

- -

\*

(20)

(28)

:

:

.1

.2

2009/1/26

\*

.3

.2010/4/19

.4

(Mores, et

.al., 2003)

Major :

Influences On Pricing

**:Customers -1**

**:Competitors -2**

**:Costs -3**

.1

.(Horngren, et al, 2003)

.2

.3

.4

**-1**

:

downstream

.(2007 )

Upstream

-2

Cost drivers

%90

( )

"Target Costing" "

( )

.(2002

"

"

-3

.(Yutaka, 1993)

(Nicolini,

%80

.2000)

%100

(Kroli, 1997)

(Boer and Ettlic, 1999)

%40

:

.(Pierce, 2002)

Maximum Allowable Cost

medium-

term

)

-3

.(2002

( )

( )

." "

:

-1

**Value engineering**

-4

**analysis**

.(2000 )

-2

(2002 )

(Lokamy and Smith, 2000)

:

▪

▪

(2006 )

▪

▪ (Ellram, 2000)

( )

▪

▪

(2000 )

: (2009 )

.(Banham, 2000)

: (2010 )

- .1
- .2
- .3

**Camacho, Renaldo Rocha, weligton, 2008)**

: (Rodrigues.

**Target costing in hospital services: a study from a strategic cost management focus.**

( )

( )

(Rattray, Caleb J. Lord, Beverley R.  
: Shanahan, Yvonne P., 2007)  
Target costing in New Zealand manufacturing firms.

" : (2006 )

"

(80)

-1

-2

-3

"Managerial : (Marilyn, M. 2005)  
Implications of Target Costing"

: : (2007 )

-

-

-

---

**Best Practices " : (Swenson, D. 2003)**  
**"in Target Costing**

- 
- 
- 

**"Cost : (Banham, R., 2000)**  
**Optimization: Off Target?"**

**" : (1996 )**



.(

-1

(7) 2008

%78.57  
20

22

(3)

.%71.34

-2

:

	5 - 5.4
	4.4 - 5.3
	3.4 - 5.2
	2.4 - 5.1
	1

(1)

( )

-3

T - test

)

Worksheet  
Microsoft Excel  
SPSS

**(1)**

1	-	
2	-	
3	-	
4	-	
(9 - 1)		
(15 - 10)		
(23 - 16)		
(29 - 24)		

**(2)**

% 15	3	-		<b>1</b>
% 50	10	-		
% 25	5	-		
% 10	2	-		
		-		
<b>% 100</b>	<b>20</b>			
% 55	11	-		<b>2</b>
% 20	4	-		
% 5	1	-		
% 20	4	-		
	-	-		
<b>% 100</b>	<b>20</b>			
% 15	3	-		<b>3</b>
% 10	2	-		
% 35	7	-		
% 40	8	-		
	-	-		
<b>% 100</b>	<b>20</b>			

			3	<b>4</b>
% 5	1	6	3	
% 20	4	9	6	
% 40	8	12	9	
% 35	7		12	
<b>% 100</b>	<b>20</b>			

(% 35 + %40) )

%50 (2

%55

:

(%40 + %35) %75

1 )

(3)

(9

( )

%75 9

(3)

0.786	4.25		1
0.718	4.10		2
1.317	3.95		3
0.716	1.75		4
0.759	1.95		5
0.918	2.00		6
0.821	2.40		7

...

0.745	1.85		8
0.513	1.50	:	9
0.320	2.64	= -	(9-1)

:

(3)

4.25 (1)

0.786

1.75 1.95 2.00

(7) 0.821 2.40

1.85 (8) (2)

0.745 .0718 4.10

(3)

) 1.317 3.95 (

3 0.320

(5) (4)

T-test (4) (6)

(4)

T- test

		(*)	t	t	
	19	0.000	-5.044	2.093	

(sig) (\*)  
.(0.001)

(4) T - Test  
 : %95  
 T (- 5.044) T  
 (0.000) (2.093)  
 -10)  
 (5) (17  
 (5)

0.968	3.90		10
0.988	3.85		11
1.124	3.00		12
0.718	4.10		13
1.165	3.10		14
0.768	4.20		15
0.495	3.69	(15-10)	

0.768 4.20  
 ( ) (5)  
 3.90 (10)  
 ( ) 0.968  
 (13)  
 0.718 4.10  
 (15)

3.69

(14-12-11)

/3/

0.495

.T – test

(6)

(6)

T-test

			t	t	
	19	0.001	4.304	2.093	

= t (6)

:

(4.304)

:

- 18)

(7)

(25

(7)

0.940	3.60		16
1.147	3.50		17
0.810	3.90		18
0.852	4.10		19
0.841	4.05		20
0.795	4.00		21
0.768	4.20		22

0.968	3.90		23
0.477	3.91		(23-16)

(22)

4.20 (7)  
 0.768 3.50 (17)  
 1.147

(23)

0.968 3.90 (18)  
 0.810 3.90

16)

4.05 3.60 (20)  
 0.841 0.940  
 (19)  
 ( ) 4.10  
 0.852

3.91

13/ (21)  
 0.477 0.795 4.00

T-test

(8)  
 (8)

T- test

			t	t	
	19	0.000	8.563	2.093	

.%95 t t (8)

...

