

SUMMARY

Habilitation thesis

Challenges in the Field of Corporate Finance, Taxation, and Public Financial Policies

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The thesis for habilitation is a collection of research activities conducted following the awarding of the PhD degree in economics in 2006 and it is titled **Challenges in the Field of Corporate Finance, Taxation, and Public Financial Policies**. The work I completed after earning my PhD in Economics is a logical progression of the study I conducted for my degree. With a focus on research activity, I wanted to paint a picture of my activities in the academic sector with this work.

First chapter **Academic activity and involvement in the university life** summarizes the teaching activities that have been conducted thus far, with a focus on the teaching aims (beginning with the student-centered approach to education) and the university-related activities that I have participated in.

The sub-chapter entitled **Analysis of public financial policies in the fiscal field** is based on the works *The hidden effects of the flat tax rate in Central and Eastern European Countries* (Țătu et al, 2023) and *The Impact of COVID-19 Crisis on Fiscal Environment in Romania* (Sobolevski et al, 2021).

The first study aims to highlight the presence of some "hidden" effects of the application of the tax system of the incomes made by individuals using the single tax rate. The novelty and originality of this study is given by the fact that it is the first study that analyzes at the level of the CEE states (Bulgaria, Estonia, Hungary, Romania) whether the regulations regarding the taxation of the income of individuals fully comply with the single quota system or certain hidden effects appear that may have effect in taxation (progressiveness/regressiveness) or in the redistributive effects of the tax.

The second study emerged as a necessity following the emergence of the COVID-19 Pandemic. The importance of the study and its practical utility lies in the fact that it is the first study that identified solutions to mitigate the effects of the Covid-19 pandemic starting from the perception of the business environment in Romania regarding the impact of the Covid-19 pandemic on business immediately after the outbreak of the pandemic.

The sovereign debt rating subsection is based on the work *The determinants of the sovereign debt rating: evidence for the European Union countries* (Miricescu et al, 2016). This paper contributes to the development of the existing literature by explicitly testing the impact of the recent financial crisis (2008-2010) on the relationship between the sovereign credit rating and its determinants on a sample of 25 EU member states. This allows us to assess whether rating agencies accommodate the shocks of a financial crisis in their models.

The Investment Policy sub-chapter is focused on two major directions, namely the relationship between taxation (tax on corporate income) and direct investments and, respectively, the preference for certain indicators in the selection of investment projects.

Regarding the first direction of research, it was realized in two studies, respectively: *An Observation of the Effective Tax Rate for Corporate Income in Romania* (Țățu et al, 2011) and *Capital budgeting: a tax shields' "mirage"?* (Dragotă and Țățu, 2011).

The first article carries out a research on the level of the effective tax rate (from the point of view of the corporate income tax) of companies listed on the Bucharest Stock Exchange in the period 1997-2009. At the time of its completion, the study represented one of the first studies that highlighted for the Romanian economy the importance of analyzing the effective corporate income tax rate in making financial decisions at company level, and of differentiating between the statutory rate and the effective profit tax rate.

The second article deals, starting from an original idea, with how taxation, namely the possibility of recovering tax losses made by a company prior to the adoption of an investment project, can have an influence on the decision to adopt it or not. The objective of the study was to highlight certain limits of the classic indicators for evaluating investment projects for companies benefiting from the right to recover tax losses.

The second direction of research, namely the preference for certain indicators used to select investment projects, took shape in two studies: *Capital Budgeting: the Romanian University Professors' Point of View* (Dragotă V. et al, 2010) and *Capital Budgeting: the Romanian Credit Analysts' Points of View* (Dragotă V. et al, 2011). The two studies pioneered in terms of identifying and establishing a hierarchy of indicators used by university professors (who teach in the field of finance) and credit analysts in Romania. The importance of these studies is also given by the fact that they manage to capture the view of professors and credit analysts regarding the relevant indicators taken into account for the analysis of investment projects.

The Dividend Policy subchapter is based on the work *Income Taxation Regulation and Companies' Behaviour: Is the Romanian Companies' Dividend Policy Influenced by the Changes in Income Taxation?* (Dragotă I.M. et al, 2009). The novelty and originality of this study lies in the fact that it approached a less analyzed field of research, aiming to capture the Romanian level if the changes in corporate income taxation had an effect on the dividend policy of companies listed on the BVB.

Chapter 3 Future research directions and professional development objectives in the field of academic research is structured on 2 subchapters.

The sub-chapter **Future research directions** presents the research directions that I want to carry out with doctoral students: Establishing a fair personal income tax system, Fiscal compliance, Impact of economic, fiscal, social, cultural, governance factors and environment on the companies' financing, investment and dividend policies

The sub-chapter **Future professional development objectives in the field of academic research** presents the objectives that I aim for in the future research activity, respectively: Coordination of doctoral students on the topics of interest presented previously, Permanent improvement in the field of research, Dissemination of research, Realization of research activities in within research projects.