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Activity-Based Costing (ABC)
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The Availability of the Main Fundamentals to Implementing Activity Based Costing System (ABC) on Industrial Companies in the Gaza Strip: A field Study

Abstract: This study aimed at the recognition throughout the availability of the factors of the application of the Activity-Based Costing (ABC) system in industry companies' environment in Gaza Strip. The study was based on a questionnaire, which was distributed to the study community. This is composed of all Industrial Companies which was (51).

The study results have showed that the main factors for the application of the system (ABC) are available at the Palestinian companies in Gaza Strip, and consequently all suggested factors (management attitudes, a diversity and the complication of the therapeutic services, the availability of accounting systems, the sharp competition degree, the diversity of supporting activities, and depression of the companies' ability to explain its profit) are true and present actually in the practical reality, that represent an infrastructure for the application of (ABC) system in those companies.

The study concluded to several importing recommendations: first, the establishment of independent departments of the cost accounting in the

Palestinian companies and supporting it by the qualified human resources. Second, the adopting of the implementation (ABC) system because it offers a more accurate cost data, and helps in the field of planning, and control , and facilitate good decision-making. Finally, the gradual turning towards the application of (ABC) system step by step, so as it should begin with a department, and ends with the whole company.

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Activity-Based Costing(ABC)

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(Cooper and kaplan, 1987)

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.(Cooper, 1990, b) "

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(Johnson and Kaplan,1987)

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(Greene and Metwalli, 2001) (Nicholls, 1992)

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(Friedman and Lyne, 1997)

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(Swenson, 1995)

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.(Hobdy et al., 1994)

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Activity Cost Accounting (ACA)

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Activity-Based Costing (ABC)

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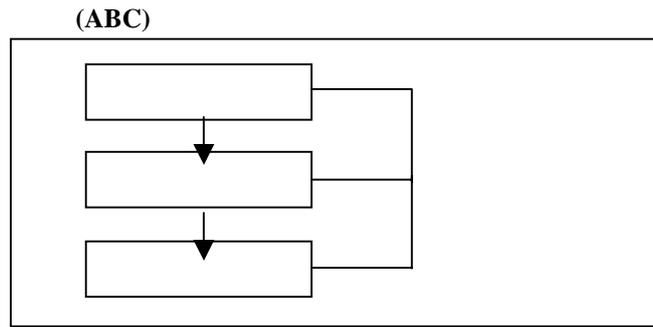
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(66 : 2002)

(ABC)

(Turney and Stratton, 1992)

(Cost view

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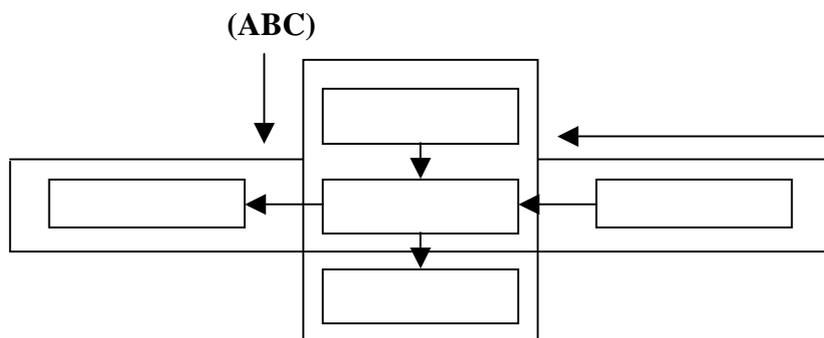
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(Turney and Stratton, 1992)		
: (Hilton, 2005) (1998)		
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	.(Sievanen and Tornberg, 2002)	
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	.(1995)		
(ABC)	:Pricing Product or Service		-2
	.(Cooper and Kaplan, 1992)		
(ABC)	:Assisting in Decision Making		-3
	.(1995) (1992)		
(ABC)	:Cost Reduction		-4
	.(Harr, 1990)		
	.(Nicholls, 1992)		
(ABC)	:Budgeting Development		-5
	.(Innes and Mitchell, 1997)		
	:Designing New Products or Services		-6
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(1992)			
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(ABC)	:Customer Profitability Analysis		-7
	.(Cooper and Kaplan, 1998)		
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		.(Ostrenga, 1990)	

Gering,)

