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MEASURING ASYMMETRIC COST BEHAVIOR IN IRAQI INDUSTRIAL UNITS

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ABSTRACT. The accounting literature has not established a comprehensive framework for monitoring asymmetric behavior, expectations of cost estimations more effectively. Thus, the research sought to emphasize the significance of asymmetric cost behavior in Iraqi economic units and contribute to developing a knowledge framework that incorporates it (asymmetric cost behavior). The departments of monetary units suffer from a lack of knowledge about cost management, which prevents them from making efficient and acceptable use of resources. They adhere to the traditional proportional theory of fixed and variable cost behavior, which is dependent on the level of production volume only. As the study topic was defined by a series of questions, the most essential of which was What are the conceptual and intellectual tendencies in the field of asymmetric cost behavior research? The study was conducted in the (industrial) sector and applied to a sample of (13) enterprises based on data available on the Iraq Inventory Exchange's website to accomplish the research's objectives and address its issues. Accounting equations and statistical techniques were used to process the data, and the findings were retrieved using statistical software (Eviews). The research came to several conclusions, including the following. First, the inventory index has a noticeable effect on the behavior of asymmetric costs, indicating that economic units want to keep resources and funding to satisfy future demand changes. The study made several recommendations, the most significant of which drew the attention of those responsible for managing economic units to the importance of studying and comprehending the asymmetric behavior of cost elements and the consequences of this behavior to obtain information for the various decisions made within the economic unit..

JEL Classification: D02,
O17, P31

Keywords: : asymmetric cost behavior, sticky costs, anti-sticky costs, economic units

Introduction

The presence of effective economic sectors has a positive impact on the economic movement of any country, but the Iraqi economic sectors represented by (industrial sector) did

not move the economic cycle properly as a result of the weak or limited contributions of this sector to the economic life of the country, as indicated by most international and local reports, pointing out (World Bank report 2016) that the Iraqi state has adhered to an economic policy linked to the needs of the state only as the private sector has little role to play For today.

Our study has therefore tried to highlight the treatment of relevant accounting frameworks, as the competitiveness of these units lies in the current environment as they are the main driver and driver behind the need for managers information that fits the cost accounting and management accounting systems because of their important role in planning, oversight, rationalization of decisions, performance evaluation and increased value of economic units.

Understanding cost behaviour is therefore an important pillar for describing and building information obtained from financial statements in accordance with the frameworks used to produce this information, and because cost behaviour is a reflection of resource allocation decisions on production processes in accordance with future demand expectations, accounting literature has agreed on a traditional cost behaviour model that divides costs constantly and variable according to their relationship to production volume. There was a linear relationship between the volume of production and those costs up and down.

However, this imposition has been criticized and therefore it has been required to study unconventional behaviour, as studies have indicated, but there is a non-linear cost behaviour manifested by the asymmetry between the change in production and the change in costs, and this behaviour depends primarily on taking into account the scientific foundations when senior management expects future production processes to be volatile and require careful and deliberate decisions regarding resource retention or disposal when expecting to be volatile. Reduced production or demand. Thus find out how cost behavior affects the mechanisms of cost accounting and management accounting systems (decision-making, performance evaluation, budgeting, pricing decisions and analysis of the relationship between cost, size and profit) to ensure the accuracy of outputs and thus create a competitive advantage that increases the values of economic units.

Therefore, the study was divided into four investigations, the first research dealt with the methodology of the study, while the second research specialized in the theoretical introduction of the variables of the study, the third research focused on the practical aspect and tested the hypotheses of the study, and concluded our study with the fourth research, which was devoted to conclusions and recommendations.

1. Literature review

The concept of asymmetric cost behavior

The concept of asymmetric costs Behavior first appeared in Germany, specifically in the latter half of the 1920s, under the name *kostenremanenz* (cost) by Anderson and his colleagues in 2003 while examining the published financial statements of 7,629 economic units over 20 years to verify cost behavior, finding that the rate of change in Costs when the activity level is reduced are smaller or lower than when the **activity level increases** (Nagasawa, 2018:238).

