The Impact of Management Accounting Data on Product Pricing

Hussein Mohammed ELtahir KHalifa (PhD)
Associate Professor, Accounting Department
Shendi Unversity, Sudan,s.p.box 142-143

Siddig Mohammed ELbashir Abdel rahman (PHD)
Assistant Professor, Business Administration
Omdurman Islamic University- Sudan &Shaqra University
KSA.P.O.BOX1040, Zip code 11911

Abstract:

*Study **aimed** to achieve the goals to management accounting methods and the tools that are used in decision making to budgets, to know pricing policies, support production decision ,**the problem** several aspects of the challenges that are related to the nature of industrial activity related to marketing, the problem appears in the impact of choosing a certain method of pricing on the quantities sold, production and profits at the end of the fiscal year, **hypotheses** :There is a statistically significant relationship between management accounting and product pricing, The application of the method of planning budgets leads to an increase in productive performance, **methods** : we used the deductive method i, the scientific method, the descriptive analytical method, **result**: the administration measures costs effects of the pricing processes adopted by the administration , the allocation factor for indirect costs from expenditures enables alternative prices decisions to be taken, **Recommended**: to follow a pricing policy based on management accounting data, recommend the industrial companies to use the direct allocation factor for expenditures measurement.*

Keywords: production , budgets, performance reports , management accounting , marketing decision, pricing decision , demand , unit cost , measure, price leader , attractive pricing .

Introduction:

Financial institutions which aiming to achieve profits always want to find many ways to achieve those goals that have been set in the in strategies, whether long-term or the routine transactions that are implemented during the fiscal year, management accounting is one of the most important information systems that enable planning and follow-up for such goals using a group of different means and methods to accomplish and follow these routine steps, which are often planned in advance to implement them. Management accounting methods are used in most business establishments, especially in industrial establishments and those with transformative activities that use technical methods of management accounting in their regular routine and strategic operations considering that methods lead to solutions to the variance

That which is expected to occur during the operations that have been planned in the operations of the planning budgets that prepared from the administrative institution's low level and then to the top, after its approval and adoption by the management levels , it returned to be implemented by the company as a whole in all its equal management, and production processes in both the commodity and service In business establishments, they seek possible profits in competition and different sectorial., the use of scientific technical methods is the most general methods that can help in such goals. The pricing processes for goods and services in a complex companies environment surrounded by a set of internal effects in the company Its different external divisions which is similar an other sectors

The alternative requires a need technical effort to measure most of the effeteness with their estimated weights, that have been based on previous confirmed information that has been extracted from the reality of the company operations and can be a good indicator for future pricing processes because this pricing represents the final result of the cash flows that are expected to be collected at the end of the operations Product, the strategies that are used in the pricing of products and services are often based on common data produced by the financial and marketing department through the close link between the processes that took place during the production cycle until the final product is sold, and between the second stage that tests the success or failure of the commodity and the service that was produced, in the past, the managers got acquainted with the fact that goods and services that do not find a market that can accept them and a consumer depends on their use cannot a goods or services, but ideas only until they find their way to actual marketing to the users of it, Management accounting and product pricing methods fulfill the purposes for which the good or services were produced,

study problem: firms that face resource problems that are already scarce, and industrial companies, the most prevalent in the business sector, several aspects of the challenges that are related to the nature of industrial activity related to marketing and commercial activity operations, which consider risks as part of the basic nature of the industry and trade, but there are more urgent challenges. and more complex in industrial institutions ,that work on the production, generation and sale of goods and services that are produced in those industrial firms, and the most important problems are the ways and methods of pricing products according to the challenges of the industrial sector for the manufacture or production of a specific commodity or service, the overlapping problem of factors affecting pricing, and also the problem in choosing the method of pricing from among the many methods of pricing, and the problem of pricing is also related to the administration that takes pricing decisions and controls the pricing methods, which are the internal problems that face Pricing This research does not discuss external aspects that are related to product pricing problems such as price fluctuations and economic problems related to the consumer, but rather the research problem in how to choose a pricing method than the other,

The following questions can be a model to clarify the problem:
1 /what management accounting methods that are related to pricing decisions ?
2 / what methods of management accounting effect of pricing?
3 / what are the administrative techniques that interfere in the decisions of pricing products in the firms?
4 / what are the quantitative financial reports that are used in making decision of pricing?
5 / what is the impact of managerial accounting and marketing in increasing the profits of industrial firms?

Study Objectives: This study aims to achieve a set of objectives:
1 /Introducing management accounting and its importance to firms, and their methods, tools and uses of management accounting.
2 / high light to technical means for management accounting and financial performance reports
3 / Definition of planning financial statements that used in making administrative decisions.
4 / Determine the quantitative effects produced by management accounting for pricing decisions
5 / Linking accounting management as an effective science in providing product pricing statements
6 / Clarify some of the methods used in pricing for industrial and commercial firms

study importance: The importance of this study stems from the fact that it is discussed first: the scientific importance of the study in the following points, knowledge of the theoretical framework of some management accounting topics, identification of data produced by management accounting, increased interest in planning budgets as a quantitative method of planning in administrative accounting methods It is to provide the data necessary to make a pricing decision, provide information to the internal management of the components of performance reports
Enabling the determination of the details of the lending policy based on the quantitative figures produced in the account.