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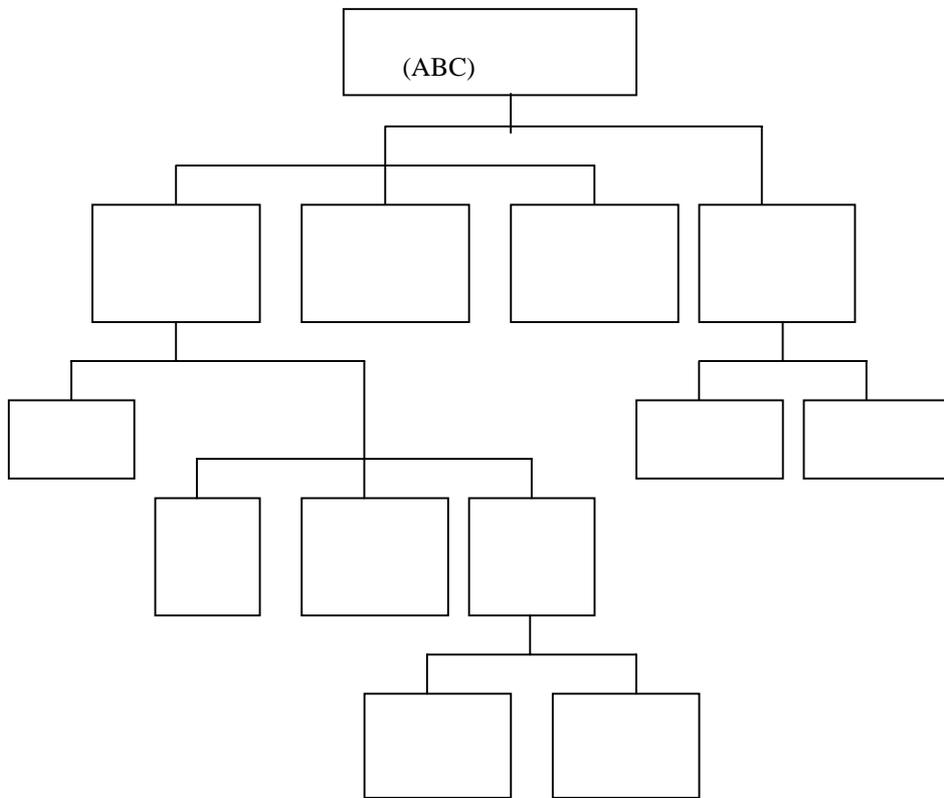
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: (Brewer, 1998) (Estrin, et al., 1994) (Cooper, 1991)

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:Activities Determination

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Atkinson, et)

:(190 :2002) (al., 1997: 44-45

:Input Activities -1

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:Processing Activities -2

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:Output Activities -3

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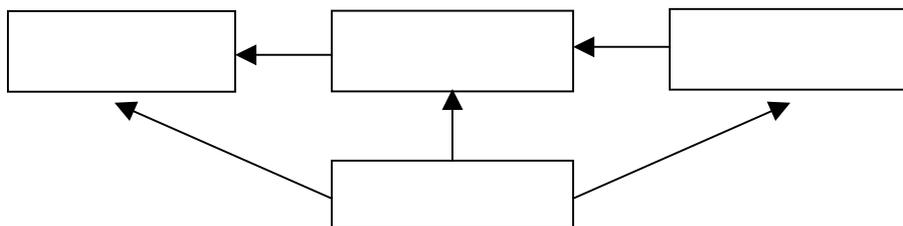
:Administrative Activities -4

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.(Atkinson, et al., 1997: 45)

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(Atkinson, et al., 1997: 45) :

(Hierarchies of Activities)

((Atkinson , et al. , 1997 : 98) (Garrison and Noreen , 2003 :223-334)
: (Hilton , 2005:172-173)

:Unit-Level Activities -1

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:Batch-Level Activities -2

(Setup) : (1000 10)

:Product-Sustaining-Level Activities -3

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:Facility-Sustaining-Level Activities -4

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(Common Cost)

			(Period Costs)
		:Customer-Level Activities	-5
Sales)	:		(Calls
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	Statistical Package for Social Sciences (SPSS)	
	(%5)	
(%95)	(Sekaran, 2005)	
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		-2
	Kolmogorov-Smirnov (K-S)	-3
	One sample T test	-4
	Reliability Test- alpha	-6
	(Reliability)	
	(%60) (Chronbach's alpha)	
(Sekaran, 2005)	(90%)	
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	(%91.11)	

Kolmogorov-Smirnov (K-S)

-7

(Kolmogorov-Smirnov, K-S)

(K-S) (1) .
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 : (H₁)
 (%5) (Alpha)
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		Z	
	0.747	0.678	
	0.300	0.973	
	0.916	0.557	
	0.518	0.816	
	0.352	0.931	
	0.644	0.740	
	0.632	0.747	

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(One-Sample T-Test)

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	0.000	9.656	0.663	3.929	
	0.000	11.712	0.525	3.887	
	0.000	15.623	0.559	4.262	
	0.000	8.640	0.668	3.833	
	0.000	12.251	0.594	4.051	

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0.000	3.938	73.3	3.67	6.3	12.5	14.6	41.7	25.0	(ABC)	1
0.642	468.	61.9	3.08	10.4	29.2	12.5	37.5	10.4	.(ABC)	2
0.056	1.961	65.8	3.29	4.2	20.8	25.0	41.7	8.3	.(ABC)	3
0.017	2.483	66.7	3.33	0.0	20.8	35.4	33.3	10.4	.(ABC)	4
0.241	1.188	62.9	3.15	0.0	22.9	45.8	25.0	6.3	(ABC)	5
0.000	3.853	72.1	3.60	4.2	12.5	22.9	39.6	20.8	(ABC)	6

