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RESOURCES CONSUMPTION ACCOUNTING FOR A RATIONAL PRODUCTION COSTS: A CASE STUDY

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ABSTRACT. This study aims to examine the effectiveness of using the resource consumption accounting system to reduce the cost of the product as one of the advanced approaches to allocating costs. Because of the enormous competition of companies in the market, cost control becomes an essential part that helps managers make cost-cutting decisions to achieve greater corporate profitability. This study shedding light on the new cost-accounting model RCA, the cost management approach that combines German cost accounting and activity-based cost accounting (ABC). This system provides more accurate and reliable data for more effective planning, control, and performance evaluation. Using this system in the Iraqi industrial companies is an important step in improving the accuracy of measuring costs and thus reducing the cost of its products and achieving a competitive advantage. The study was applied in the Babel tire factory, one of the factories of the General Company for Rubber Industries and Tires.

JEL Classification: example
M41, M43, M83

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