Hypotheses: The study discussed the following hypotheses:
1 / There is a statistically significant relationship between management accounting and product pricing
2 / The application of the method of planning budgets leads to an increase in productive performance
3 / There is a statistically significant relationship between pricing and quantity of sales

Methods of research: we used the deductive method in explaining the theoretical framework of the study, the scientific method, the descriptive analytical method for field study and the historical method of data and followed it in the field study

Study tools: Primary and other secondary tools were used, such as books, references, and published financial statements data

Study area: The study sample was used in the Kingdom of Saudi Arabia, Riyadh, the city of Dawadmi, the Hubail Sons for Trade and Industry company
Time limitation: we used the historical period 2020

The humanlimitation: Financial managers, accountants, financial analysis, and financial programmers

Research structure: The study was divided into an introduction, three chapters and a conclusion that included the introduction to the, the problem, importance, objectives, hypotheses, approaches, study sources and their limits, while the first chapter management accounting data, the second chapter pricing, the third discussion , results and recommendations and references of the study.

Previous study: Study (1): Suleiman Nouri Al-Qallab Study: 2017

The study entitled (The extent of application of modern management accounting methods in industrial companies, Kuwait) The study aimed to know the modern management accounting methods applied in the Kuwaiti industry, the extent of application of the activity-based cost system (ABC), the extent of application of the balanced scorecard system in industrial companies,
The study problem in not applying management accounting methods in industrial companies, highlighting modern methods of management accounting, the study problem in not applying modern methods of management accounting in Kuwaiti industrial companies , to improve the value of its products, increase profitability, production

improvement processes and competitive advantage, assumptions: There is no application of modern management accounting methods applied in food industrial companies, there is no application of the activity-based costing system (ABC) in Kuwaiti companies, results: Kuwaiti industrial companies apply the cost system to The basis of the activity (ABC), Kuwaiti industrial companies apply the Balanced Scorecard system in all stages of manufacturing products on average, recommendations: providing the programs and technologies necessary to implement the modern management accounting system, the need to activate different modern management accounting methods more broadly as an information system (Galab: 2017)

Study2: Buthaina Al-Mohtaseb, 2006

The study aimed at analyzing the effects of floating prices in Jordan on a set of routine steps in the price evaluation process, studying the reality of the price policies of agricultural products, studying the effect of the flotation on loan service, hypotheses: There is no positive effect of floating prices on agricultural loan service in the southern Shuna region. The importance of the study in explaining the effect of the flotation on the production, the floating price system left multiple economic and social effects on farmers, the problem of the study: the problem of prices in the free economic system to carry out its basic functions of determining the types of goods that will be produced and the problem of resource allocation, between the different uses and the problem of distributing production and consumption revenues, the results are floating food products prices in the South Shuna area in Jordan, industrial companies analyze prices in order to stimulate sales, there is no interest in applying price policies in agricultural products, recommendations: interest in applying price policies in agricultural products, not to float Prices of agricultural products, attention to the segment of farmers in the South Shuna region in Jordan to raise the prices of agricultural products (Buthainah, 2006).

Study (3): Ali Burhan Muhammad Al-Nuaimi, 2016

The study entitled (Pricing strategies and their impact on consumer buying behavior, The study aimed to find out the effect of the pricing strategies adopted by the management in Zain Al-Arab, knowledge of the price strategies, knowledge of the effect of the price strategies followed in Zain Al-Arab, the hypotheses: There is no statistically significant effect at a significant level (a <0.05) of the pricing strategies on behavior. There was no statistically significant effect at a significant level (a <0.05) of market skimming strategies on consumer buying behavior. The problem of the study is that it is not possible to provide the desire to buy, otherwise, the need for the product and cannot constitute a demand, and the consumer cannot make the purchase decision within the framework of income and purchasing power, the problem of deficiency that has suffered from the pricing strategies adopted by Zain Al Arab International Trade, which is reflected in the consumer's purchasing behavior, especially with regard to the company's need for pricing according to its distribution outlets, in proportion with consumer income, results: There is a statistically significant effect at a significant level (a <0.05) for pricing strategies in the purchasing behavior of the consumer of Zain Arab International Trade products in Iraq. There is no statistically significant effect at a significant level (a <0.05) for the market penetration strategy.

Recommendations: Reliance in product pricing on a penetration strategy. The company uses multiple distribution points to deliver its products to consumers.

CHAPTER ONE: Management Accounting Data

Data: It is a set of facts related to events that can be recognized and measured, and it is mostly any of these facts that are independent of each other but are processed to give us information, and therefore data are raw materials that are processed so that the final product is information, information: Its definition can be deduced from our definition of data, as it is any information that is data that has been processed. It should be noted that this information must be used as soon as it becomes available because it is related to a specific situation and situations that are constantly changing and changing, and the accounting information has been known, that it is the aggregate information on economic values that are prepared and presented in the financial and non-financial statements of projects of all kinds, price: It is the value that the seller sets as a price for his good or service in terms of benefits or benefits, or the amount of money needed to exchange it with a mixture of characteristics for material goods and services associated with them (Naim and Ashour 2002,p 61)

Decision-making process: the decision-making process involves a set of steps based on identifying the problem or goal to be achieved and then developing alternatives or possible solutions to the problem, and then studying and evaluating all possible alternatives to achieve the desired goal and then choosing the optimal alternative, and several methods of decision-making are available (Makram: 2001, p36). The purpose of marketing expenses is not to reach the level reached by sales, but the purpose is also to develop sales in order to achieve the numbers that aim, company and marketing costs are collected from advertisements, salaries, wages and others in the marketing budget. (Syed Alouh: non d, p13), management decisions with pricing:

The essence of the decision-making process is the trade-off and the choice between a group of alternatives, provided that the decision or alternative chosen achieves the goal for which the decision was made, accordingly, if there is no set of alternatives to be compared between them, there is no decision-making, the most important characteristic of decisions is that they relate to future events and decisions may be short-term or long-term, and the criterion that must be taken into account when making a short-term decision is choosing the alternative that is expected to produce the highest profit. Or the least cost, and the application of this rule is not easy and in all cases there are two rules that can be used in the process of pricing decision-making are (that the revenues and costs appropriate to the decision are the revenues and costs expected in the future, which differ between the alternatives, which are the so-called differential or additional revenues and costs, Revenue and costs acquired or incurred in the past are inappropriate for making decisions and can be used to predict future revenues and costs.