0.000	4.456	72.1	3.60	0.0	16.7	20.8	47.9	14.6	(ABC)	7
0.000	7.000	77.5	3.88	0.0	8.3	18.8	50.0	22.9	(ABC)	8
0.000	4.604	73.8	3.69	0.0	18.8	16.7	41.7	22.9	(ABC)	9
0.001	3.571	70.8	3.54	2.1	18.8	18.8	43.8	16.7		10
0.000	9.940	28.9	4.15	0.0	4.2	12.5	47.9	35.4	(ABC)	11
0.000	3.947	71.3	3.56	2.1	12.5	29.2	39.6	16.7	(ABC)	12
0.000	8.685	70.9	3.55							

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0.000	5.419	73.8	3.69	0.0	12.5	20.8	52.1	14.6	()	13
									.(ABC)	
0.000	6.809	77.5	3.88	0.0	12.5	8.3	58.3	20.8		14
									.(ABC)	
0.000	5.127	76.6	3.83	0.0	21.3	6.4	40.4	31.9		15
									.(ABC)	
0.000	7.392	79.2	3.96	0.0	8.6	16.7	45.8	29.2		16

										.(ABC)	
0.000	10.731	83.3	4.17	0.0	4.2	8.3	54.2	33.3		.(ABC)	17
0.000	9.046	80.8	4.04	0.0	4.2	16.7	50.0	29.2		.(ABC)	18
0.000	9.656	78.5	3.929								

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	t			%	%	%	%	%		
0.000	7.115	75.4	3.77	0.0	6.3	22.9	58.3	12.5	.(ABC)	19
0.000	5.454	76.7	3.83	2.1	10.4	20.8	35.4	32.3	.(ABC)	20
0.006	2.887	68.8	3.44	2.1	18.8	29.2	33.3	16.7	.(ABC)	21
0.000	7.384	76.3	3.81	0.0	6.3	20.8	58.3	14.6	.(ABC)	22

0.000	8.322	79.2	3.96	0.0	6.3	14.6	56.3	22.9	(ABC)	23
0.000	6.539	80.4	4.02	4.2	6.3	12.5	37.5	39.6	(ABC)	24
0.000	13.544	87.5	4.38	0.0	0.0	12.5	37.5	50.0	(ABC)	25
0.000	11.712	77.7	3.887							

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0.000	9.963	85.8	4.29	0.0	4.2	16.7	25.0	54.2	(ABC)	26
0.000	7.510	80.0	4.00	0.0	8.3	16.7	41.7	33.3	(ABC)	27
0.000	15.858	87.9	4.40	0.0	0.0	6.3	47.9	45.8	(ABC)	28
0.000	14.619	88.8	4.44	0.0	2.1	4.2	41.7	52.1	(ABC)	29

0.000	10.793	83.8	4.19	0.0	0.0	20.8	39.6	39.6		30
0.000	15.623	85.3	4.262							

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	t			%	%	%	%	%		
0.000	7.595	79.2	3.96	0.0	6.3	20.8	43.8	29.2) .. (. (ABC)	31
0.000	7.435	77.5	3.88	0.0	4.2	27.1	45.8	22.9	. (ABC)	32
0.000	5.755	75.4	3.77	0.0	14.6	12.5	54.2	18.8	. (ABC)	33
0.000	4.905	73.8	3.69	2.1	8.3	29.2	39.6	20.8		34

									.(ABC)	
0.000	7.207	77.5	3.88	0.0	6.3	22.9	47.9	22.9		35
0.000	8.640	76.7	3.833							

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	t			%	%	%	%	%		
0.000	5.794	76.7	3.83	0.0	12.5	20.8	37.5	29.2		36
0.000	5.054	75.4	3.77	2.1	12.5	18.8	39.6	27.1	(ABC) ()	37
0.000	13.559	84.2	4.21	0.0	0.0	16.7	52.1	31.3	() .(ABC)	38

0.000	11.609	82.9	4.15	0.0	0.0	16.7	52.1	31.3	(ABC)	39
0.000	8.207	82.9	4.15	2.1	4.2	14.6	35.4	43.8	()	40
0.000	7.392	79.2	3.96	0.0	10.4	10.4	52.1	27.1	() (ABC)	41
0.000	12.545	85.8	4.29	0.0	0.0	14.6	41.7	43.8	(ABC)	42
0.000	12.251	81.0	4.050							

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	.(1998)		.8
.232-191 (2) 35			
(86)23	.(2001)		.10
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.114-87 (2)6			
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		.335-283 (1)	
		.(1995)	.20
.119-35 (48) 35			

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