Zhang said the majority of **costs increase significantly as operational activity increases, but decreases to a lesser extent as operating activity declines, based on** an analysis of data from a number of economic units in the **U.S. market over 20 years, in which sales, general and administrative costs were found to increase on average by (55%) when sales increased by (1%), but decreased by only 35% versus sales decreasing by (1%).** Zhang, 2014:14).

Anderson & Lanen, in the traditional model of **cost behavior, costs are described as fixed or variable in terms of activity, so cost changes depend solely on the change in size (whether this activity is increased or decreased), yet many researchers argue that this description**

of cost behavior is contrary to the method or concept that managers are accustomed to in managing costs. One of the key elements of cost management is the managers' response to external information to the demand for production and it is supposed to cause managers to return to the relationship between the level or volume of input activity – and between revenues and costs, and the evaluation of adjustments according to the status of the economic unit usually ignores the costs of adjustment in traditional cost accounting, a number of researchers argue that cost management makes the traditional model of fixed and variable behavior old, i.e. cost changes do not depend solely on the level or The volume of activity but also the trend of change in activity (Anderson & Lanen., 2009:8).

He adds (Cheng et al; Haga et al) is an alternative model of cost behaviour in which it explains that some costs show an asymmetric pattern by increasing or reducing the volume of activity. The costs allocated, if managers believe that the sales decline is temporary and that the costs of adjusting the re-order are high, they are likely to maintain the excess overhead, sales and administrative costs (Cheng et al., 2018:220; Haga et al, 2019:3).

Anderson et al. Cheung et al. However, asymmetric cost behavior is influenced by the intended adjustments of managers in committed materials or their expectations of future demand changes. Anderson et al., 2003:49; Cheung et al, 2019:91. 2018:9) Asymmetric cost behavior as economic asymmetry in cost response to increased and lower sales. Activity. Figure 1 shows asymmetric cost behavior.