Management accounting data in making product pricing decisions

One of the fundamental problems for accounting in measuring product pricing is in determining the fair value resulting from the exchange process. Therefore, the opinion of the Accounting Principles Board provided some guiding points for the purpose of determining fair value:

1. Estimated realizable value from cash transactions related to similar goods.
2. Prices shown in the market. 3. Evaluation by an independent party.
4. The estimated fair value or services that are obtained from the exchange.

The fair value cannot be used in an exchange transaction unless this fair value can be estimated with reasonable accuracy. The fair value cannot be estimated with reasonable accuracy if there is a fundamental uncertainty regarding the reliability of the value that determines the sale. If it is not appropriate to use the fair value, then the acquired asset is recognized on the basis of the carrying value of the asset disposed.

management accounting: The behavioral sciences as one of the disciplines of management sciences have in common with management accounting in that behavioral sciences provide a set of concepts that are related to the human element as a major determinant of the success of management in its various functions, and management accounting benefits from these concepts that are related to behavioral sciences in planning, control and evaluation Performance in carrying out its various functions, such as the concepts of effectiveness, incentives, performance measurement and quality, evaluation and re-evaluation, and other concepts of behavioral sciences, coordination between the efforts of different departments and sections can eliminate redundancy and duplication, and it must be noted that all organizational units work as efficiently as possible at one time and continuously, because the work of each part is done and the other part depends on it, such as the sales department and production department The sales department cannot ask for consumer orders if the production department does not serve these requests in a timely manner and with the required specifications. (AymanAbd al-Rahman al-Shamba, 2009, p103) , It is the art of presenting accounting data and information at appropriate periodic intervals in a manner that enables the management to make decisions related to the current activity and future activity in a way that ensures achieving the maximum possible sufficiency and ensuring the safety of implementation, determining responsibility and confronting problems (Ahmed Hashem 2017, p9),also Management Accounting: It is a tool to provide Data and information for internal management in its different levels to be used in planning and controlling various operations provided that it is provided continuously to help in making routine and non-routine decisions to solve problems facing higher management in daily operations (Hayali, 1991) and thus a method for presenting accounting information in a way that helps the management to establishment's plans and policies and the conduct of its day-to-day business, and from this definition we conclude that management accounting is a means of planning and a tool for control and performance evaluation in addition to being a means or tool for making decisions, management accounting aims to meet the needs of operational management with data that help in decision-making, fulfill a detailed report that includes all aspects of spending and performance related to the establishment, make decisions related to quantitative information from the reality of accounting journals, show deviations of all kinds from achieving daily operational goals, work to increase performance efficiency Operational control and internally prepared budgets, implementation of planning and capital plans and budgets according to the desire of management, increasing awareness of organizational behavior and administrative accountability through daily performance, among the steps applied in management accounting are: defining the goal to be achieved in advance and comparing it with the actual results at the end of the period, comparing the result of the project's work with the result of the work of other similar projects, comparing the current year numbers with the previous year numbers for the same project, using mathematical and statistical methods such as using time series and trends in Sales analysis, use of the probability method when making decisions about budgets, preparation and presentation of reports.

management accounting aims: providing information that helps the management in carrying out the control function, determining the measures and standards used in monitoring performance in general, monitoring the performance of employees at their various levels and their assigned tasks, determining methods of performance evaluation, correcting negative deviations and increasing the positive.

Initial reports of production processes for product pricing purposes:

The term initial financial reports is called the financial reports that pertain to a period of time less than a year and are usually quarterly. The main objective of these initial reports is to provide the financial information of the establishment in a timely manner and to show the turning points in the trends of the establishment's income, which the annual reports may not clearly show at the time of their occurrence.

Presentation of initial financial reports: The preliminary financial reporting standard requires that the initial financial reports contain the following:- Initial financial reports must include - at least - the financial position list, the income statement, the cash flow statement provided that, when returning these initial reports, it is taken into account that the requirements of the public presentation and the requirements of the presentation for each list be adhered to separately as stipulated in the standard of presentation and public disclosure. The income statement for the ending quarter of the current fiscal year compared to the corresponding income statements and statements for the corresponding quarter of the previous fiscal year. Income statement from the beginning of the current year until the end of the period for which the initial reports are prepared compared to the corresponding period data of the previous fiscal year. It is the report that measures the success of operations in the facility up to a specific period of time, and the report is used to determine the profitability of the facility, the value of investments in it and its credit capacity (Keso: 2003, 167) the financial position at the end of the ending quarter of the year compared to the corresponding period data of the previous fiscal year. Cash flows statement from the beginning of the year until the end of the financial period compared to the corresponding period data of the previous fiscal year.

Decision-making process definition: The essence of the decision-making process is the trade-off and the choice between a set of alternatives, provided that the decision or alternative chosen achieves the goal for which the decision was taken. Therefore, if there is no set of alternatives to be compared between them, there is no decision-making, the most important characteristic of decisions is that they relate to future events and decisions that may be short-term or long-term, and the criterion that must be taken into account when making a short-term decision is choosing the alternative that is expected to result in the highest profit or least cost and applying this rule is not easy and in all cases there are two rules that can be used from In the decision-making process they are: -

that the revenues and costs appropriate to the decision are the revenues and costs expected in the future, which differ between the alternatives, which are called differential or additional revenues and costs, Revenue and costs that have been acquired or incurred in the past are inappropriate for decision-making and can be used to forecast future revenues and costs, the decision-making process is an artistic and mental process and requires high skills of organization, analysis, deduction and extrapolation of events (Al-Hayali: 11991, P8) stages of the decision-making process: defining the problem, identifying the available alternatives to solve the problem, evaluating the alternatives, choosing the appropriate alternative, studying and knowing the extent of rationality in choosing the alternative

