The use of Activity Based Cost Time Drivine (TDABC) and its role in implementing the cost leadership strategy

(An Applied Research In Wasit Textile And Knitting Factory)

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Abstract

The research aims to apply the time-oriented activities-based costing (TDABC) method in improving the cost leadership strategy for the woven fabric department (polyester blended - polyester 150/1) in the Wasit weaving and knitting factory. The problem of the research is that the research sample laboratory does not apply modern cost management methods represented in the time-oriented activities-based costing method (TDABC), as the Iraqi economic units suffer from their inability to compete in the labor market in light of the competitive environment, and the research was based on a basic premise that: The application of the time-oriented activities-based costing method (TDABC) contributes to the implementation of the cost leadership strategy for the polyester and polyester blend fabrics product 150/1. Time Directed Activities (TDABC) to contribute to reducing product costs, the research sample through the redistribution of indirect industrial costs based on time vectors, as well as a set of recommendations, the most important of which are: the need to apply the activity-based costing method (TDABC) as one of the cost management tools Modern for the purpose of improving the cost leadership strategy of the knitting factory - the department of knitting outer fabrics in the factory. The research also recommends the necessity of determining the unused energy in the research sample laboratory because this leads to the optimal exploitation of this energy and then reduce the cost, which in turn leads to enhancing the competitive position of the research sample laboratory.

Keywords: time-oriented activity-based costing (TDABC), cost leadership strategy

Introduction

The textile industry is characterized by high competition due to the presence of a large number and variety of foreign products competing in the local market, and despite the long history of Wasit Textile and Knitting Factory and its presence in the market, it is noticeable that the prices of its products are high in price, which led the customer to switch from buying his products to other products. Foreign competition, especially with regard to the process of producing a polyester fabric product, and because of the strong competition, economic units face challenges. And then survival and continuity and competition in the market. Therefore, this research came to try to find solutions that can be applied in the local industrial environment by adopting the application of the costing method based on time-oriented activities (TDABC) to implement the cost leadership strategy through four sections. Costs based on time-directed activities (TDABC) and cost leadership strategy The third topic came on the practical side, applying the costing method based on time-directed activities (TDABC) to implement

the cost leadership strategy, while the fourth and final topic focused on presenting conclusions and recommendations.

The first topic: research methodology

1-1 Research Methodology

1-1-1 Research problem: The research sample lab does not apply the costing method based on time-oriented activities (TDABC). . The researchers noticed that the economic unit of the research sample was not interested in identifying competitive strategies, including the cost leadership strategy in determining its dimensions, including quality, cost reduction and customer satisfaction, and thus the research problem appears through the following question:

Does the application of the time-oriented activities-based costing (TDABC) method in the Iraqi economic units contribute to the implementation of the cost leadership strategy?

1-1-2 Objective of the research: This research aims to achieve the following:

1- Application of the time-oriented activities-based costing (TDABC) method in a Wasit textile and knitting factory.

2- Executing a cost leadership strategy by applying the Time Directed Activity Based Costing (TDABC) method

1-1-3 The importance of research: The importance of research is crystallized in the importance of applying the costing method based on time-oriented activities (TDABC) as one of the modern cost management tools because of the information it provides that contribute to the redistribution of indirect costs to reach the real cost of products and reduce their cost to face rapid changes In the manufacturing environment and implement a cost leadership strategy.

1-1-4 Research hypothesis: The research stems from a main hypothesis that the application of the costing method based on time-oriented activities (TDABC) contributes to the implementation of the cost leadership strategy for the polyester product.

1-1-5 Spatial and temporal limits: In completing the practical aspect, the researcher relied on financial statements, cost records, production reports and quality control for the year 2019 and they include:

a. The spatial boundaries where the research was applied in the Wasit Textile and Knitting Factory of the General Company for the Textile and Leather Industry

B. The time limits where the data for the year 2019 was used because it is the latest data issued by the factory.

1-1-6 The quantitative analysis method, which depends on real data from factory reports and records, was used.

