Extent of the Application Target Cost to Islamic Banks

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ABSTRACT

This study aims to Clarify the perceptions of the the Jordanian Islamic Banks for the target cost and Clarify the way of applying the Jordanian Islamic Banks for their cost management and Clarify the challenges that may face the Jordanian Islamic Banks which may prevent of applying the way of target cost. To achieve these goals data were collected from the Jordanian Islamic Banks through questionnaire design according to study objectives and hypotheses. The questionnaire has been distributed over a sample totaling (20). The study concluded the following:

1. It has showed through this study that Jordan Islamic banks are seeking to implement a better and more suitable way to manage their costs and assume special interests.
2. It has showed that Jordan Islamic banks have all the requirements to implement the targeted cost method and there are no difficulties.
3. Show that a specialist’s staff in the accounting departments have the ability to accommodate and apply the cost method of target cost and they have the appropriate factors to achieve this.
4. It became clear that the Jordanian Islamic banks seeking to apply the method of cost target query respondents on the questionnaire about the nature of this method have been more concerned and clearly so.

Keywords- target cost, Islamic Banks, Employers, demand.

I. INTRODUCTION

The Islamic finance in the Hashemite Jordanian Kingdom had great development during the last two decades in the last century, coincidence with the economical and social developments which generally the all Jordanian society had. Perhaps the most prominent for it, is the birth of the Jordanian Islamic bank for finance and investment in 1979, then the establish of Arab Islamic international bank in 1998. However, this birth was not free of group of challenges which can impact the performance of this sector in the Islamic Financial services.

The most prominent of these challenges are the increasing of competition between the banks in Jordan. Mainly, the thing that poke improving and developing their customer services to guarantee and maintain the current market-share, and quest to have new market-share which can maximize its profit with the less possible costs

and the need for giving information to the internal parties in the expenses to upgrade of having decisions.

From here, the importance of cost management comes to save the low levels of cost in the time which achieve the satisfaction of high expenses of their customers. The target cost way is important tool in setting the cost, and make it in the require level, that’s because its building on the base of customers ability for pay. This study comes to know the perception and applying this concept in the Jordanian Islamic expenses.

II. THE PROBLEM OF STUDY

Because of the entrance of the huge investment to Jordan in the recent bygone years, especially in the field of financial services from establishing banks then the Islamic Banks.

The competition between these banks became considerable, and the need for new suitable ways, which
can ensure of presenting the best services to the customers with the lowest costs, in as much as the bank strategies build in having good relations and good will between them and their customers to not loose their own category of customers and by having a chance to increase the number.

Seeing that the ways of cost management became known or traditional. This needs the same service with less cost. one of the new ways which we are going to have in the study is the target cost, here, we are going to present it in questions form as the next:
1- Do the Jordanian Islamic Banks familiar with the target cost as a term?
2- Do the Jordanian Islamic Banks applying the target cost for its cost managements?
3- Do the Jordanian Islamic Banks facing any challenges which prevent applying the target cost in managing its cost?

The goals of the study:
This study aims to clarify the next things:
1- Clarify the perceptions of the the Jordanian Islamic Banks for the target cost.
2- Clarify the way of applying the Jordanian Islamic Banks for their cost management.
3- Clarify the challenges that may face the Jordanian Islamic Banks which may prevent of applying the way of target cost.

The importance of the study:
The importance of this study comes from the importance of financial sector, which is conceder as one of the main national economical sector, the target cost way is one of the new ways of cost management, which will be displayed this way in the Islamic financial sector to give the chance to know the best about its details and the way of its use, which in turn can manage the Islamic banks by reduce its cost with maintain the quality and quantity of the customer services, by this, it can maintain the target profit and trying to present the best.

The importance also comes by shadowing the financial crisis in the international economy, as applying the target cost will permit the business of expecting crisis before its happen by knowing signs, for example: operational leverage.

The concerned company also will not produce because of saving under term of target cost, but it will produce responded to the customers desire and their ability to pay.