The decision to accept a private sale order:

Administrative accounting and administrative organization: Good administrative organization means not just drawing the organizational map of the economic unit, but the appropriate division of authority and responsibility is to place each job in the appropriate place for it in the administrative organization, thus avoiding overlap and conflict in authorities and responsibilities (Mari 1999:P 177) ,

Management accounting methods: Among the most important of these methods that management accounting takes (the method of planning budgets, the method of analyzing deviations, the method of responsipility accounting, the method of differential analysis, the standard costs method, the method of the break-even analysis model, the method of financial analysis, the method of balanced performance measurement, the method of strategic management for cost

The planning budget: It is one of the participation of the various administrative levels of the economic unit. It was encouraged to achieve the highest possible efficiency, quality, increase sales, achieve surplus production and provide service, and thus achieve the profits by involving as much as possible in preparing planning budgets, as it motivates managers and workers and pushes them towards making decisions in favor of The establishment as part of the making of these budgets and they are enthusiastic about the success of various aspects, as the budget must be prepared that takes into account the opportunities, capabilities, restrictions and levels of activity, publishing, after agreeing on the budget formulation must be distributed to all relevant parties, so the budget that is not presented to the competent authorities will not be applied in the required manner and measurement, and it is intended to measure activities, which must be done through time forms and material requests. Comparison is made with the levels that were specified in the budget and there may be a need to make a specific change to the measures in order to facilitate the task of comparison, reporting, there is a need to provide information on reporting to the competent supervisor and these reports include deviations in the budget, correct work after receiving the report, recognizing the reality of performance, and the appearance of some deviations, corrective action must be taken. (Nemmer 1994: p 28)

Sales: Sales can be adjusted assuming that they are made regularly and at equal rates during the year using the average price index for the year and calculating the adjusted sales, but if the sales are seasonal, or the rise in prices is not regular, sales can be adjusted using the quarterly or monthly indices. The amendment in this case shall be by multiplying the sales of each period (quarter of a year or a month) by a fraction, the numerator of the index number at the end of the year and the denominator of the price index at the date of sale.

Cost of goods sold: The adjustment to the cost of goods sold depends on the method used by the enterprise in evaluating the inventory, selling and administrative expenses: Here, too, it can be assumed that these expenses were made on a regular basis and at equal rates during the year. Therefore, it is modified by using the general price index at the end of the year as the numerator and the average of the index for the year, but if these expenditures are seasonal, the index is used at the time of the origin of each expense.

Depreciation expense: Since the machines and equipment were purchased at the beginning of the year when the company's business started, the adjustment of the depreciation expense is done in the same way that the machinery and equipment were amended. Therefore, the depreciation expense is adjusted to reflect the purchasing power. Taxes: Assuming that taxes are due on the facility regularly during the year (that is, as it earns) taxes should be adjusted using the average index

Sales reports: where the reports at the lower administrative levels are carefully detailed, then they are grouped and summarized at the higher administrative levels and when preparing performance reports there are rules that must be adhered to in order to be effective in monitoring and evaluating performance (Garrison 2002: 502)

Sales budget: The budget can help in adjusting relevant budgets according to past performance measurement results to benefit from in developing future performance, encouraging somewhat balanced deviations, avoiding negative revenue streams, and increasing interest in implementing the budget according to concrete practical reality (Charles, Srikant, 2005: 197)

Accountability of responsibility: a set of procedures, rules and systems that ensure that individuals are responsible for their various responsibilities, then determine the degree of fulfillment of those obligations, and apply a fair system of reward and punishment (Awad al-Rahili and al-GharibBayoumi, 1998: 30)

Using financial ratios for pricing purposes: It is considered one of the oldest methods of analysis and control to study the facility's credit position and judge the results of its business, including product pricing and its financial position through the proportionality between the types of assets and liabilities, and between revenues and expenditures. The financial ratios of the facility are compared with the ideal ratios at the level of industry or activity, or with the financial ratios of other establishments such as liquidity ratios, profitability ratios, and debt-repayment ratios, modern performance measures: Due to the recent development in production technology, the emergence of immediate production facilities, flexible manufacturing facilities, and computer-linked production lines

Price elasticity of demand: a measure of the degree to which demand responds to a known change in price elasticity of demand is the change in the quantity demanded divided by the change in price, if there is a change in the quantity supplied that exceeds what is proportional, then the demand is price elastic and if there is a change in the quantity demanded that is less than what is proportional, the demand is not price elastic. In extreme cases, demand may be completely price inelastic, meaning that the price change has no effect on the quantity demanded which appears as a vertical demand curve, straight or may be completely flexible in price, appearing as a straight horizontal demand curve (Rajab 2011, 16). a measure of the degree to which supply is responsive to a specific change in price (elasticity of supply is the change in the quantity of supply divided by the change in price,If the price change results in a change in the quantity supplied that exceeds what is proportional, then the supply is elastic to the price, and if the price change results in a change in the quantity supplied that is less than what is proportional, then the supply is inelastic to the price. It has no effect on the quantity supplied, so it appears as a straight vertical supply curve , determining the price, group (A) of suppliers working together determines a common price for a good or service in comparison to each supplier setting their own price independently. Often the price determination has an aspect of the irregular and oligopolistic market.

Price leader: a company that sets the market price for a commodity or service and triggers price changes, then competing suppliers follow it, and there is price leadership, which is the dominant companies that control the guarantee of small competitors' prices due to its strong position in the market and other baometric price leaders who accept price changes that they find by other suppliers because of their distinguished skills in setting prices that accurately reflect changing market conditions, prices match the tendency of suppliers in an oligopolistic market to set comparable prices. Identical prices may arise from suppliers' desire to fix prices that achieve maximum common perception, sincedetermining the outcome of the project (the accounting unit) of profit or loss during a certain period, it is the achievement of two important matters, the first is the revenues generated from sales of the unit's products during this period and the cost components, expenses and expected losses with these revenues by comparing the revenues from sales with costs and expenses.