:

T

T

T

T

(31-26)

(9)

(9)

0.718	3.10		24
1.314	3.60		25
1.318	3.50		26
0.657	1.70		27
0.718	1.90		28
0.649	2.00		29
0586	2.63		(29-24)

2.00 1.90 1.70

(9)

(26 - 25 - 24)

3.50 3.60 3.10

(2.63)

(3)

28 27 .

.(0.586)

29

.T- test

(10)

(10)

T- test

			t	t	
	19	0.12	-2.796	2.093	





Management Accounting Information under Advanced Manufacturing Technology, *European Journal of Information Systems*, 11 (2): 142 - 150.

Ellram, L, 2000. Purchasing and Supply Management's Participation in the target costing process, *Journal of Supply Chain Management*, 36 (2): 39 - 45.

Horgren, C. Foster, C. and Datar. 2003. *Cost Accounting: Managerial Emphasis*, Eleventh Edition. Prentice - Hall International, Newjersey, INA, USA.

Kato, Yutaka. 1993. *Target Costing Support System: Lessons from Leading Japanese Companies*, Management Accounting Research. 33- 47.

Kroli. K. 1997. On Target Improving Profitability Through Target Costing, *Industry Week*, 246 (11), 14.

Laster, T. 1998. *Supply Chain Management: The INS Outs of Target Costing Purchasing*, 124 (3): 22 - 25.

Lockamy, A. and Smith, W. 2000. Target costing for supply chain management: Criteria and selection, *Industrial Management and Data Systems*, 100 (5): 210- 212.

Marilyn, M., Lawrence, P. Joe, T and Matthew, W. 2005. Managerial Implications of Target Costing, C.R 15(49).

Mores, W. J. Davis, J. R. and Weil, R. L. 2003 Management Accounting. A strategic Approach, USA, South -Western.

Nicolini, D., Tomkins, C., Holti, R. and smalley, M. 2000.Can target costing and whole life costing be applied in the construction industry? Evidence from two case studies, *British Journal of Management*, 11, 30.

Pierce, B. 2002.Target cost management: comprehensive benchmarking for a competitive market. *Accountancy Ireland*, 34 (2): 30- 33.

Rattray, Caleb j. Lord, Beverley, R. Shanahan, Yvonne, P. 2007. Target costing in New Zealand manufacturing firms. *Pacific Accounting Review (Emerald)*, 19 (1): 68-83.

Swenson, D. and Ansari, S. 2003. Best Practices in target costing, *Management Accounting*, 12 -15.

Tinkler, M. and Dube, D. 2002. Strength in numbers: ABC integrated with activity - based planning and budgeting can create major benefits for a whole organization. *CMA Management*, 14 - 17.

2002

.1015

2009

.81 116

2000

.98 -96

1997

.32

2007

21

.172 1

2006

-78 104

.79

2010

(financialmanager

..faculty. Imamu. edu. sa)

(3) 2006

.532

1995

.665-664

2002

:

.354

Banham, R. 2000. Cost Optimizations off target? CFO, 127-130.

Boer, G. and Ettlie. J. 1999, Target costing can boost you bottom linc, *Strategic Finance*, 81 (1): 49 - 52.

Camacho, Renaldo Rodrigues. Rocha, weligton 2008: Target costing in hospital rervices: a study from a strategic cost management focus. *Revista Contabilidade and Finanças - USP*, (47): 19-30.

Choe, J. 2002. The organizational Learning effects of

## **Target-Costing Based Pricing Approach: Potential Application to Drugs Sector and Medical Companies in Jordan**

*Talal S. Jrirh\**

### **ABSTRACT**

This study aims at examining the extent at which the drugs sector and medical industries in Jordan rely upon the target-costing based pricing approach, and the extent at which it contributes at the development of products and reduction of costs, in addition to exploring the difficulties which hinder its use. to achieve the aim of the study, a questionnaire was designed and distributed to the general and financial managers and marketing and production officers. In the sector, (28) questionnaires were distributed; (20) of them were subject to analysis.

The study indicated that the subject companies rely mainly upon total-costing approach to have their products priced. However, there is a possibility to apply the target-costing pricing approach if there is a move to the value stream toward research and development as well as the engineering design of products.

It was also found that this approach contributes at development of products and reduction of costs and improving the profitability focusing on analyzing the potential success of the products in prior to having its productive resources allocated.

The result indicated that there were difficulties which could hinder the application. The most important difficulty was that target-costing based pricing approach with its applied procedures was unclear and that its importance and privileges were not realized.

The researcher has offered a number of recommendations and proposals; the most important ones are focusing on accountant's qualification and setting up programs that deal with the modern approaches and systems of the costs, in addition to holding scientific and training courses.

**Keywords:** Target Costing, Value Stream.

---

\* Department of Accounting, Faculty of Economics and Administrative Sciences, Jerash Private University, Jordan.  
Received on 26/1/2009 and Accepted for Publication on 19/4/2010.