Study’s hypothesis:
This study depends on the next hypothesis:
1- In the Jordanian Islamic Banks, the Administration do not have enough knowledge about the target cost.
2- In the Jordanian Islamic Banks, the Administration do not have the importance and suitable elements to meet the goals of target cost.
3- The Jordanian Islamic Banks do not face any challenges impede to apply the target cost way.

Society and sample of the study:
The Islamic banks sector has been chosen to apply this study, that’s because of the huge competition in this sector, the two general Islamic banks has been selected which are dealing according to the Islamic low, and the are:
- The Jordanian Islamic bank for Investment and Finance.
- The Arab Islamic International bank.
- The study's time limits were 2021

III. THE STUDY’S METHODOLOGY
The discrectional analysis system followed in this study, it depends on books, science magazines, university researches, and studies that covers the theoretical side of it, but for the practical side, it depends on the field work by distribution of scientific questionnaire, and the analyzing the data to reach results.

IV. THEORETICAL PART AND PREVIOUS RESEARCH
Cost definition:
Its any financial optional sacrifice or moral sacrifice that must have economical value do to have utility, and of this sacrifice happen (expense) in the time of spending for financial period and it considered as expense and if the utility happen in the future which consider a base.

Cost Accounting in the Islamic Banks:
The electronic revelation in the various bank services progress needed a system and information base about the various cost process, which allow the bank to make their own strategies and plans for the purposes of diversity in producing financial services and arriving for suitable pricing equation.
The banks aim to achieve the use of cost accounting to achieve group of aims and purposes which can appear in the next points:
1- Determine the cost services by determinate the various sector cost, and the activities and services and works that the bank do.
2- Controlling and sitting the cost elements by comparing the real result for the cost services by the planned number.
3- Rationalization of management decisions by having the data and the informations which is needed to the bank management.

Islamic Bank Properties:
There are group of properties which distinguishes transactions by commercial banks which leaves its signs in the cost services in those banks, the most important properties are:
1- The most bank cost is from the fixed: the value of fixed cost in the best is mostly high, like salaries, fees, furnishing, buildings, equipments.
2. Change the bank transaction size: there is a change in the size of the processes and activities during the day and the month, the salaries and fees and recompenses and equipments cost is represents a large part of banks expenses and its related directly with the processes size.

3. The ability of expect: its easy to expect costs, the bank can have future expectations by the period of high – activity level, in as much as some of the services connected usually with specific periods and reasons as a start or end of the month or the summer break.

**Target Cost Accounting:**

There are many definitions for the target cost way by the view of every reader, here, we are going to mention some of those definitions for some authors:

Hilton (2008, p.647) said: “it’s the engineering and cost analysis process together, to design a production can make it for a possible cost, “its also “a system to support the low cost by develop bound and having new base (Monden & Hamond, 1991, p.6).

Cooper defined it as “a way of determinate the expire of production when its present by saling according to particular choices of the price, and the qualities, the result will be the profit that the facility wants to achieve (Cooper & Slagwulder, 1997).

From this, it appears that the target cost is the way of cost management, and profitability works to reduce the whole cost for the production in the first stage of its life with saving the same quality by the customer desire with fixing the price of sell to achieve the target profit. Because of this, the target cost way is good to determinate the cost in reverse.

After knowing the prevailing market price for the production and the target profit, the determinating cost process comes to which can put up the production with, this way is caring mainly of the customer desires, the sector depends on this point in determinate the target cost, the equation can derive the target cost foe the one unit by put the target profit from the market target price by the next equation:

The target cost for the unit = target price – target profit. We must bay attention that in way of target cost first the price determinate the the target cost. (Hilton, 2008, p.649)

There are many points can extracted from the definition of the target cost:

1. The target cost expressed in cash.
2. It’s the process of functional analysis for the cost, by knowing the result benefit of having that cost for production, and the coverage of the target function to allow the production to serve but in less cost or high the functions.
3. The production meets the wants and desires of the customers, that’s because the customers trying to have specific features for this production with good paying ability.
4. This way include a competitive good way, and its important principles of cost management strategies.