The losses to determine the net profit and determine the financial position of the project at the end of this period are represented in the assets owned by the company, and the rights associated with these assets of the owners of the project and of others (Mohamed Zidan Ibrahim: 2006,p67).

CHAPTR TWO: PROUDCT PRICING

Pricing is one of the most important strategic decisions that affect the success of the company, and the importance of the price decision is not only derived from the effect on the marketing mix as one of its elements, but its effects extend to include the overall performance of the company. In addition to the contribution of pricing decisions to increasing profitability, it can be used as an effective and influential element to attract new consumers of the company for certain types of commodities, so institutions must pay great attention to this element, both in how it is defined and the strategies for its development, and this is by studying the external and internal factors in a way that makes controlling this element serves the interest of the organization and makes it achieve its goals, there are many strategies The pricing that the company can choose when pricing its products or services in the markets, and among the most prominent of these strategies are: -

New product strategy: Pricing strategies usually change as the product passes through its life cycle, the introduction phase is particularly challenging, firms that come up with a new product face a price challenge for the first time and can choose from the following strategies: market-taking cream pricing, market penetration pricing, face-to-face strategy, price-package strategy and the following are detailed (Kotler& Armstrong 2007, 128).

Taking market cream pricing: It means setting a high price for the new product to harvest maximum returns layer by layer from market sectors that welcome to pay a higher price, and the company achieves fewer sales but is more profitable, many companies that create a new product set high initial prices to take returns (skim cream) layer by layer from the market. SonyCompanyoften uses this strategy, which is called taking market cream pricing. When Sony introduced the first high definition television to the Japanese market in 1990, the cost of these high-tech devices was $ 43,000 and only people who had the ability to pay a high price for the new technology could buy them. Sony quickly cut the price in the following years to attract new buyers. By the year 1993, the cost of a 28-inch high-definition television was $ 2,000, which is a price that many customers can afford, and taking market cream has meaning under certain circumstances only, first: The quality of the product and its image must support the higher price, and sufficient buyers must want to obtain the product at this price, second: The costs of producing a smaller volume cannot be so high that it nullifies the advantage of the larger download Finally, competitors should not be able to enter the market easily and reduce the high price.

Market penetration pricing: Instead of setting a high initial price to take cream from small but convenient market segments, some companies use market penetration pricing and set low initial prices in order to penetrate the market quickly and deeply - to attract a large number of buyers quickly and gain a large market share, Higher sales volumes result in lower costs allowing the company to reduce its price even further. For example, Wal-Mart, and other retailers use penetration pricing, and Dell has used penetration pricing through less expensive direct distribution channels. Sales boomed when IBM, APPLE, and other competitors could not match their prices through retail stores.

Market penetration pricing: It is setting a low price for the new product in order to attract a large number of buyers and a large market share; some conditions must be met for the low price strategy to work. The market must be sensitive to price in a high manner so that the reduced price produces more growth in the market, the costs of production and distribution should decrease with the increase in sales volume. Competitors and the penetration price provider must maintain their low price position - otherwise, this price advantage may only be temporary, for example Dell company faced a difficult time when it constructed IBM company, other competitors have their own direct distribution channels, but by specializing in production costs and low distribution, Dell company retained its price advantage, establishing itself as the number one PC producer in the industry (Kotler and Armstrong, op. Cit., P. 629).

Attractive pricing: Some service establishments such as hotels, restaurants, insurance companies and specialized hospitals prove their position in the market as unique facilities by entering the market through unique services with new quality and high prices. In this case, they seek to attract a special segment, Specific with special influence or want to be significant in society.

Pricing of the price package: The sellers who use the strategy of the market package unite several products (product -bundle) and present them in the form of a production package or a set of integrated services, as is the case in the tourism sector when tourism and travel companies offer an integrated tourism trip, which is called a package tour, at discounted and reasonable prices, some hotels offer special services at the end of the week at low prices (Al-Tai and Al-Alaq: 2009, 278).The discounted prices include in-room accommodation services, meals, entertainment services, and entertainment ... etc. Therefore, we demand that this price strategy helps in the process of promoting the services offered in the market and thus increase the volume of sales by convincing customers of the benefits achieved from this service.

This strategy is more common and used in service facilities such as transport companies, airlines, hotels, shipping companies and railways, as these companies are constantly trying to offer a package of various services at promotional prices to achieve a reasonable rate of profitability. (Al-Tai and Al-Allaq: 2009,p 279).

Psychological pricing policy: The psychological price is based on the consumer pushing the consumer to make the purchase decision as a result of the emotional reaction rather than on the basis of logical thinking, and these policies are often used in the field of the final consumer market, but they are not used much in the field of the industrial buying market policies (Jabr, 2007 AD, 266).

Fractional Prices: Fractional prices mean those values at which products are priced on the basis of fractional monetary units, where a specific commodity is priced at 99 pounds instead of 100 pounds, as this policy assumes that the consumer will think that this is a profitable deal because the product is priced at with great accuracy, he did not get any profit even if it was simple.

Familiar prices: It is meant by familiar prices that the consumer has become accustomed to a certain price of the commodity, which creates a difficulty in changing the price, we note that the current economic conditions and their dynamics make it difficult for the producer to continue selling goods at the same price that the consumer is accustomed to for a while a long time, but the freedom of the product is limited to change this price, ,some producers work on not changing the prices of the commodities that the consumer is accustomed to and they meet the change in the cost and the inadequacy of the usual price of the commodity in light of the changing economic conditions by reducing the components themselves, such as reducing the weight by a small percentage that the consumer does not notice or changing some of the raw materials from which the commodity is made or other methods that Reduces the cost so that the producer avoids the price change to which the consumer is customer.