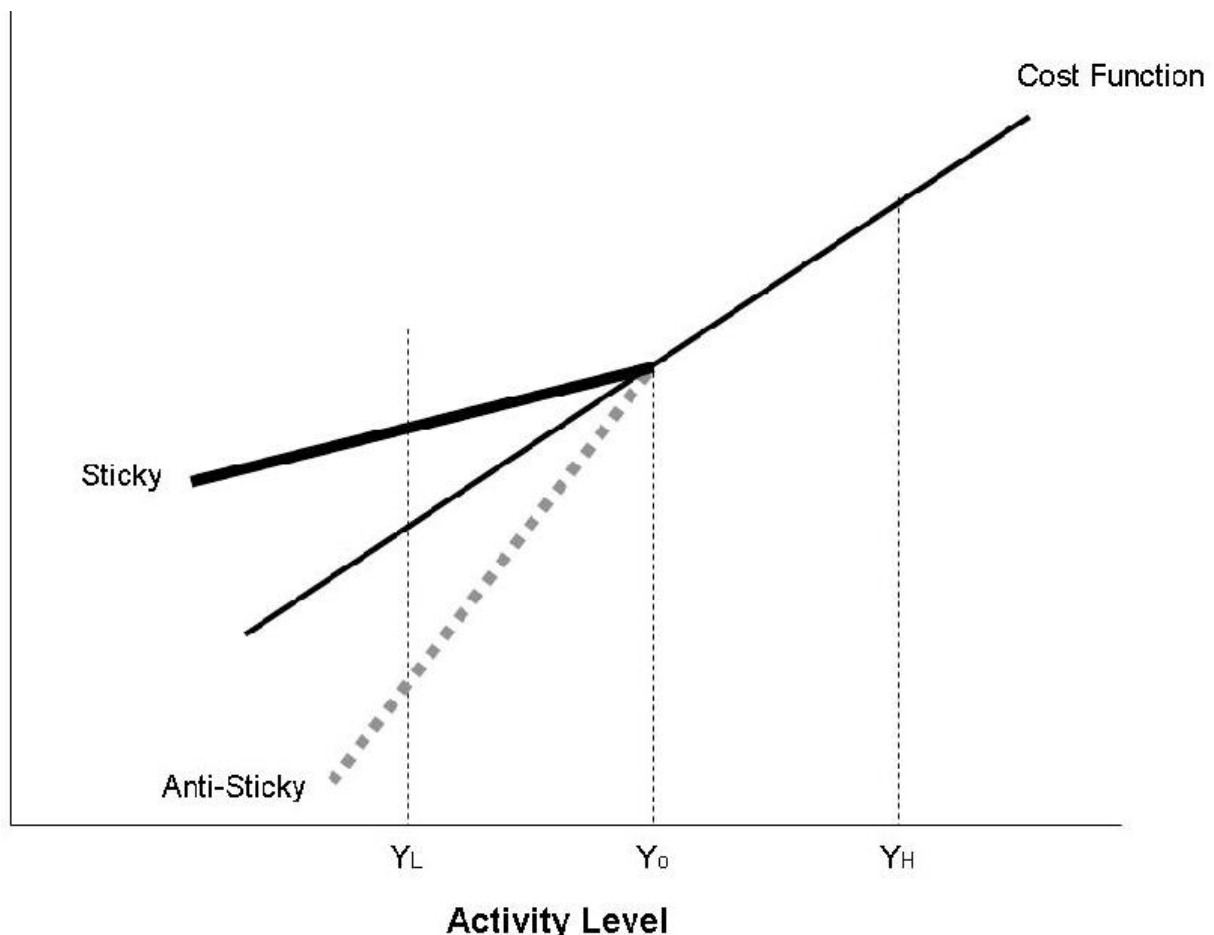


Figure (3-2). Asymmetric cost behavior

Source: Weiss, dan. (2010). Cost Behavior and Analysts' Earnings Forecasts, American Accounting Association, P.1444.

Figure(1) shows asymmetric cost behavior, whether sticky or non-sticky, by examining the relationship between both expectations, management decisions and costs in relation to activity direction and level of full or incomplete resource utilization. It lasts for long periods, reducing costs. If it is expected that the increase in demand (in the absence of high material exploitation) will lead managers to increase resources at economic units and, of course, lead to an increase in costs, which explains the cost response to reducing demand less than its response to the similar increase in demand and makes it characterized by asymmetric and sticky behaviour referred to in blue. On the contrary, assuming that the economic unit has untapped resources at the current (average) level of activity, when managers expect an increase in demand, they will tend to use resources to absorb this increase and this does not prompt them to add and purchase new resources, which means that there is no increase in costs or limited increase. If the decline in demand continues for successive periods, this continued decline will lead managers to dispose of those untapped resources (stagnant), resulting in a clear reduction in costs, which means that the response to costs when demand is reduced is greater than when demand increases, leading to non-sticky behaviour expressed in the intermittent line in the figure above.

The causes of asymmetric cost behavior

By reviewing some of the literature and the importance of asymmetric cost behavior, its most important causes can be summarized by Zhang, 2014:15; Anderson & Lanen., 2009:8; Yang, 2019:180 Cheng et al., 2016:4;) :-

1. The existence of adjustment costs where Cheng et al. considered to be asymmetric cost behaviour is only due to adjustment costs, where the economic unit incurs varying costs when demand decreases or increases, causing asymmetry in costs, as it is classified as recruitment costs, installation costs and disposal of equipment, the high level of adjustment costs prevents managers from deciding to reduce the amount of resources in proportion to low demand. (2016:4). Anderson & Lanen points out that economic units incur greater costs when they increase resources as demand increases. However, when sales decline, managers face adjustment costs such as the costs of dispensing with staff services and selling assets, and as a result managers are willing to retain untapped resources if they expect a recovery in sales later, making costs asymmetric (Anderson & Lanen., 2009:8). Zhang adds that laying off staff and disposing of assets is more expensive and difficult than hiring new employees, as well as implicit adjustment costs such as loss of morale among remaining staff and consequent loss of productivity and lack of loyalty to the economic unit, as well as the cost of opportunity. Associated with the recruitment and training of new employees when increased work capacity becomes necessary as well as the costs of installing and operating new equipment (Zhang, 2014:41).

