

Abstract

The research aims to study and analyze the industrial reality of economic units in general and Iraqi ones in particular, and what these units suffer from the rise in the costs of their products due to their use of traditional costing techniques, which obligates these units to search for alternatives to these techniques in order to improve their industrial reality, maintain their market share, and be able to compete with other products. As well as knowing the extent to which its independent variables affect its dependent variable.

The problem of this research revolves around the inability of Iraqi economic units to enter the market and compete with other products due to the rise in costs. Does the application of modern cost techniques lead to reducing the costs of these products? Therefore, the TD-ABC technique will be used and its role in reducing costs will be explained. Through the fair allocation of indirect industrial costs to activities, as well as (VA) technology and explaining its role in reducing product costs through its analysis of product functions and the exclusion of functions that do not add value to it.

The researcher used the deductive approach in the theoretical side of this research by making use of Arabic and foreign sources and references, as well as local sources, to complete the theoretical side that deals with the independent research variables represented by the time-directed activity-based costing technique (TD-ABC) and the value analysis technique (VA). The dependent variable and their role in reducing costs. The analytical method was also used to prove the research hypotheses in the practical aspect and to demonstrate the results of applying these two techniques.

The researcher has chosen Fayd Al-Qassim Metallurgical Industries Company, located in Najaf Al-Ashraf, and it is a company affiliated with the Holy Shrine and the state, as the largest share of the Shrine (75%) of its capital is the subject of research, because this company is of great importance in supplying the local market with metal products (such as heaters, air coolers, and ducts). And Kirby) and the independent research variables were applied to the 2.5-foot air cooler product and the increase in costs that this company suffers from due to its use of traditional costing techniques.

The research reached a set of conclusions, the most important of which is that (TD-ABC) and (VA) technologies provide more accurate and detailed information that helps managers of economic units in making appropriate decisions regarding reducing costs, and it is possible to apply (TD-ABC) technology in economic units in the sector. Industrial technology is one of the modern technologies through which costs are measured and allocated more fairly. The value analysis technique also contributed, by analyzing the functions of the product and excluding functions that do not add value to it, to gaining customer satisfaction, which is the central engine of the economic unit and thus entering market competition.
