

# **"The Effect of Using the Target Cost Method on the Cost of Services and their Pricing in Commercial Banks Operating in Jordan "**

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## **Abstract**

The study aimed to figure out the effect of using the target cost method on the cost of services and their pricing in the commercial banks operating in Jordan. The study adopted the descriptive analytical method since it is suitable to the nature of the study. The study population consisted of the general directors, department directors, assistants of directors and heads of sections of the Financial Department, retail department and the quality control department in the (20) commercial banks operating in Jordan. The researcher distributed (10) questionnaires to each bank operating in Jordan with a total of (200) questionnaires. After reviewing the questionnaires, there were (5) questionnaires invalid for the statistical analysis due to lack of the seriousness of the answers or the incomplete answers. Therefore, the study sample consisted of (193) male and female employees randomly selected from the study population. After conducting the appropriate statistical analysis, the study concluded that there is a statistically significant effect at sig. ( $\alpha \leq 0.05$ ) for the use of the target cost method on the cost of services and their pricing in the commercial banks in Jordan and that there is a high and statistically significant level at ( $\alpha \leq 0.05$ ) for the obstacles facing the target cost method in the commercial banks operating in Jordan. The study recommends the need that the commercial banks operating in Jordan should pay attention to achieving a balance between the employees and the tasks assigned to them in order to reduce the costs.

**Keywords:** Target cost, cost of services, commercial banks, Jordan.