The second topic: Theoretical aspect: TDABC method and cost leadership strategy

2.1 Time-Directed Activity Based Costing (TDABC) Approach

1.1.2 Concept of time-oriented activity-based costing method

The methods of allocating indirect costs went through several stages according to the need for them and according to the development of markets and resources, where the activity-based costing (ABC) method was developed by linking it to time, and thus the so-called time-oriented activity-based costing (TDABC) method appeared. Implementation and modernization easily in addition to removing many difficulties, and it provides many options for the economic and practical unit through which the profitability of the customer can be determined in addition to production costs, production orders and the use of practical energy. Activity-Based (ABC) and that the developed method offers an

improvement in cost and profitability information and provides clearer information to managers in a less costly and faster manner (Kaplan & Anderson 2007:15). Avoiding unused energy when calculating costs, in the (ABC) method, which in turn leads to an increase in product costs, and after determining the practical energy of a group of resources, the The time required for the activities of this group and the cost of the time required for the activities (2014:16, Monroy.et.al)

Table (1) Time-oriented activities-based costing (TD-ABC) method according to different points of view

	Name of researcher	Year	Definition part	Definition
1	**(Hansen : 2)**	**2014**	**Cost Analysis**	A method that analyzes the cost through an analytical examination of the resources consumed by the activities in a particular process on the basis of the time used by the activities themselves, which requires knowledge of the minutes used for each process and the resources that are used to accomplish that process.
2	**(Terungwa : 33)**	**2013**	**alternate entrance**	It is an alternative approach to the (ABC) approach that was developed for the purpose of addressing most of the problems and shortcomings in the cost-based approach.
3	**(Atkinson,et.al:516)**	**2012**	**entrance**	"A new approach and similar to the activity-based cost entry (ABC), but with a new and different framework, by using the time that gave it ease of application and accuracy in the results, as well as how much money was spent on the product.
4	**(Hajiha et.al :57)**	**2011**	**Costing**	It simplifies the costing process by eliminating interviews with employees or officials in the organization to assign the costs of activities resources and allocate them for cost purposes (orders, products, customers). This leads to the identification and deletion of activities that do not add value to the continuous improvement of the organization and reduce product costs.

Source: Prepared by the researcher

From the above, it can be concluded that the time-oriented activities-based costing method (TD-ABC) is a new one that appeared to address the criticisms of the (ABC) method through the use of time to show accuracy in the results when applied, and through it the activities that add value to the unit are identified and the activities that do not It adds value, which in turn reduces product costs.

2.1.2 The Importance of Applying Time-Based Activity-Based Costing (TD-ABC)

The method of costing on the basis of time-oriented activities (TDABC) arose to display information that helps to gain a comprehensive view of performance, efficiency and effectiveness in short and long-term decision-making, evaluating the effectiveness of resources and activities, and managing the internal processes of an economic unit (Todorovic, 2014: 245), and the importance of Apply the time-oriented activities-based costing method with the following points:

1. Contributes to reducing criticism of the ABC style and working in a complex and constantly changing environment (2011:19, Levant &Zimnovitch).
2. It contributes to identifying unused energy and idle resources and thus leads to success in resource use management (6-2016:5,Huang).
3. The (TDABC) method is considered to have a clear methodology characterized by clarity and simplicity in application, in addition, it does not need an academic study to understand the mechanism and steps of its application, and it does not require highly skilled people related to this regard. (Bruggeman, 2010:18)
4. It is used as a method of analysis by managers, as it provides a strong support for the economic unit and works to improve the level of cost management and improve competitiveness. (2014:143.Wu.et.al)

3.1.2 Advantages of TD-ABC

The time-oriented activity-based costing (TDABC) method when applied to calculate the cost of products in an industrial environment has the following advantages:

1. The application of the (TDABC) method is consistent with the theory of constraints due to its dependence on measuring the internal time consumption within the economic unit (2009: 17, Wegrmaann G).
2. The TDABC method is characterized by the accurate measurement of strategic cost because it focuses on the use of resources, as the information collected by it can be used for planning objectives, and for preparing the budget based on the analysis of resources, as it links between strategic plans for the higher levels, and the budget of resources in the service and operational departments The (TDABC) method is a good tool for designing a competitive strategy that is not limited to the supply chain only, but extends to the means of determining the profitability of customers and potential markets (Kaplan, R.S, & Anderson S, R., 2007: 41).
3. The (TDABC) method uses time equations in a simple and more flexible way to address the complexity of applying the (ABC) method. The (TDABC) method is more accurate as cost vectors are used instead of the usual method for determining the average activity cost (Barros & 2014:14). Simoes).
4. The (TDABC) method eliminates the need to consume time in the interview and study, to determine the resources. Rather, it depends on simple estimates of time, for example, it can be built on the basis of direct observation of production processes. (2011:2, David.et.al) .

4.1.2 Steps for Implementing TDABC

To apply the TDABC method, the following steps should be followed:

1. Determine the set of resources needed to perform each activity

The step of defining resource pools is the basis for the costing method based on time-oriented activities, and it is the most important reason for the accuracy and simplicity of the cost models of this method (48 Kaplan & Anderson, 2007, p).) in a department or unit within the organizational structure of the economic unit, and homogeneity of resources should be taken into account and in turn requires dividing resources within the operational department into several stations for the product (4. Gervais et al., 2010, p).

2. Determine the cost of each resource group

In this step, the elements of resource costs are identified, represented by direct costs and indirect costs necessary to complete the activities, for example, workers, supervisors, indirect labor, machinery, technology and occupied places, in addition to the supporting resources and other indirect resources, and the resource pool may include all or some of these elements. Depending on the nature of the resource pool.

3. Determining the process energy of time for each resource group

The practical energy for each group of resources is represented in the working hours required to perform any activity in it, and it is usually estimated between (80% and 85%) assuming that the remaining percentage is left as an allowance for losses that occur as a result of factors such as (time of downtime, maintenance and repair, and scheduling fluctuations).) and other factors that may constitute constraints or bottlenecks that prevent a specific activity from achieving its goals (5-2014:4, Guzman, et.al)

4. Calculating the average unit cost from the cost vector of activities

The unit cost rate for each group of resources is determined by dividing the total costs of the total resources that perform the activity that were identified in step No. (2) by the process energy used for the group of resources, which is measured in units of time (hour, minute, second) specified in step No. (3) In order to arrive at the unit cost of energy, the average unit cost represents the share of each activity of the unit cost of time energy based on the following equation:

wave cost rate = Activity cost/Practical energy of activity

5. Determining the time required for each activity event (the time of completion for each activity)

After obtaining the time estimates from step (3), the time equation for a specific product can be determined, which is the result of the sum of the times of activities needed for production. Also, the time of the activities for the new activities can be added and the time for the canceled activities removed, and after calculating the time of completion of the activity, the unit cost is multiplied to get the cost of the product from this activity.

6. We multiply (step 4 by step 5) to get the cost of the activity, i.e. (by multiplying the cost per unit time by the time taken to complete the activity), and thus we get the cost of energy in a specific way