5. The cost analyze during the first period of the productions life that’s to arrive the target cost. (Geurghe, 2007. p.34)

**The goals of target cost way:**

The target cost is one of long-drawn-out planning ways, its identify the production plans depending on information from the market and the customers. So, it have aims to achieve:

1. Reduce the current new productions cost to achieve the level from the profits without reducing the quality within develop the specific time and price for the market.
2. Working in motivate the employees in the the sector to reach the target profit by generalize working by using the target cost way in the whole parts of the sector.
3. Use and exploit the experience and genius of the employees from the whole parts to make external plans allowing to reduce the most of costs.(Ibusuki & Kiminiski, 2007, p.459).

This way can develop the production by reduce the cost of product it with saving its quality to attract the customers, this way works to find suitable cost comparing to the competition prevailing cost and comes from reality of market with what’s inside the sector, and trying the breach between them, that’s to reach the target profit from the sector in the shadow of competition which is important to the sector in the current market to less its cost for suitable level.

**The parties of target cost and their effects:**

The target cost way is a process directed by the client, its based on the beginning of the production life before product it, and in the design and develop stage with caring to the whole value chain during the life of production.

The researcher reveals that 80% of the cost which is related to production that considers as a must in the case of starting work with it, and can’t make edits unless by giving the sector higher cost.

The determinate of target cost starts by the client first, then his desire and wanted quality and the price which can pay, its controlling the analysis, so it must understand the wants of the client, its may be services or functional requirements he wants to have, or he don’t want by less price and quality. (Megiz, 2006).

**The Target Cost Principles:**

Target cost depends on 7 principles, according to Hilton (Hilton, 2008, p.649):

1. Price – led costing: when you cost the target cost you have to know the price which you can sell the production by, and by cutting the target cost of this price, you will have the target cost which you must produce the production with its limits.
2. Focus on the Customers: to achieve the success if the sector by using the target cost way, you have to listen to the customers and answering some questions about the production.
3. Focus on process Design: the design of the main element in the target cost, so the engineers must design the production according to the customer desires.
4. Focus on process design: it must ensure that they can produce a high-quality production, according to the target cost of production.
6. Life – cycle cost: it must care to the analysis to insert the cost which is related with the production life.
7. Value – chain orientation: it must delete the cost which not adding a value.

V. PREVIOUS STUDIES

The target cost has great importance, many of foreign studies turning to this subject in the different of Arabic studies.

Lee, 1994, studied how to use the target cost way to improve the production life in the tail- term, it depends on the discrebional and analysis system by referring to the books and studies subject. He show that the target cost way achieve many of properties. he discovered that by concentration on the market and the cost management of the production, which means offering low price in the market, so increase the size of sales, and in the same time giving flexibility to the production management in develop the product and improve the product life which can develop the quantity of production in the long time.

Moharram 1995 made studies concentrating on the entrance of target cost which started to apply it in the Japanese economical units, and show how to use it to increase the capability of new pricing decisions of productions.

The researcher of this study depends on the discrebional system, the study have price decision for the new productions as one of the main problems which face the economical units in the current environment which is distinguishing by intense competition and technological development.

From this study, the researcher find that there is shortening in pricing the new productions, which is necessary to find a new pricing way, the entrance of the target cost considers as the entrance depends on the market study, its based on determining the price by submitted price for the production and the customers can pay that price to have it.

This study considers as a theory, and its offering the target cost related to things in the cost management and showing the difference between them.

Chamelge et. al (1996) find that the company determine the target cost by the market price and cut it of the target profit, then they designed the production, the compared the production cost with the target cost.

Then, the International Telephone & Telegraph find a way to reach the target cost by value engineering.

They find that there is a noticeable improvement to the compition company statuses in the market and increasing in the profit by using the target cost way and there is and important group of components to achieve the target cost way:

1- work as a team.
2- determine the target cost of the production.
3- competitors analysis in the market.
4- engineering the value to save the production quality with reducing the cost.
5- partnership with suppliers.
6- compels on members of the value chain to reduce the cost.

