

TABLE 4 (continued): DIFFERENCES IN ORGANIZATIONAL FACTORS

PANEL C: DIFFERENCES BY TRANSFER PRICING METHOD BY COUNTRY

| | Wilcoxon Two Sample Probabilities | |
|---------------------------------------|--|--|
| | Market N _{US} =24 N _{CAN} =18 | Non-Market N _{US} =38 N _{CAN} =10 |
| Size (sales) by TNC | .0010** | .0065** |
| Size (sales) to U.S. subsidiaries | .0001** | .0062** |
| Size (sales) to Canadian subsidiaries | .7000 | .2037 |
| Assets by U.S. subsidiaries | .0001** | .0268* |
| Assets by Canadian subsidiaries | .9515 | .0678* |
| Industry | .8269 | .0833* |

PERFORMANCE EVALUATION CRITERIA#

| | | |
|---|-------|--------|
| - Non-income measures for U.S. managers | .6078 | .7466 |
| - Non-income measures for Canadian managers | .2952 | .3970 |
| - Segment profit for U.S. managers | .4605 | .0592* |
| - Segment profit for Canadian managers | .9019 | .0840* |
| - Other profit measures for U.S. managers | .6858 | .9250 |
| - Other profit measures for Canadian managers | .9347 | .7860 |
| - Innovation measures for U.S. managers | .2600 | .6265 |
| - Innovation measures for Canadian managers | .5343 | .4358 |

TRANSFER PRICING METHOD CRITERIA#

| | | |
|--------------------------|-------|-------|
| - Practical | .7784 | .2015 |
| - Decision-making | .2565 | .7423 |
| - Performance evaluation | .2004 | .5340 |

* Significant at alpha = .10 ** Significant at alpha = .01
 Size and asset means are reported in millions of dollars.
 # Reported on a five point scale, where 1 = Very unimportant and 5 = Very important