2. The change in economic activity where (Hoffann) goes to confirm this by pointing out that asymmetric costs arise from the retention of resources by managers as a result of their optimism and dealing with low demand as temporary, as relatively large changes in sales will distort the linear pattern of cost behavior, as managers do not consider small changes in working hours or sales an important issue, The consequent avoidance of adjustment costs arising as a result of reduced capacity when demand declines and the addition of new capacity when demand returns to normal from the perspective of management expectations that demand will improve in the coming period (Hoffann, 2017:26). Zhang points out that this optimism can be explained from two perspectives: (1) an economic perspective: the rational thinking of managers that the economy will grow in the long run, so that demand for products is likely to increase in the future rather than decline. (2) Psychological perspective: involves irrational bias of managers and acting with excessive confidence in their ability to increase future sales (Zhang, 2014:15).

3. Managers lower prices to counter demand volatility rather than control capacity in the event of lower demand. This means lowering prices when demand for their products is low rather than adjusting costs, and increasing them when demand returns to normal.

4. The ambitious behavior of managers, which relates to the agency's costs, which refers to the directions of managers for the development of economic units according to their size or to maintain unused resources for the purpose of increasing personal benefit of status, strength, material compensation and prestige. In other words, the impact of the agency's problem on cost commitment is a decision by managers to preserve untapped resources, derived from personal considerations (Chen et al., 2012:252; Salehi et al,2018:9-10)

The models of measuring asymmetric cost behavior

Researchers in accounting thought tried to explain the phenomenon of asymmetric cost behavior with the change in the activity of economic units increased or decreased by identifying the drivers and motives of this behavior, where some researchers addressed the administrative decision from an economic perspective where their studies showed that asymmetric behavior is the result of trade-off decisions (adjustment costs) do not retain untapped resources (stagnant) during periods when managers expect low demand, Between the cost of those resources being disposed of and then recovered when demand increases and to measure asymmetric cost behaviour, we have adopted the following measurement models:

(Chen et al.,2018 :12 Aureaar,2017:60 ; Azeez et al.,2017:7308 ; Anderson et al,2003;52):

$$\text{Log} = \frac{SG\&A_{i,t}}{SG\&A_{i,t-1}} = \varphi_0 + \varphi_1 \text{Log} \left(\frac{REV_{i,t}}{REV_{i,t-1}} \right) + \varphi_2 DEC_{I,T} \text{Log} \left(\frac{REV_{i,t}}{REV_{i,t-1}} \right) + \varepsilon_{i,t}$$

$$\text{Log} = \frac{SG\&A_{i,t}}{SG\&A_{i,t-1}} = \varphi_0 + \varphi_1 \text{Log} \left(\frac{INVAS_{i,t}}{INVAS_{i,t-1}} \right) + \varphi_2 DEC_{I,T} \text{Log} \left(\frac{INVAS_{i,t}}{INVAS_{i,t-1}} \right) + \varepsilon_{i,t}$$

Where:

= $SG\&A_{i,t}$ The sales, general and administrative costs of the economic unit i) in the period(t).

REV_{it} = Sales revenue for the economic unit i) in the period(t).

$INVAS_{i,t}$ = Is the total stock value of the economic unit i) in the period(t).

= $DEC_{I,T}$ Is a value for a fictitious variable that takes (1) when the economic unit has $R_{it} < R_{i,t-1}$ in the period(t) and the value (0) otherwise.

= φ_0 Is the parameter that estimates asymmetric cost changes that are not associated with revenue change.

= φ_1 Is the parameter that estimates my association with changing the cost and increasing revenue.

= Is the φ_2 "asymmetry scale" parameter that estimates the correlation between cost response and change in revenue during increase and decrease.