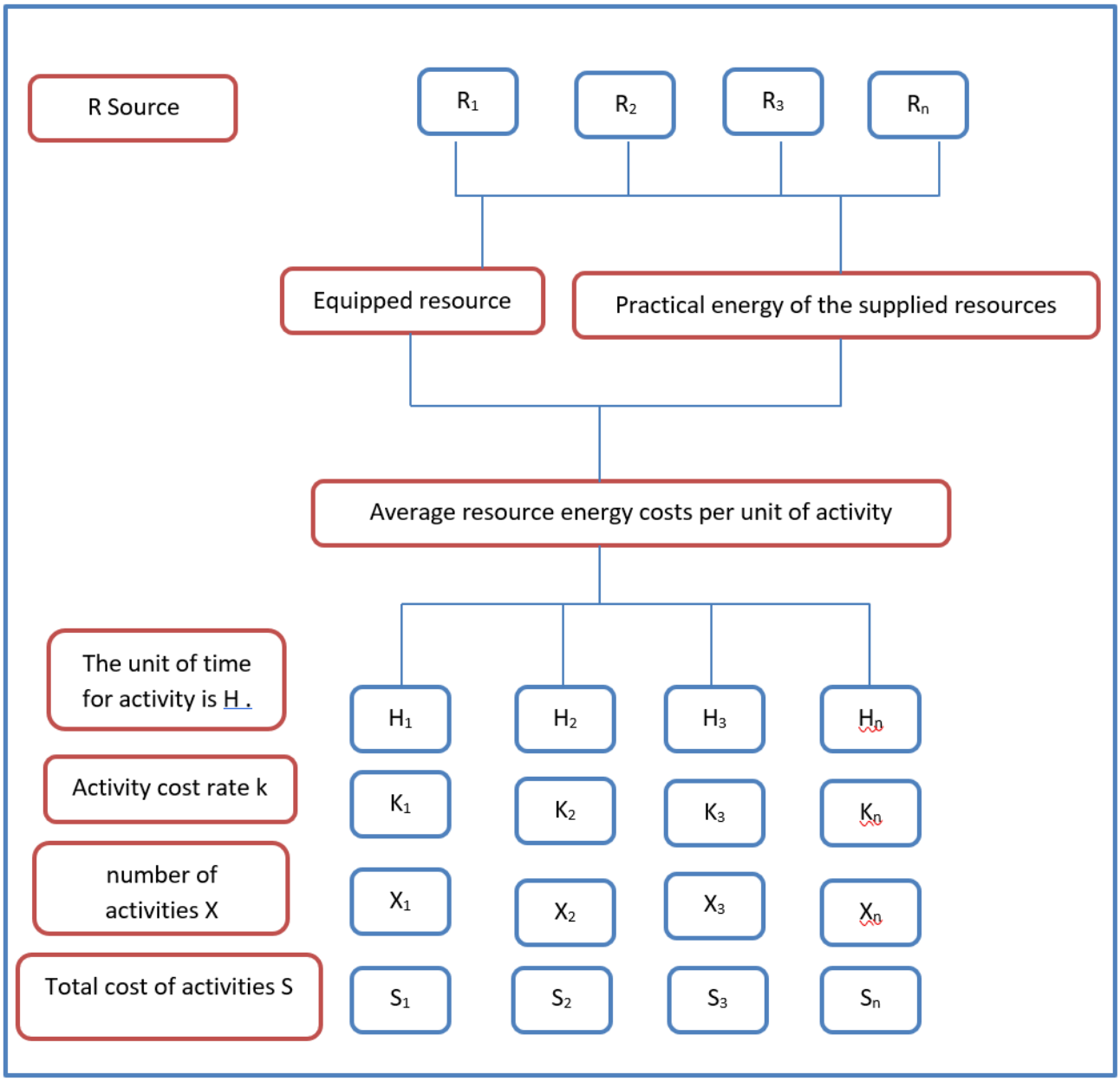

Figure (1) Cost Allocation Procedures According to (TDABC) Method

Source: Muhalhal, Abbas Hashem, "Using the cost method based on time-oriented activity and its impact on untapped resources", published research, Journal of Accounting and Financial Studies, Volume 10, Issue 32, 204.

2-2 The concept of cost leadership strategy

The cost leadership strategy, according to which the economic unit achieves superiority over its competitors through production at the lowest cost. From the growth of the profits of his competitors (Blocheretal, 2010: 16) and when choosing the unit for the cost leadership strategy, it should achieve the goal of the strategy, which is to reduce costs and not be at the expense of quality to support the strategic position of the economic unit, and that the cost leadership strategy is linked to costs where if

an economic unit targets customers Limited by providing products of high value but at a higher price than competitors, where another economic unit can provide these products at a lower price and the same value for the same category of customers and may reach to provide products of greater value at prices equal or less than its competitors, thus creating a competitive advantage for it. (Salem and others, 2020: 160).
Drury defined it as "those actions adopted by the economic unit, aiming to be the least expensive product within the market segment and thus enabling competition on the basis of lower selling prices than its competitors." Drury, 2018: 727)

