

# Activity-Based Costing for Evaluating Manufacture Facilities Decision Making

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## Abstract

Competitiveness in industry indicates that effort is required to evaluate manufacture facilities in terms of unit cost-based approach. The objective of this paper is to estimate the different manufacturing costs for the alternative manufacturing facilities using an activity-based cost (ABC) model. First, this paper reports and discusses the implementation of the ABC in manufacturing. Second, the potential effects of selecting manufacturing facilities implemented on financial structure are presented alongside a case study. The comparison of the different alternative manufacturing facilities in terms of the manufacturing costs highlight the benefits and the accuracy of using ABC as a base for estimating manufacturing costs and a valuable tool for decision making procedure