Symbolic prices: The symbolic price means that price that is set to satisfy some of the motives of consumers who buy goods out of a desire for discrimination and social appreciation, no doubt that the demand for this type of product increases by increasing its price to a certain extent, but it may decline if it increases without a scientific study of flexibility demand for a commodity, the symbolic price policy is not limited to fashion or luxury goods, as some believe, but has become extended to commodities, some of which are necessary and vital, studies have shown that consumers and some doctors prefer the expensive drugs because they link the price of the drug with its effectiveness. (Ahmad Gabr: 007, p 268).

Producing Pricing policy: The high price is used by some consumers as an indicator to indicate the quality of the commodity, so they accept to buy it until they feel that they are distinguished from others in society, examples of these commodities are: clothes, perfumes, cars, jewelry, etc. (Mualla and Tawfiq, 2010, 230).

Reference prices: These are the prices that individuals used to deal with the products they represent for a long period of time as a result of their price stability. Consequently, the change in the price and for various reasons makes the buyer in an unstable psychological situation towards the initiation of buying it because he used to buy it for a previous period at that price.

Also, the reference prices can be compared with the prices of substitute or similar commodities, and accordingly, he will succeed in buying if he feels that the specified price for these goods exceeds the prices of their counterparts of other commodities or vice versa. (Al-Bakry, 2016).

Pricing for promotional purposes: Pricing is used as an effective weapon for promotional purposes, as this pricing refers to selling at lower prices to dealers or granting additional benefits to each of the dealers or distributors, other means related to the price are promotional and souvenir gifts, coupons, etc., thus, each of them emphasizes a reduction, either directly or indirectly, among the most important policies used in this regard: **-** (Abdul Hamid, 2007 AD, 410).

Leading prices: Many stores, especially retail stores, seek to price some items at very cheap prices, which may sometimes be lower than the cost, in order to attract consumers to buy other goods that are more profitable. Therefore, this pricing approach seeks to improve the overall profit profile of the facility. It is used for soft commodities of frequent use.

Opportunity sales (sales): It is the policy that you follow to meet temporary needs, as the producer may face an increase in inventory for certain goods that exceeds the volume of normal demand, or in a way that exceeds the capabilities of retailers, and some stores may have quantities of seasonal goods, price cuts on the part of competitors may be a cause, but all of these matters negatively affect the sales volume of the facility, consequently, the producer or distributor, especially at the level of retail stores, resorts to the sale (opportunity sales) as it keeps the original price of the products in the hope that things will improve, but different price reductions are made so that the product achieves a quick remedy for the situation by increasing sales, there are also a number of reasons that drive distributors to work on sales, foremost of which is the desire to achieve a rapid turnover rate and face change in fashion goods, or when it expects a future reduction in the prices of some products.

CHAPTER THREE: DISCUSSION

The data of the application side of the subject of the study "The Impact of Management Accounting Data on Product Pricing" has been prepared. The data of the study will be presented and analyzed by analyzing the data obtained from the published financial data of Al-Habilsons Trade and Industry Company, for the financial period and the financial statements published on December 31 / 2016 and the detailed data that explain the applications for management accounting and the data they produce for the purpose of pricing products that have been used in publishing, listing, displaying, classifying and presenting the final product for management accounting and pricing policies with the purpose of helping to use those published data in rationalizing arbitrary decisions in a more specific way and highlighting some accounting methods administrative methods of pricing and discussing the possibility of using that data, the reliability and validity of the study have been tested, the most important results and recommendations of those previous studies in the field, after presenting the study tool and the validity and stability of the tool, then analyzing those data obtained and testing the validity of the assumptions and their relationship to the data that were tested and the extent of their compatibility, and finally presentation of the results of the study and the recommendations that the researchers considered their importance The data that were used for the purpose of discussing the hypotheses were as follows:

Table (1): Estimated Expenditure ELhobailcompany -2017- KSA

Production level	Fixed Cost	Current Cost	Total Cost	Total Revenue	Profit(Loss)
321,618	**6,315,445**	**1,645,115**	**7,960,560**	**13,114,640**	**5,154,080**
611,109	6,315,445	3,314,457	9,629,902	14,935,403	5,305,504
917,128	6,315,445	4,847,666	11,163,111	15,314,746	4,151,630
1,245,214	6,315,445	6,471,447	12,786,892	15,947,108	3,160,216
1,491,107	6,315,445	8,110,450	14,425,895	17,245,475	2,819,580
1,745,504	6,315,445	9,550,147	15,865,592	17,946,554	2,080,892
2,110,471	6,315,445	11,250,365	17,565,810	19,499,357	1,933,547
2,514,647	6,315,445	12,847,647	19,163,092	21,092,647	1,925,555

Source: Hobail company financial statement 2017-KSA

In Table (1), it is clear that there are multiple stages of production, as well as service centers note that the selling price of the unit (10 bricks) is 41 Saudi riyals and the variable expenses per unit 23 riyals), which indicates that accounting has an active role in the process of measuring production and determining the partial components of the unit cost through the detailed pricing of the costs incurred by the production unit in order to produce the sold units. The division of production into a group of stages, which is the first half of the year and the production period in it is four months for each half of the year, which in a cycle requires administrative decisions based on the data for management accounting, until it reached an amount (6,471,447) at the end of the first half, and then continued to rise until it reached an amount (12,847,647) at the end of the year, i.e. an increase of (1,645,115 to 12,847,647), i.e. 1.6 to 12.8 as compeer, It is not a small comparison, which means higher variable costs and thus lower profits. It became clear that spending less variable costs at the beginning of the season achieved profits of (5,154,080) and that spending twelve times the same variable expenses instead of doubling the profit to twelve times with the same logic led to depletion Profits by (1,925,555) i.e. 5.1 to 1.9, meaning that the decision according to the data of the estimated administrative accounting of production expenditures must stop production during the remaining four months of the year and rely on marketing and selling current stock to cover fixed expenses amounting to (6,315,445), which in turn reinforces the hypothesis of the study (leads Applying the method of planning budgets to increase production performance) on this, the minimum production can be determined using the following equation

Minimum = fixed costs

Unit Price - Unit variable expenses

6,315,445 = 350,858 units or (41-23=18).