2.2.1 Implementation of the cost leadership strategy
The cost leadership strategy works according to the mechanism of the stages, and the success in implementing the cost leadership strategy requires the units to have an integrated understanding of costs and cost drivers, as well as a clear understanding of the desires and tastes of customers, and the goal of the units in this situation is to provide services and products at the required quality level, with less Possible cost (Marwan, 2016: 171), and the mechanism of cost leadership strategy can be illustrated in Figure (1) and as follows:
The mechanism of cost leadership strategy can be illustrated in Figure (1) and as follows:

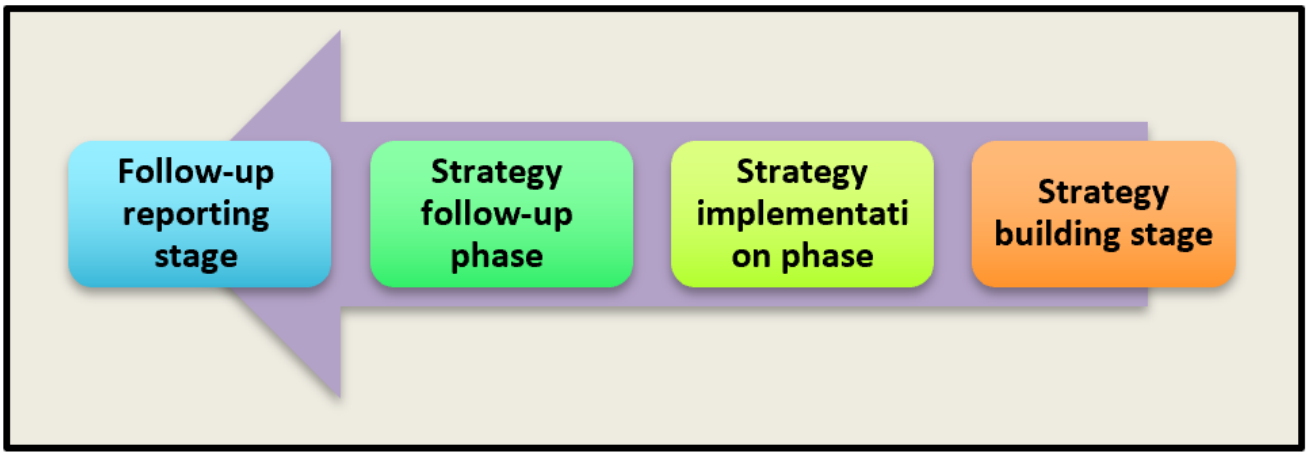

Figure (2) The working mechanism of the cost leadership strategy

Source: Prepared by the researchers

The third topic: the practical aspect, applying the costing method based on time-oriented activities to implement the cost leadership strategy in the Wasit Textile and Knitting Factory - Knitting Factory - Knitted Fabrics Department
Within this topic, the two researchers will calculate the cost of the polyester fabrics product for the year 2019, which is the most recent year the factory had prepared its data, statements and reports. For the purpose of implementing the competitive strategy for this product, the researcher used modern cost management methods, as described in the theoretical framework and according to the available data from the factory.

3.1 Application of the time-oriented activity-based costing (TDABC) method for polyester fabrics

First: Determine the group of resources needed to perform each activity

They are represented by the groups of resources that contributed to the production process of polyester fabrics (mixed, 150/1), represented by the direct cost and the indirect cost resulting from the performance of activities.