= $\alpha_{i,t}$ Is an error term for estimating cost change for the economic unit(i) in the period(t).

$$\text{Log} = \frac{MC_{i,t}}{MC_{i,t-1}} = \varphi_0 + \varphi_1 \text{Log} \left(\frac{REV_{i,t}}{REV_{i,t-1}} \right) + \varphi_2 DEC_{I,T} \text{Log} \left(\frac{REV_{i,t}}{REV_{i,t-1}} \right) + \varepsilon_{i,t}$$

$$\text{Log} = \frac{MC_{i,t}}{MC_{i,t-1}} = \varphi_0 + \varphi_1 \text{Log} \left(\frac{INVAS_{i,t}}{INVAS_{i,t-1}} \right) + \varphi_2 DEC_{i,T} \text{Log} \left(\frac{INVAS_{i,t}}{INVAS_{i,t-1}} \right) + \varepsilon_{i,t}$$

Where:

$MC_{i,t}$ = Are the industrial costs of the economic unit i) in the period(t).

REV_{it} = Sales revenue for the economic unit i) in the period(t).

$INVAS_{i,t}$ = Is the total stock value of the economic unit i) in the period(t).

For the purpose of diagnosing asymmetric cost behavior, whether (viscous or non-sticky), this can be inferred by the value of the value collection product($\varphi_1 + \varphi_2$) of my agencies:

1. If the change in costs (macro, industrial, marketing and administrative) with an increase (assets, inventory, liabilities and revenues) by (1%) greater than the change in costs (total, industrial, marketing and administrative) with lower revenues at the same rate (1%) ($\varphi_1 + \varphi_2$) i.e. ($\varphi_1 + \varphi_2 < \varphi_1$) or ($\varphi_2 < 0$) the cost in this case is of asymmetric and viscous behavior (sticky cost).

2. But if the change is cost-changing (macro, industrial, marketing and administrative) with an increase (assets, inventory, liabilities, revenues) by 1% less than the change in costs (total, industrial, marketing and administrative) with revenues decreasing by the same percentage (1%) ($\varphi_1 + \varphi_2$) i.e. ($\varphi_1 + \varphi_2 > \varphi_1$) or ($\varphi_2 > 0$) the cost in this case is of asymmetric and non-sticky behavior (sticky cost Anti-).

Study methodology

First: The problem of studying

Accounting literature has not settled on a comprehensive framework for all administrative and economic determinants to measure asymmetric cost behavior and therefore the difficulty of reaching cost estimates more accurately. Moreover, the departments of economic units suffer from a lack of knowledge about cost management that leads to the use of resources well and acceptably taking into account the understanding and measurement of cost behaviour in accordance with contemporary developments in the field of accounting knowledge as they adopt the traditional proportional theory of variable and fixed cost behaviour based solely on the level of production volume, and therefore do not achieve the objectives set in cost management and continuous savings. The traditional model has been sharply criticized for the linear relationship between cost behavior and production volume, and as a result of these criticisms, a group of researchers have discovered in recent years that costs do not change proportionately when the volume of activity changes, so-called asymmetric cost behaviour.

The study therefore tries to answer the following questions:

A- What are the conceptual and intellectual trends in the subject of studying asymmetric cost behavior?

B- What quantitative indicators or measures are adopted in measuring asymmetric cost behavior and the extent to which they are applied in the Iraqi environment?

Second: The importance of study

The importance of the study is highlighted by:

1. The absence of a study that adopted the measurement of the behavior of asymmetric costs in the Iraqi environment, as far as the researcher knew, which prompted the researcher to apply these ideas in the Iraqi environment and research their impact on the performance of economic units.

2. The study provides a practical framework for a model that explains the accuracy of the administrative expectations of those concerned and its reflection on cost types of (total costs, industrial, sales, general and administrative costs).

3. The importance of the economic sectors and units researched nationwide because they play an active role in activating the economic movement and thus achieving a prosperous economic situation through more accurate financial and cost data that will help them better manage their resources.

4. The importance of the variables researched at the level of economic units to attract the attention of senior departments and accounting stakeholders in general and costs in particular for the purpose of focusing and employing the mechanism of asymmetric cost behaviour to rationalize administrative decisions.