Table (2) production &service departments in addition to two services sections and the items of indirect expenses in the different sections are as follows: -

Table (2) Production &servicedepartmentsHobail company 2017

Description	**ProductSector**			**Servesesecter**	
Items	**collection**	**Row me material Mitered**	**Production in drying**	**maintains**	**Management**
Indirect material cost	84,719	37,416	46,457	154,487	112,645
Indirect wages cost	145,478	75,457	51,682	187,573	201,458
Indirect other expenses	97,245	101,460	86,488	91,154	103,254
Total	327,442	214,333	184,627	433,214	417,357
Total service cost					541,775
Total product cost					1,035,775
Total cost					1,576,973

Source: Hobail company financial Data 2017-KSA

IN Table (2) To high light the hypothesis of the study (there is a significant relationship between management accounting and product pricing) that knowing the value of production in relation to the product is one of the important decisions of the product pricing process and it is clear that the distribution of these materials to indirect amount (1,035,775) for the three production divisions indicates The diversity of these indirect materials in the three sections is that through performance and production reports, their details can be known about making an administrative decision based on the administrative accounting data that helped to define that data for the purpose of collecting the total costs of direct and indirect materials for the pricing of the production unit as for wages, it is one of the expenses that they cannot be totally avoided, but they can be minimized by using specific strategies in the(Personnel Affairs Department)and the financial costs associated with direct wages, and how can a part of them be charged to reduce the cost of the product and thus the pricing of these products is evident, for example, that the total cost of services is an amount (541,775), which is the indirect services, as for the total costs. The indirect costs are (1,576,973) and by comparison between the total indirect services and the indirect cost of production. This becomes clear that indirect services are 52.3% of the total indirect expenditures of materials and wages and others (541,775 / 1,035,775), which in turn helps the administration in making its decisions regarding total indirect expenditures, and which of them can be avoided or reduced to continue production and thus achieve sales And profits.

Table (3) Direct costs of the three department.

Description	Collection	Mixed	Dry& package
Direct material co st	654,321	421,647	580,674
wages cost	554,214	247,687	345,408
Total	1,208,535	669,334	926,082
Total of three de partment			2,803,769

Sources: Hobail company financial Data 2017-KSA

It is clear from Table (3) with regard to the hypothesis (the application of the method of planning budgets leads to an increase in production performance) shows that the process of measuring direct costs in the three production divisions helped in the process of measuring and providing those needs in the appropriate fulfillment and in the required quantity according to the planning budgets that were previously prepared to know the size of the performance, such as measuring the materials and wages for the first process in assembly and kneading, you may notice that this cost, which was previously determined using planning budgets, helped to know the total volume of direct materials and to provide the liquidity crisis at that time, for example saving an amount of 5810,674 riyals, which concerns direct materials that are considered The basis of the beginning of the work can provide at the minimum work for the production of additional units even if the wages that were estimated at 345,408 riyals are not available because wages are direct variable expenses that can be considered a week, for example, until they are fulfilled by the workers if the workers are charged on the basis But if it is on the basis of production, the estimated total cost of 2,803,769 must be available, which is the case that enables management taking decisions about the desired cash flows or those that can be postponed until the end of the production process, but if the calculation of direct wages is made on a monthly basis, then it is possible to provide the basic cost of materials,work can be carried out in circumstances where there is insufficient liquidity for operation or This liquidity is available, but the facility wishes to invest that liquidity in other activities that generate cash or obtain other revenues from it, such as buying shares or rotating them in stock exchange activities, for example, which in turn confirms the hypothesis of the study that the use of planning budgets increases production

Table (4) Estimating indirect cost factorallocation (service)

Description	**Collection**	**mixed**	**Dry& package**
Indirect production c ost distribution	456,487	657,684	547,102
Managerial cost distri bution	145,368	204,457	645,458
Total expenses (servi ce)	945,645	1,025,647	1,248,687
Allocation ratio	23.4%	26.9%	81%

Sources: Hobail company financial Data 2017-KSA

In table (4) that the cost distribution coefficient has adopted an innovative proportion of cosmetic according to the technical manufacturing data and information for the other departments, which are the production departments for manufacturing operations, which in turn confirms the relationship of administrative accounting with the adaptation accounting that measures the cost of production as an internal operational activity in other sciences, especially

In turn, it helps in making administrative decisions by reducing the allocated rates of indirect expenditures on production, the extent of their participation, the loading rates with other departments, and how to rationalize or dispense with them in light of the conditions and variables of production, for example, 81% can be considered later, and then looking at the rest of the other ratios can be observed convergence allocated ratios between batching, kneading as a section, fermentation and mixing as a separate section, as proportions close to (26.9 and 23.4). It helps in making the quantitative decisions necessary pricing operations.