Second: Determine the transfer cost for each resource

In the second topic, the cost of activities for the polyester fabrics product was determined according to the activity-based costing (ABC) method and based on the application of the activities-based management (ABM) method, the activities that do not add value to the factory were excluded, represented by the handling activity and storage activity, which are as shown in the table (2) the following:

Table (2) Activities Costs According to (ABC)

Activities	Cost
the design	12653068.67
Purchase of resources	17455153.12
Material Inspection	11835638.59
knitting	72077085.79
sequel	58752009.01
koi	24837878.86
examination	13410642.32
packing	17686720.61

Source: Prepared by the researcher

Third: Determining the practical capacity of each resource group

The practical energy is represented in the working hours in each of the resource groups, as scientific research has adopted a percentage ranging between (80%-85%) of the theoretical energy as practical energy, noting that the polyester fabric production line did not reach this percentage in its work. The practical energy for each of the main activities is determined as follows:

1- Design activity: In the design activity (2) workers design the products produced by the knitting factory, where he works (360) minutes per day, and the number of working days per week is (5) days, that is, 21 days in each month. Design for 2019 (181440) min. Taking into account that the worker takes a rest and food break for approximately an hour from the work time.

Annual operational capacity = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 2 x 360 x 21 x 12

= 181440 minutes

In the same way, the annual working capacity of each agency activity is calculated:

2- The activity of purchasing raw materials: a committee is determined to purchase raw materials consisting of (3) workers

Annual operational capacity = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 3 x 360 x 21 x 12
= 272160 minutes

3- Raw materials inspection activity: After receiving the raw materials, they are checked and conformed to the required specifications. This activity consists of (2) workers,

Annual operational capacity = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 2 x 360 x 21 x 12
= 181440 minutes

4- Handling activity: (5) workers are working in the handling activity who handle the raw materials and the handling between the different production stages of polyester fabrics.

Annual operational capacity = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 5 x 360 x 21 x 12
= 453,600 minutes

5- Knitting activity: 12 workers are employed in the knitting activity distributed on machines for knitting polyester threads

Annual operational capacity = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 12 x 360 x 21 x 12
= 1088640 minutes

6- Complementary activity: In the complementing activity, the polyester fabric product passes through several stages (dyeing - drying - washing) and thus it needs (9) workers

Annual operational capacity = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 9 x 360 x 21 x 12
= 816,480 minutes

7- Ironing activity: in this activity the product is passed through special ironing devices and (4) workers work in this activity

Annual operational capacity = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 4 x 360 x 21 x 12
= 362880 minutes

8- Product inspection and delivery activity: (2) workers work in this activity to receive the final fabric products, and the final inspection process is carried out by them

Annual operational capacity = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 2 x 360 x 21 x 12
= 181440 minutes

9- Packaging activity: (3) workers work in this activity who pack lengths of ready-made fabrics.

Annual process energy = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 3 x 360 x 21 x 12
= 272160 minutes

10- Storage activity: In this activity (2) workers are employed to supervise the process of storing finished goods in the woven fabric warehouse

Annual operational capacity = number of workers x work day (minutes) x number of monthly working days x months of the year (12)

= 2 x 360 x 21 x 12

= 181440 minutes

From the above, the practical energy for each activity can be summarized in the following table (3):

Table (3) Practical Energy of Knitwear Producer Activities for 2019

Activities	**working power (min)**
the design	181440
Purchase of resources	272160
Material Inspection	181440
handling	453600
knitting	1088640
sequel	816480
koi	262880
examination	181440
packing	272160
Storage	181440

Source: Prepared by the researcher

Fourth: Calculating the unit cost rate from the cost vector of activities

In this step, the average cost of the vector is calculated for each of the main activities, depending on the annual operational capacity of each activity and according to the following equation:

router cost rate = Activity cost / Practical energy of activity

Table (4) Oriented cost per activity rate for woven fabrics for the year 2019

Activities	**Activity Cost (ABC) (JD)**	**working power (min)**	**Router cost rate (JD/min)**
the design	12653068.67	181440	69.7369305
Purchase of resources	17455153.12	272160	64.13563022
Material Inspection	11835638.59	181440	65.23169417
handling	28985822.15	453600	63.90172432
knitting	72077085.79	1088640	66.20837539
sequel	58752009.01	816480	71.95768299

koi	24837878.86	262880	94.48371447
examination	13410642.32	181440	73.91227028
packing	17686720.61	272160	64.98648078
Storage	11856260.46	181440	65.34535086

Source: prepared by the researcher based on tables (2, 3)