Third: The objectives of the study

The current study adopts several objectives:

1. Demonstrate the importance of asymmetric cost behaviour in Iraqi economic units.
2. Contribute to creating and building a knowledge framework for the study variable (asymmetric cost behavior) and to draw conceptual and intellectual foundations that enhance and support the impact of their relationship.
3. Identify differences in asymmetric cost behavior in the units by knowing which indicators are more important in achieving asymmetric cost behavior.
4. To arouse the interest of the study community and those interested in the field of cost behavior with the variable of the study, and the possibility of benefiting from the findings and recommendations that will be reached.

Fourth: The hypotheses of the study

The study is based on the following hypotheses:

1. The first hypothesis: There is a statistically significant effect of the change in inventory on the behavior of asymmetric costs of industrial costs, i.e. the level of change in increase or decrease in inventory is different from the level of change in increase or decrease in costs.
- 2- The second hypothesis: There is a statistically significant effect of the change in inventory on the behavior of asymmetric costs of marketing and administrative costs, i.e. the level of change in increase or decrease in inventory is different from the level of change in increase or decrease in costs.
3. The third hypothesis: There is a statistically significant effect of the change in revenues on the behaviour of asymmetric costs of industrial costs, i.e. the level of change in increase or decrease in revenues is different from the level of change in increase or decrease in costs.
- 4- The fourth hypothesis: There is a statistically significant effect of the change in revenues on the behavior of asymmetric costs of marketing and administrative costs, i.e. the level of change in increase or decrease in revenue differs from the level of change in increase or decrease in costs.

The results

Asymmetric cost behavior test

For the purpose of verifying the validity of the relationship between the study variables, we conducted the relationship test based on some statistical indicators that give sufficient indication to judge the type of impact relationship between the variables adopted, as the B coefficient was relied upon for the purpose of identifying the expected change in (costs) as a result of the change in one unit of variable (stock change, change in revenues) and the

identification factor(R^2) was relied upon. To impose the diagnosis of the model's ability to interpret the relationship between variables, the strength of the effect between the variables was compared through the indicator (T-test as well as the index (F) to identify the morale of the regression model and for the purpose of accepting and rejecting the hypothesis we relied on the moral level indicator (0.05) to judge the morality of the effect

First: Testing asymmetric cost behavior using multiple regression of study variables

For the purpose of verifying the relationship between the study variables, the multiple regression method was relied upon to demonstrate the impact relationship between the variables adopted within the study models and agencies:

1. Measuring asymmetric costs by adopting inventory change for the industrial sector

Table (1) shows the results of measuring asymmetric cost behavior by adopting the inventory change indicator. The behavior of costs in their types (industrial, marketing and administrative) is hidden whether they are sticky or non-sticky because the level of cost viscosity may reflect the strength of the impact of the cost structure of increasing or decreasing the stock value of Iraqi economic units based on the value of impact transactions (B), the morale of the measurement model (t) and the interpretive capacity through the adjusted value (R^2) which refers to the logic of the proposed model and its interpretative ability through the following analysis.

Table (1). Measuring asymmetric costs by adopting inventory change for the industrial sector

First form	Pointer	Appreciation (B)	Calculated value (t)	Morale level (t)	R^2	Calculated value (f)	Moral level (f)
Change in industrial costs	Hard (C)	-0.12	-4.46	0.00	0.98	3992	0.00
	Change in inventory	0.08	88.87	0.00			
	Calculated inventory change	-0.02	1.78	0.07			
Change in sales costs	Hard (C)	-0.014	-3.19	0.00	0.97	7312	0.00
	Change in inventory	0.05	120.16	0.00			
	Calculated inventory change	0.03	1.27	0.20			

