximizing after-tax profits, among other goals. Governments base firms' tax liability on transfer prices; so their taxing authorities operate to ensure transfer prices adequately reflect the value of goods and services, challenging firms' established transfer pricing if it is deemed necessary. Legal issues and methods used by private firms and government agencies for establishing transfer prices are explored. (3-0) T (2016-02-05 21:40:53)