Fifth: Estimating the completion time for each activity

Through field visits by the researcher to the knitting factory - Knitted Fabrics Department, the times for each production activity were obtained for both the polyester blended product and the polyester 150/1, as shown in the following table (5):

Table (5) Completion Time for Each Activity of Knit Fabric Product for 2019

Activity	the time	the time
1- Design activity	• 1.5 minutes	1.5 minutes
	• 4 minutes	4 minutes
	• 5 minutes	5 minutes
Total design activity time		8.5 minutes
2- The activity of purchasing raw materials	• 2 minutes	2 minutes
	• 3 minutes	3 minutes
	• 1.5 minutes	1.5 minutes
	• 1.8 minutes	1.8 minutes
	• 2 minutes	2 minutes
Total time for raw material procurement activity		10.3 minutes
3- Examination of raw materials	• 5 minutes	5 minutes
	• 3 minutes	3 minutes
Total time for raw material procurement activity		8 minutes
4- Handling activity	• 13 minutes	13 minutes
	• 16 minutes	16 minutes
	• 18 minutes	18 minutes
	• 10 minute	10 minute
Total time of handling activity		57 minutes
5- Knitting activity	• 2 minutes	2 minutes
	• 8 minutes	8 minutes
	• 15 minutes	15 minutes

	• 3 minutes	3 minutes
Total time for knitting purchase activity		28 minutes
6- Complement activity	• 1 minute	1 minute
	• 15 minutes	15 minutes
	• 20 minutes	20 minutes
	• 2 minutes	2 minutes
Total time of supplement activity		38 minutes
7- Ironing activity	• 1 minute	1 minute
	• 3 minutes	3 minutes
	• 1.5 minutes	1.5 minutes
	• 2 minutes	2 minutes
Total ironing activity time		7.5 minutes
8- Product inspection and delivery activity	• 2 minutes	2 minutes
	• 10 minute	10 minute
	• 5 minutes	5 minutes
	• 1 minute	1 minute
Total time for product inspection and delivery activity		18 minutes
9- Packaging activity	• 1.2 minutes	1.2 minutes
	• 5 minutes	5 minutes
	• 10 minute	10 minute
	• 1 minute	1 minute
Total time for packaging activity		17.2 minutes
10- Storage activity	• 1.4 minutes	1.4 minutes
	• 1 minute	1 minute
	• 5 minutes	5 minutes
Total time of storage activity		7.4 minutes

Source: Prepared by the researcher through field visits

Sixth: Calculating the cost of activities per linear meter of the woven fabric product

The cost of activities is calculated by multiplying the vector cost rate x the completion time for each activity to get the cost per linear meter of the mixed polyester and polyester product 150/1, as shown in Table (6) as follows:

Table (6) Cost per linear meter of polyester blended product

Activity	router cost rate	**Completion time for each activity**	Cost per unit (linear meter)

the design	69.737	min/batch$\frac{8.5}{100}$	5.928
handling	63,902	min/batch$\frac{57}{100}$	36,424
knitting	66.208	min/batch$\frac{28}{100}$	18,538
sequel	71.958	38	2734.404
koi	994,484	7.5	708.63
Products Inspection	73.912	18	1330.416
Packaging	64.986	min/batch$\frac{17.2}{100}$	11.178
Storage	65.345	7.4	483.553
Total cost of activities per unit (linear meter)			**5329.071**

Source: Prepared by the researcher

We note from Table (6) that the total cost of activities per linear meter for the product of mixed polyester fabrics amounted to (5329.071 dinars), which represents the total cost of activities involved in the production of mixed polyester fabrics. The production line is available in the factory, where the perlon threads available in the raw materials stores are used due to the closure of the perlon fabric production line in the Wasit weaving and knitting factory