Source: Statistical Program Outputs

A. Test the impact relationship of inventory change on cost behavior (change in industrial costs). It is clear that the impact factor (β) was by (0.08), which shows that the increase in inventory by (1) is offset by an increase in industrial costs of (0.08) at an acceptable moral level when comparing the value of (T) The calculated (88.87) is higher than the table value (T) of 1.96 at a moral level below (0.05 β). $+1\beta$ (0.08+(-0.02)) of (0.06), which shows that the decrease in inventory by (1) is offset by a cost decrease of (0.06). This explains sticky cost behavior, i.e. costs increase with inventory increase by (0.08) at a higher level than low with inventory decline (0.06) with a value allowance (F) of (3992) and adjusted selection factor ($R^{2-Adj=98\%}$), these results support the first researcher's hypothesis. This means that managers are aware of the impact of their inventory expectations on the cost structure and have an acceptable

understanding of long-term industrial cost behaviour when affected by job limitations as decreases, increased demand, high or lower prices of goods and products. The management of economic units for increased and reduced inventory therefore takes into account the cost structure and the consequent future.

B. Test the impact relationship of inventory change on cost behavior (change in sales, general and administrative costs). It is clear that the impact factor (β) was by (0.05), which shows that the increase in inventory by (1) is offset by an increase in the sales, general and administrative costs of (0.05) at an acceptable moral level. When comparing the calculated value (T) of (120.16), which is higher than the table value (T) of (1.96) at a moral level below (0.05). $2\beta + 1\beta(0.05 + 0.03)$ of (0.08), which shows that the decrease in inventory by (1) is offset by a decrease in costs of (0.08). This explains the behavior of non-sticky costs (Anti-Sticky), i.e. costs increase with inventory increase by (0.05) at a lower level than with the decrease of inventory (0.08) with a value allowance (F) of (7312) and adjusted selection factors ($R^{2-Adj} = 97\%$), these results support the second researcher hypothesis. This means that managers do not understand the impact of their inventory expectations on the cost structure and do not have an acceptable understanding of the long-term marketing and administrative cost behaviour when affected by work determinants as a decrease, increased demand, or higher or lower prices of goods and products. The management of economic units in terms of increasing and reducing inventory therefore does not take into account the cost structure and the consequent social and other burdens in the future.

2. Measuring asymmetric costs by adopting the change in revenues for the industrial sector

Table 3 shows the results of measuring asymmetric cost behavior by adopting the revenue change index. The behavior of costs in their types (industrial, marketing and administrative) is hidden whether they are sticky or not sticky with administrative expectations because the level of cost viscosity may reflect the strength of the cost structure's impact on the administrative expectations of increasing or decreasing the value of revenues for Iraqi economic units based on the value of impact transactions (B), the morale of the measurement model (t) and the interpretive capacity through the value of (R^2) amended which refers to the logic of the proposed model and its interpretive ability through the following analysis.

Table (3). Measuring asymmetric costs by adopting the change in revenues for the industrial sector

Form 4	Pointer	Appreciation (B)	Calculated value (t)	Morale level (t)	R ²	Calculated value (f)	Moral level (f)
Change in industrial costs	Hard (C)	-0.12	-0.37	0.70	0.96	2552	0.00
	Change in revenue	0.33	711.25	0.00			
	Calculated revenue change	-0.12	0.31	0.05			
Change in sales costs	Hard (C)	0.01	3.53	0.00	0.94	1468	0.00
	Change in revenue	0.25	170.54	0.00			
	Calculated revenue change	0.18	0.65	0.05			

Source: Statistical Program Outputs

A. Test the impact relationship of change in revenue on cost behaviour (change in industrial costs). It is clear that the impact factor(β) was by (0.33), which shows that the increase in revenues by (1) is offset by an increase in industrial costs of (0.33) at an acceptable moral level when comparing the value of (T) calculated (711.25) which is higher than the table value (T) of (1.96) at a moral level below (5 β %). $+1\beta$ (0.33) + (-0.12) of (0.21), which shows that the decrease in revenue by (1) is offset by a cost decrease of (0.21). This explains sticky cost behavior, i.e. costs increase as revenues increase by (0.33) at a higher level than decreased with lower revenues (0.21) with a value allowance (F) of (2552) and adjusted selection factor (R^2 -Adj=96%), these results support the researcher's third hypothesis. This means that managers are aware of the impact of their own revenue expectations on the cost structure and have an acceptable understanding of long-term industrial cost behaviour when affected by labour determinants such as decreases, increased demand, high or lower prices of goods and products. Therefore, the management of economic units in terms of increased and lower revenues takes into account the cost structure and the consequent future.