But (Borgermas, 2003) his study tried to make sure of using the target cost way before the Sweden industrial companies. In the beginning the researcher chose a random sample consisted of 250 companies, and he find then 91 companies accepted to deal with him, in a 36.4 %.

The results of this study that 16.5% of the Sweden industrial companies uses the target cost way, and there is a lack in information about this way which not allow applying it are huge companies and have competition in the market.

Then (Ben Alis’, 2003) study come to know the effect of the target cost.

The study methodology comes by designing questionnaire to collect data, they distribute it to the employees in the financial sector and accountant in hotels, the sample of the study consisted of 3 states hotel and above, they are 83 hotels, then they chose a geographic random sample which are in Amman and they are 53 hotels, 63.8 %.

The result was:

1- the pricing decisions of the hotel services don’t effected in the used cost way.
2- the legal form of the hotel is not effected by the way of used cost.
3- the accountant knows the reason to choose any of the cost way when the pricing decisions take to the hotel services.
4- the hotel size always measured by how the number of employees effect the used cost way in pricing decisions.
5- there are challenges of applying the cost way in the 3 stars hotels.

Then the system of Ibusuki & Kaminski, 2007, aims to introduce suggestions in 3 steps of research about new synonymous concept of productions, and was not known before, then the development process continued to design the production.

The final stage comes to practical applying and testing the production, its all to have a high quality production in a lower price.

VI. THE IMPERIAL STUDY

Statistical methods used in data analysis:
They used the next methods:

1- Cronbach’s Alpha: used to measure the credibility of the sample answers in the questionnaire, it gives a credibility to the internal consistency to the prepared data, knowing that the accepted statistical percentage is 60% or more.
2- The statistical descriptive methods of arithmetic mean and standard deviation.

3- One sample T- test: this test consider as a base form for accepting or ignoring the hypotheses of study.

Kronbach test used in Alpha to test the questionnaire that made by find the value of reliability coefficient, that means in the case of re-search again in the same situations, there will be agree in the result but not to reach match, then, they distribute a questionnaire to a number of accountant to judge it, that take their notes, then they used the (spss) to know the reliability coefficient. The whole Alpha value reach 01% and this is a perfect percentage comparing to the acceptable percentage, %60.

The statistical analysis, and testing the Hypothesis:

The result of distinguishing the questionnaire, and how the sample response, it appears that the whole number of questionnaire is 20 and they get 18 back.

<table>
<thead>
<tr>
<th>The frequency repetition</th>
<th>Repetition</th>
<th>The statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>90</td>
<td>18</td>
<td>The filled and returned questionnaires</td>
</tr>
<tr>
<td>10</td>
<td>2</td>
<td>The unreturned questionnaires</td>
</tr>
<tr>
<td>100</td>
<td>20</td>
<td>The total</td>
</tr>
</tbody>
</table>

The study sample properties, this is explain for the study sample and it is Arranged in the Schedule including the percentages and frequencies as the following:

1) The sample study is distributing according the age: the schedule 2 is showing that the highest age category answering which was old between (41.32) and which were the rate (56%) whereas the lowest age category answering which was between (less than 22 old) and the frequency repetition is (0%)

Table (2): The sample study is distributing according the age

<table>
<thead>
<tr>
<th>The frequency repetition</th>
<th>Repetition</th>
<th>Age category</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>Less than 22 old</td>
</tr>
<tr>
<td>27</td>
<td>5</td>
<td>From 22-31 old</td>
</tr>
<tr>
<td>56</td>
<td>10</td>
<td>From 32-41 old</td>
</tr>
<tr>
<td>17</td>
<td>3</td>
<td>More than 42</td>
</tr>
<tr>
<td>100</td>
<td>18</td>
<td>Total</td>
</tr>
</tbody>
</table>

2) The sample study is distributing according the Scientific expertise: the schedule(3) is showing more answering category Those who have experience more than 11 years and the rate was (45%) whereas the rate of the Respondents least frequently belonged to those who experience less than 3 years they have accounted for 11%