Table (7) The cost per linear meter for a polyester product is 150/1

Activity	router cost rate	**Completion time for each activity**	**Cost per unit (linear meter)**
the design	69.737	min/batch$\frac{8.5}{100}$	5.928
Purchase of resources	64.136	min/order$\frac{10.3}{50}$	13.212
Material Inspection	65.232	min/order$\frac{8}{50}$	10.437
handling	63,902	min/batch$\frac{57}{100}$	36.424
knitting	66.208	min/batch$\frac{28}{100}$	18.538
sequel	71.958	38	2734.404
koi	994,484	7.5	708.63
Products Inspection	73.912	18	1330.416
Packaging	64.986	min/batch$\frac{17.2}{100}$	11.178
Storage	65.345	7.4	483.553
Total cost of activities per unit (linear meter)			**5352.72**

Source: Prepared by the researcher

It can be seen from Table (7) that the cost of activities per linear meter of polyester product 150/1 has reached (5352.72 dinars), which consists of all the costs of the main activities, given that the raw materials involved in the production process are all materials that are imported from the market.

Seventh: Calculating the cost of one unit according to the (TD-ABC) method.

The cost of the woven fabric product is calculated for each of the blended polyester and polyester/1150, by relying on the application of the following equation:

Cost per unit (TD-ABC) = Direct materials cost + Activities cost as shown in Table (8):

Table (8)2019 polyester blended product cost per linear meter

Details	Cost
direct cost	1139.4
Cost of activities according to (TD-ABC)	5329.071
Total cost per linear meter	6468.471

Source: Prepared by the researcher

From Table (8), it was found that the total cost of the polyester fabrics product amounted to (6,468,471 dinars / m.t), which is the result of the total direct cost represented in the cost of salaries, wages and the cost of raw materials, which amounted to (1139.4 dinars / m.t) in addition to the cost of activities according to Time-oriented activity-based costing method.

Table (9)2019/1150/L Polyester Product Line Cost Per Meter

Details	Cost
direct cost	1099.7
Cost of activities according to (TD-ABC)	5352.72
Total cost per linear meter	6452.42

Source: Prepared by the researcher

From the foregoing, it was found that the cost of the polyester product 1/150 d amounted to (6452.42 dinars / m.t), and the following is a table (10) showing the disparity in the cost of products between different cost methods, including the traditional method (the reality of the research sample) and the activity-based costing method. ABC) and Time Directed Activity Based Costing (TDABC)

Table (10) The cost of the products of the knitted fabrics department according to the method (traditional - ABC - TDABC) for the year 2019

method	polyester blend	polyester 150/1
traditional	7590	9396
ABC	2434	12951
TD - ABC	6468	6452

Source: Based on the previous tables

Through table (10), we note that the cost of the mixed polyester product decreased by (68%) according to the (ABC) method compared to the traditional cost. ABC), as for the polyester product 150/1, its cost has increased by (27%) than the cost according to the traditional method, while the cost according to the (TDABC) method only decreased by (50%) than the (ABC) method.

Fourth topic: conclusions and recommendations

First: Conclusions:

After applying the time-oriented activities-based costing method (TDABC) as one of the cost management tools that contribute to cost reduction as well as help in good production planning, the research reached a set of conclusions, including: Improving the cost leadership strategy through the application of the activity-oriented costing method In time (TDABC) relying on time as a basic vector in distributing the cost of resources to the objectives of cost management, and then the outputs of this

method of information are accurate and more detailed, as the most dependent on this method is time, as time is one of the main success factors of the economic unit Through Table (10), we note that the cost of the mixed polyester product decreased by (68%) according to the (ABC) method compared to the traditional cost. (ABC) reached (6468), as for the polyester product/1150, its cost has increased by (27%) than the cost according to the traditional method, while the cost according to the (TDABC) method only decreased by (50%) than the (ABC) method. ABC) reaching (6452 .)) .

Second: Recommendations:

The research recommends the necessity of applying the activity-based costing method (TDABC) as one of the modern cost management tools for the purpose of improving the cost leadership strategy for the knitting factory - the outer fabric weaving department in the factory. The research also recommends the necessity of determining the unused energy in the research sample laboratory because this leads to the optimal exploitation of this energy and then reduce the cost, which in turn leads to enhancing the competitive position of the research sample laboratory.

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