B. Test the impact relationship of change in revenue on cost behaviour (change in sales, general and administrative costs). It is clear that the impact factor(β) was by (0.25), which shows that the increase in revenues by (1) is offset by an increase in sales, general and administrative costs of (0.25) at a moral level Acceptable when comparing the calculated value (T) of (170.54) which is higher than the table value (T) of (1.96) at a moral level less than (5%). $2\beta + 1\beta$ (0.25 + 0.18) (0.43), which shows that the decrease in revenue by (1) is offset by a decrease in costs of (0.43). This explains the behavior of non-sticky costs (Anti-Sticky), i.e. costs increase with revenues increased by (0.25) at a lower level than with lower revenues (0.43) with a value allowance (F) of (1468) and adjusted selection factors (R^2 -Adj=94%), this result supports the fourth hypothesis. For the researcher, which states (there is a statistically significant effect of the change in revenue on the behavior of asymmetric costs of marketing and administrative costs, i.e. the level of change in increase or decrease in revenues is different from the level of change in increase or decrease in costs). This means that managers are aware of the impact of their own revenue expectations on the cost structure and have an acceptable understanding of the long-term behaviour of sales, general and administrative costs when affected by work determinants as decreases, increased demand, high or lower prices of goods and products, The management of economic units for increased and lower revenues therefore takes into account the cost structure and the consequent future.

Conclusions

This research focuses on presenting the most important conclusions reached by the study based on the results that tested its hypotheses to be based on the development of recommendations and mechanisms of action on which the researched economic units can rely. Asymmetric cost behaviour is a relatively recent variable that focuses on the like-minded relationship of activity change as costs increase when activity increases at a greater or lower rate of activity. Asymmetric cost behaviour is influenced by internal and external factors such as the nature of activity, the size of the economic unit, economic growth, corporate governance, agency problems and the level of resource exploitation that increase or reduce asymmetric behaviour depending on their nature. The reason for the appearance of viscosity in cost is the result of managers' unequal response to significant changes in demand. Economic units do not want to reduce assets, workers or inventory when activity declines in the hope that activity will return to normal. It was found that the departments based on economic units took into account the extent to which industrial costs affected the performance of these units as they were more

viscer than the rest of the categories of total, sales, general and administrative costs. The net showed that the inventory index has a clear impact on asymmetric cost behaviour and this indicates the willingness of economic units to retain resources and funding to cope with future demand change. The results showed that the sales, general and administrative cost index was non-sticky at the sector level, which means that the departments of economic units did not pay attention to this type of cost despite its importance. Based on the conclusions presented in the first research, a set of recommendations will be presented to the directors of the researched economic units, as well as the possibility of benefiting specialized researchers in accounting and colleges. The need to develop experimental tests that reliably distinguish between resource retention efficiency and excessive commitment to those resources and identify performance assessment methods and incentives that reduce bad cost behaviour. Draw the attention of the administrators of the economic units to study and understand the asymmetric behavior of the cost elements and consequences of such conduct to obtain information employed in the various decisions made in the economic unit. Doubling research contributions that address the effects and causes of asymmetric behavior of some cost elements, enriching accounting thought, especially in the Iraqi business environment. Knowledge and adoption of concepts related to administrative expectations because of their important role in making effective and rational decisions and thus using resources well, which has a positive impact on the future of the economic unit. The relevant departments should study the cost-taking accurately and thoughtfully of all their operations and try to get rid of some of the restrictions imposed on them by stakeholders, allowing decisions to be made to adjust resources according to the environmental variables surrounding economic units. Attention to the study of administrative determinants, how decision-making is made and its impact on internal decisions such as cost structure and long-term. We recommend that researchers expand their study of asymmetric cost behavior because it has an important role in rationalizing decisions at the level of economic units by studying other dimensions and determinants..

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