Table (3): The sample study is distributing according the Scientific expertise

<table>
<thead>
<tr>
<th>The frequency repetition</th>
<th>Repetition</th>
<th>Scientific expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>2</td>
<td>From 1-3 old</td>
</tr>
<tr>
<td>22</td>
<td>4</td>
<td>From 4-7 old</td>
</tr>
<tr>
<td>22</td>
<td>4</td>
<td>From 8-11 old</td>
</tr>
<tr>
<td>45</td>
<td>8</td>
<td>More than 11 old</td>
</tr>
<tr>
<td>100</td>
<td>18</td>
<td>Total</td>
</tr>
</tbody>
</table>

3) Distribution of the sample obtained by scientific: and shows it the schedule (4)that most respondents were from a campaign master's degree they have accounted for 61% while the ratios were lower for respondents who hold Ph.D. scientific collection and was 5.6%

Table (4): The sample study is distributing according the scientific qualification

<table>
<thead>
<tr>
<th>The frequency repetition</th>
<th>Repetition</th>
<th>scientific qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.4</td>
<td>6</td>
<td>Bachelor</td>
</tr>
<tr>
<td>61</td>
<td>11</td>
<td>Master</td>
</tr>
<tr>
<td>5.6</td>
<td>1</td>
<td>PhD</td>
</tr>
<tr>
<td>100</td>
<td>18</td>
<td>Total</td>
</tr>
</tbody>
</table>

4) The sample study is distributing according the sex: shows it the schedule (4)that most respondents were from the male and it was the biggest rate and reach (88.8%) and the female the rate is (11.2%).

Table (5): The sample study is distributing according the sex

<table>
<thead>
<tr>
<th>The frequency repetition</th>
<th>Repetition</th>
<th>Sex</th>
</tr>
</thead>
<tbody>
<tr>
<td>88.8</td>
<td>16</td>
<td>Male</td>
</tr>
<tr>
<td>11.2</td>
<td>2</td>
<td>Female</td>
</tr>
<tr>
<td>100</td>
<td>18</td>
<td>Total</td>
</tr>
</tbody>
</table>

VII. TEST OF THE HYPOTHESES

The group used the statistical software for social sciences SPSS to analyze the data and test hypotheses, as the following:

Test the first hypotheses:

The following data represent the Arithmetic mean and standard deviation of the paragraphs of the hypothesis of nihilism, which stipulates that the administration in the Islamic banks in Jordan's does not have the complete knowledge of the concept of target cost.
Table (6): Arithmetic mean and standard deviation to know of the extent of knowledge and expertise of the concept of Islamic banks for the target cost

<table>
<thead>
<tr>
<th>standard deviation</th>
<th>Arithmetic mean</th>
<th>Number</th>
<th>Address</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.96</td>
<td>4.04</td>
<td>18</td>
<td>Your administration already knew that the concept of target cost</td>
<td>1</td>
</tr>
<tr>
<td>0.51</td>
<td>4.50</td>
<td>18</td>
<td>Your administration concerns with the price in the other bank within the same classification</td>
<td>2</td>
</tr>
<tr>
<td>0.65</td>
<td>4.12</td>
<td>18</td>
<td>Your administration tries to deal with current price as the majority of clients</td>
<td>3</td>
</tr>
<tr>
<td>1.16</td>
<td>2.85</td>
<td>18</td>
<td>Your administration deletes the departments which the clients do not want its</td>
<td>4</td>
</tr>
<tr>
<td>0.48</td>
<td><strong>3.88</strong></td>
<td></td>
<td><strong>Total paragraph</strong></td>
<td></td>
</tr>
</tbody>
</table>

The pervious schedule (6) that the Arithmetic mean for the elements of the Islamic bank of Jordan for the concept of the target cost which increase of the total 3.00 but the total paragraph of the Arithmetic mean is 3.88 and the standard deviation is reach 0.48 so this value is less than the half of the Arithmetic mean for the pervious element and this is a good sign and that which is indicated on the homogeneity of the answers, so the Islamic bank of Jordan has the realize for the concept of the target cost and this is a good sign for the future.