Table (5) Total cost of one order (100,000 bricks): -

Description	collection	mixed	Dry& package
Direct material cost	635,633	457,330	504,347
Direct wages cost	341,245	247,358	189,345
Indirect expenses	245,109	198,446	164,547
Indirect expenses(service depart ment)	294,131	246073	213,911
Total	1,271,009	950,761	907,603
Total cost			3,129,373

Sources: Hobail company financial Data 2017-KSA

When we test Table (5), it becomes clear that the total cost is 3,129,373 riyals, which pertains to one order whose quantity has been assumed at a value of (100,000) units, consequently, the pricing processes in accordance with the pricing policies are clear through the data produced by the accounting management and the performance data collected from Direct production departments and indirect costs, which in turn leads to the hypothesis of the study, there is a significant relationship between managerial accounting and product pricing) and it confirms that in the event that a pricing decision is made on the basis of cost, the data collected from production performance determines the lending so that the value of units can be determined, productive and desirable pricing and it is clear that the price of one unit of the total order is the unit price: (3,129,373 / 100,000) = 3.1, so if the company's policy is to set a specific price ratio for the base price of the cost, it is clear so that the pricing is done on the basis of the percentage of the profit required to be achieved In addition to the original cost, if the company wants to achieve a profit of 10% of the production cost, the value of the products' pricing will be (3.1 + 3.1 * 10%), meaning that the value becomes 3.42 irrigation no), but if the pricing policy is to add a fixed amount to the producing unit and a riyal, and the pricing policy that has been determined has limited the price of one unit to the value of the agreed supply, and the supply price of the produced units is = 4.1, which in turn corresponds to the hypothesis of the study.

Table (6) Material &wages cost

Description	Collection	mixed	Dry& package
Direct material	91,475	46,657	36,648
Direct wages	115,647	55,694	24,457
Total direct cost	207,122	102,351	61,105

Sources: Hobail company financial Data 2017-KSA

Table (6) it becomes clear that the total additional cost of orders may vary from one order to another depending on the nature of the production process, for example (the direct costs of the first part, assembly and kneading (207,122) riyals, confirming that other costs such as fixed costs and other variable costs can be avoided if direct costs are available, at its minimum, which is this value for the three sections (207,122 + 102,351 + 61,105), it gives the amount and size of the cash flow required in the stages and the timing of these flows of data provided by management accounting, and it is clear from the hypothesis of the study (there is a statistically significant relationship between pricing and the quantity of sales),the fixed cost is added to the value of production under specific conditions to provide specific production quantities in light of the availability of basic liquidity for the three divisions at its minimum, which enables the continuation of production processes and the pricing of these products based on different pricing policies under market conditions and costs that have been measured based on the direct cost other fixed costs are ignored

Conclusion: (Results & Recommendations)

First: Results:

1 / the administration measures costs effects of the pricing processes adopted by the administration
2 / the allocation factor for indirect costs from expenditures enables alternative prices decisions to be taken
3 / The management accounting statement provides quantitative guidance that helps in making a pricing decision that determines the desired profits to be achieved.
4 / Planning budgets are used in production companies and contribute to determining the quantities to be produced and sold, and to determine the level of deviation of the goals.
5 / indirect expenditures constitute high percentages of total production costs, and administrative decisions can be taken regarding their rationalization
6/ the cost accounting methods (partial allocation) are used in pricing decision in KSA industrial companies
7/ planning budgets system were used in bricks manufactured in Hobail industrial company.

Second: Recommendations:

1 / Recommended to follow a pricing policy based on management accounting data

2 / recommend the industrial companies to use the direct allocation factor for expenditures measurement
3 / recommend the industrial companies in KSA to reduce industrial indirect expenses (spatially Hobaial company).
4 / Recommended to use production budgets in Saudi industrial companies
5 / recommend the industrial companies to use market skimming policy in pricing new products

References:

Garrison, RH, Noreen Eric, translated by Zayed, Mohamed Essam El-Din, (2002), “Management Accounting,” first edition, Mars House, Riyadh, Saudi Arabia,.

Nimr, Helmy and others, (1994), “Accounting in Economic Authorities,” First Edition, Cairo University, Cairo, Egypt

T. H. Charles, M. D. Srikant, F. George, (2005), “Cost Accounting: A Managerial Emphasis”, 12th ed, New York, Prentice Hall

Zamil, Ahmad Muhammad, (2000), “Management Accounting - with Computer Applications”, Part Two, Institute of Public Administration, Riyadh, Saudi Arabia

Naeem Al-AbdAshour and Rashid NimerOdeh, Principles of Marketing, Dar Al-Bazouri Publishing, Amman, 2002

Makram et al. 2001 (Egypt, 2nd ed. The Modern Library, p. 36)

SayedAlywa, Rose Island Library, Mansoura, Egypt

Muhammad Ali Shaiban Al AmeriNet.Success skills.

WalidNaji Al-Hayali, Management Accounting, Denmark, Arab Open Academy Publications, 1991

Ayman Abdel-Rahman Al-Shambari

Ahmed Hashem Ahmed Youssef, Management Accounting, 2017, Dammam, Al-Mutanabi Library, KSA

Donald kiso& Jerry Gantt, Intermediate Accounting transelated(Riyadh: The Mars House, 2003)

AwadSalameh Fayez Al-Rahaili and Al-Gharibi Muhammad Bayoumi14-. King Abdul Aziz Journal of Economics and Administration No.18 ,2003

Kotler and Armstrong, Fundamentals of Marketing, Book Two (Riyadh: Dar Al-Merrekh Publishing 2007.

Al-Tai and Al-Alaq, marketing services, a strategic, functional, and practical approach (Amman: Dar Al-Barouzi Scientific Publishing and Distribution, 2009

Ahmed Gabr, Marketing Management, Concepts, Strategies, and Applications (Mansoura: Modern Library for Publishing and Distribution, 2007

Mualla and Tawfiq, Fundamentals of Marketing, Analytical Introduction, 4th Edition (Amman: Dar Wael for Publishing and Distribution 2010

Al-Bakri, Marketing, Contemporary Foundations and Concepts (Amman: Dar Al-Barouzi without history.