EBERHARD KARLS UNIVERSITÄT TÜBINGEN

Faculty of Economics and Social Sciences
Chair of International Business Taxation

B450B Taxes and Business Strategy

Syllabus (Summer Semester)

Instructor / course responsibility: Prof. Dr. Martin Ruf

Content

The course analyses how taxes affect business decisions. It integrates tax considerations into investment, financing, organisational-form, and location choices and develops quantitative decision models using spreadsheet calculations.

Learning target

By the end of the course, students are able to integrate taxes into net-present-value and rate-of-return calculations; assess tax advantages and disadvantages of alternative business strategies; compare investment, financing, legal-form, and location decisions across tax systems; and communicate a structured quantitative tax analysis in writing and presentation.

Topics

1. Tax planning framework
    a. Taxes in investment appraisal
    b. Net present value, future value, and effective rates of return
2. Investment decisions
    a. Investment timing and depreciation
    b. Tax effects in multi-period financial plans
3. Risk and taxation
    a. Decision-making under uncertainty
    b. Tax asymmetries, loss offsets, and risk sharing
4. Financing decisions
    a. Debt, equity, and alternative financing instruments
    b. Capital-structure effects of taxation
5. Organisational decisions
    a. Choice of legal and organisational form
    b. Changes in legal form and organisational restructuring
6. Location decisions
    a. International tax comparisons
    b. Location choices and cross-border investment
7. International tax strategy
    a. Repatriation and financing of foreign operations
    b. Interaction of tax rules across jurisdictions
8. Applied project
    a. Spreadsheet-based quantitative analysis
    b. Written assignment and presentation of results

Structure

- Lecture (2 SWS) and tutorial/practical sessions (2 SWS).
- Current dates, rooms, and group allocations are published in ALMA before the semester begins.
- Exercises and tutorials consolidate the lecture material through questions, calculations, and applied cases; advance preparation is expected.

Enrollment information

Registration requirements, deadlines, and any capacity limits are published in ALMA. Separate registration for the examination is required.

Coursework

- 9 ECTS credits.
- Graded assignment and presentation; the assignment grade constitutes 100% of the final grade.
- B450B does not include the written B450A examination and cannot be credited towards a degree at the University of Tübingen. Students must nevertheless register with the Examination Office during the regular registration period.

Teaching methods

Lectures, guided exercises or case discussions, independent study, and oral participation. Depending on the course, written assignments or spreadsheet-based applications may complement the classroom sessions.

Course language

English.

Prerequisites

Familiarity with basic strategy concepts, net present value, future value, and rates of return is expected. Prior tax knowledge is not required. Students need access to spreadsheet software.

Literature

Scholes, M. S., Wolfson, M. A., Erickson, M., Hanlon, M., Maydew, E. L., & Shevlin, T., Taxes and Business Strategy: A Planning Approach. Additional academic and practitioner readings are assigned for individual topics and the applied project.

Instructor

Martin Ruf is Professor of International Business Taxation at the University of Tübingen. He studied business administration and economics in Tübingen, Hagen, Louvain-la-Neuve (Belgium), and Durban (South Africa), and received his doctorate from the University of Mannheim. He has held visiting positions at the University of Oxford, Dartmouth College, and NHH Norwegian School of Economics. His research examines how taxation affects business decisions, particularly in international taxation, multinational firms, tax accounting, mergers and acquisitions, and empirical tax research. A complete list of research activities and publications is available at martin-ruf.github.io.

Important information

This syllabus is provided for course planning and credit recognition. Course content, assessment methods, scheduling, and teaching staff may be adjusted before or during the semester. The current information in ALMA and ILIAS is authoritative.