We have mention here to negative direct from Respondents for paragraph that the administration bank deletes the department which the clients do not want its and the Arithmetic mean is (2.85) which index to bank Commitment with the department where offer the services and do not concerns with client willingness.

Table (7): The test hypothesis about the Islamic bank does not own a complete knowing about the concept of target cost

<table>
<thead>
<tr>
<th>Statistical significance</th>
<th>The calculated T value</th>
<th>standard deviation</th>
<th>Arithmetic mean</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000</td>
<td>9.278</td>
<td>0.48</td>
<td>3.88</td>
<td>How accommodate the method of target cost</td>
</tr>
</tbody>
</table>

From the above results showed that the moral value of(T) statistical significance is equal to zero and the adoption center Hypothesis(3). This value(SIG) is(T) less than the moral level as the moral value of 0.05 calculated =(9.278) and is greater than the tabular value. Therefore, we reject the hypothesis of nihilism, which says that he does not have the management of Islamic banks in Jordan to know and familiar with the concept of target cost, and therefore we accept Alternative hypothesis and it is:

The administration of Islamic banks in Jordan has a complete knowing for the concept of the target cost.

**The test of second hypothesis:**

This special department with hypothesis said: the Jordanian Islamic bank did not apply the target cost method in the costs managements.

Table (8): This hypothesis elements include the numbered elements from 1-19

<table>
<thead>
<tr>
<th>Number</th>
<th>Address</th>
<th>Number</th>
<th>Arithmetic mean</th>
<th>standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Bank determines the type of service and its technical properties upon particular principles.</td>
<td>18</td>
<td>4.00</td>
<td>0.69</td>
</tr>
<tr>
<td>6</td>
<td>Bank uses the largest number of officials to offer a best service as a part pre-targeted cost.</td>
<td>18</td>
<td>3.85</td>
<td>0.78</td>
</tr>
<tr>
<td>7</td>
<td>Bank concerns about high quality services but within limited cost.</td>
<td>18</td>
<td>3.73</td>
<td>0.96</td>
</tr>
<tr>
<td>8</td>
<td>Bank concerns about the general type of service with quality too</td>
<td>18</td>
<td>3.86</td>
<td>1.00</td>
</tr>
<tr>
<td>9</td>
<td>Bank administration determines the causes of suitable cost</td>
<td>18</td>
<td>4.00</td>
<td>0.63</td>
</tr>
<tr>
<td>10</td>
<td>Bank administration tries to reduce the unnecessary costs which don’t add any value for the service in order to reach targeted cost.</td>
<td>18</td>
<td>3.92</td>
<td>0.96</td>
</tr>
</tbody>
</table>
11. Administration adds properties to the service in order to meet the needs of customer within limited cost. 18 3.65 0.56
12. Administration implements standard costs system. 18 3.69 0.74
13. Administration concern about improving good relationships among employees in various departments just to facilitate teamwork. 18 3.92 0.93
14. The employees work as one team among various departments in order to reach targeted cost for the provided service. 18 4.08 0.74
15. Administration benefits from employees beyond experiences and opinions in order to reach targeted cost. 18 4.08 0.84
16. Administration motivates employees and makes them feel their importance in reducing cost decision in order to reach the targeted cost, to make them do their best. 18 3.85 0.83
17. Bank Administration offers allowances when reaching the targeted cost. 18 3.50 0.71
18. There is a suitable awareness for employees through holding session and courses about targeted cost. 18 3.42 0.64
19. Bank administration is based on Decentralization. 18 3.50 0.71

Total paragraph Benefit from previous experience 18 3.68 0.46

The Arithmetic means for the element of Jordanian Islamic bank applies the target cost method in the costs management is more than 3.00 so the Arithmetic mean for the total of this elements is 3.95 and a standard deviation is equal 0.36 and this is a good number.

The following table represents the result of second hypothesis test:

<table>
<thead>
<tr>
<th>Statistical significance</th>
<th>The calculated T value</th>
<th>Standard deviation</th>
<th>Arithmetic mean</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000</td>
<td>13.490</td>
<td>0.36</td>
<td>3.95</td>
<td>The extent of applying the cost method targeted by Islamic banks</td>
</tr>
</tbody>
</table>

From the above results showed that the moral value of (T) statistical significance is equal to zero and the adoption center Hypothesis(3). This moral value (SIG) is less than the moral level as the moral value of 0.05 calculated = 9.278 and its bigger than the tabular value. Therefore, we reject the hypothesis of nihilism, which says that the Jordanian Islamic bank does not apply the target cost method in the costs managements and therefore we accept Alternative hypothesis and it is: the Jordanian Islamic bank applies the target cost method in the costs managements.

The test of third Hypothesis:
The following table represent the arithmetic mean and the standard deviation to particular paragraphs which are related to the specific Hypothesis (the Jordan Islamic banks don’t face any difficulties which prevent the implementation of targeted cost method).

<table>
<thead>
<tr>
<th>Number</th>
<th>Title</th>
<th>The Arithmetic Mean</th>
<th>The Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>The interior accounting system is not suitable for bank cost management.</td>
<td>18</td>
<td>1.94</td>
</tr>
</tbody>
</table>
You can notice from the previous schedule (10) that the arithmetic means for difficulties may face the administration of banks when implementing the targeted cost method which is less than 2.00 as a whole, the arithmetic mean for the total of these paragraphs is (1.85) and the standard deviation was (0.46), therefore Jordan Islamic banks don’t face any difficulties which prevent the implementation of targeted cost method and the whole matter ready & suitable.

The following schedule represents an outcome of test (t) for the 3rd Hypothesis:

Table (11): The Test values of Hypothesis regarding to the absence of difficulties which prevent the implementation of targeted cost method facing Islamic banks.

<table>
<thead>
<tr>
<th>Title</th>
<th>The Arithmetic Mean</th>
<th>The Standard Deviation</th>
<th>The calculated value of T</th>
<th>Statistical significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulties prevent the implementation of targeted cost method facing administration</td>
<td>1.85</td>
<td>.46</td>
<td>-9.898</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Outcomes show in the previous schedule that (t) intangible statistical significance value is zero and that with the adoption of Hypothesis mean (3) and this is the intangible value (sig) for (t) is less than the tangible level 0.05 but the calculated (t) value is (-9.898) in the opposite way, the Arithmetic Mean is low (1.85), therefore we accept the Nihilism Hypotheses which says “the Jordan Islamic banks don’t face any difficulties which prevent the implementation of targeted cost method”.

VIII. THE RESULT AND RECOMMENDATION

1- It has showed through this study that Jordan Islamic banks are seeking to implement a better and more suitable way to manage their costs and assume special interests.
2- It has showed that Jordan Islamic banks have all the requirements to implement the targeted cost method and there are no difficulties
3- Show that a specialists staff in the accounting departments have the ability to accommodate and apply the cost method of target cost and they have the appropriate factors to achieve this.
4- It became clear that the Jordanian Islamic banks seeking to apply the method of cost target query respondents on the questionnaire about the nature of this method have been more concerned and clearly so.

Recommendation:

According to this result of this study we reach to this recommendation:

1- The Jordanian banks must follow up and keep up with the latest methods in the managed costs to seek to reduce costs and increase profits in light of the possibilities available and appropriate conditions
2- we need from science centers and research to provide a better explanation of modern methods in the management of costs
3- we need to educate accountants and financial managers in the Jordanian Islamic banks with the latest methods of administration costs by holding courses and lectures periodically we also shed light on the latest developments in the world of ways to manage costs and consider the possibility of application of any of them
4- Jordanian Islamic banks must provide support to and incentive for their employees to help them and encourage them for creativity and the development of accounting systems have to return this benefit to the bank from various aspects

REFERENCES