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The Integrative Framework between the Theory of Constraints and the Approach to the Cost of Activity (ABC) to Reduce Costs
(An Applied Study)

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Abstract: The research mainly aims to achieve integration between the theory of constraints and the entrance to the cost of activity ABC to reduce unnecessary and unjustified costs in that complies, and this is done by deleting or canceling non-value-adding activities or merging them with other activities to help make the cost of products as low as possible and excellence over competitors. The research was applied in the Electronic Industries Company. Research reached a set of conclusions, the most important of which was that integration can be achieved between the theory of constraints and the entrance of ABC under the strategic approach to cost management, as both the theory of constraints and the entrance to costs based on activities represent alternative schemes for the model of building the productive structure of any institution. The ABC entrance It takes the information used in the theory of constraints and adds a monetary value to it and the causes of resource cost can be used to track the cost of resources on the activity that is a constraint and this cost can be divided by the causes of the cost of the activity.

Kayword : Integrative Framework, Theory of Constraints, Activity Cost Approach (ABC), Cost Reduction

1. INTRODUCTION

The global competition of the business environment needs to provide accurate information which is the key to differentiating between the winner and the loser. Companies are in dire need of accurate and reliable costing data and information to reach the best production blending in light of the constraints and bottlenecks they face. If the model for determining the production blending depends on the traditional approach to allocate and adapt the cost elements to the products, especially with the large multiplicity of products and the large elements of indirect costs, and in calculating the profitability of the products, a productive blending will be produced that does not maximize the profitability of the company, because this entrance depends mainly on one rate of charging indirect costs on products. Therefore, the need to improve the accuracy of measuring the cost of the products produced by the company in order to make rational decisions, including the decision to mix production that maximizes its profits, is a continuous and required need. Accordingly, the current research has dealt with how to use the cost of activities input in reducing costs and reaching the decision to mix the production of the company, which maximizes its profits, due to the role of this entrance in increasing the accuracy of charging indirect costs.

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2. RESEARCH METHODOLOGY

Search problem:

The high price of Iraqi economic units' items is the research concern. when compared to the competing products offered in the local market, and on the other hand, these units do not apply cost management techniques while applying competitors to these techniques, and The following intellectual query can be used to articulate the research problem: Is the goal to integrate the theory of constraints with the ABC activity's cost entry? To reduce unnecessary and unjustified costs in a manner consistent with contemporary environmental requirements.

The significance of research:

The significance of the theory of constraints and the entry to the activity's cost were the main factors that made the research important. The foundation of ABC, the theory of constraints, is the entrance of systems, where the entrance is viewed as a continuous sequence of actions rather than an individual process, as is the case with a typical entrance. Either the ABC activity cost input. It gives management more precise and unbiased data to help them decide on things like pricing, launching a new product or service, setting production levels, selecting marketing and distribution channels, and how to carry out tasks more effectively.

Goals of the Research:

In order to reduce unnecessary and unjustified costs in a way that complies with modern environmental requirements, the research primarily aims to integrate the theory of constraints with the entrance to the cost of activity ABC. This is accomplished by eliminating or canceling non-value-adding activities or combining them with other activities to help constitute the cost of merchandise as low as possible, which in turn helps attain competitive benefits and superior performance over the rivals.

Research assumption:

The fundamental assumption of the study is that achieving integration between the theory of constraints and the entrance to the cost of activity ABC helps reduce unnecessary and unjustified costs in a way that complies with contemporary environmental requirements.

Society and sample research:

The Electronic Industries Company was chosen as for several reasons, the most important of which were: the high costs of the company's products and operations when compared with competing foreign products, and thus the company's inability to face competitors in the market, which exposes it to the risks of losing market share on financial year ending on 31/12/2023 was applied.

Research Strategy:

In order to lay out and examine the academic written works, which include books, journals, theses, and university theses pertaining to the research topic and testing its hypothesis, the study relies on a descriptive strategy. Additionally, the method of analysis is employed to look into the data of the research sample.

3. THE INVESTIGATION'S INTELLECTUAL COMPONENT

The concept and importance of the theory of constraints:

Hilton described the theory of constraints as an administrative approach that tends to maximize profit in the long term by addressing organizational bottlenecks. It is a general theory of economic unit management that aims to assist the administration in reexamining and evaluating its activities in light of the restriction or restrictions of activity, which are not necessarily material but may be related to administrative policies. or restricted or scarce in the economic unit during a specific accounting period (Hilton, 1999:224) .

Constraint theory is seen as a strategy for managing an economic unit in order to optimize the time of the product process cycle to ensure an optimal flow of production, and thus constraint theory is an organizational idea that depends on an ongoing procedure to find and eliminate input restrictions in order to guarantee the best possible use of resources and boost the production of final goods in the biggest size achievable(Kaabi, 2003: 64).

The theory of constraints is based on the entrance to systems, because, unlike the traditional approach, which deals with each procedure separately, the entrance as a whole is regarded as a continuous set of operations. (Sytsma, 2023: 4), Additionally, a series of steps can be taken to improve the efficiency of the economic unit's chain of operations. These steps are as follows: (Hussein, 2020: 210-212)

1. Determine which production process in the chain is the weakest.
2. Avoid overloading the chain of activities with more production than the weakest link in the chain can handle.
3. Concentrate improvement efforts on fortifying the chain of operations' weakest process.

Regarding the theory of constraints' significance, it is evident from the fact that it views the entrance as a whole rather than as a collection of its component parts, and as a result, it improves the entrance's overall performance inside the economic unit. (Dettmer, 2019: 3) .

It also helps to concentrate on comprehending the economic unit's overarching aim as a necessary condition for success, predicated on the idea that managers have limited resources,

so these resources must be allocated toward clear and comprehensible objectives(Tollington, 2018:45). .

In order to continuously improve the entrance under its constraints and achieve a smooth performance through the temporal compatibility between the speed of restricted resources and inventory, the theory of constraints also aids in the resolution of production bottlenecks, scheduling issues, and inventory reduction issues(Sytsma,2023,1 .

When an economic unit encounters employment procedures that constitute bottlenecks and others that might not, the theory of limitations outlines strategies to optimize operational revenue. It also establishes three measures: (Hornkern et al., 2009: 1263)

1. Speed The impact: This can be calculated by subtracting the direct cost of material of the sold goods with net sales.
2. Investments: These comprise the entire cost of materials, including raw materials, production in progress, finished production, spending on research and development, and building and equipment costs.
3. Operating costs: These are the same as all other operating costs, with the exception of the direct material costs incurred in order to produce the outputs.

Concept of the activity cost entrance (ABC) and the steps to apply it:

The definitions of the cost entrance on the basis of activities differed and varied according to several points of view, so some academics define it as an entrance, not a method and a means, because it includes the components of the entrance from inputs, output processing and feedback, and it was stated in the definition that the entrance to cost accounting for activities is an entrance that analyzes the activities practiced in the institution and from the indirect costs of each activity were collected separately (Dergham, 2017: 34) .

The activity-based cost approach is defined as the special use of cost, resources, performance of activities and cost purposes that consume activities with the aim of generating more accurate and meaningful information for decision-making. The ABC approach was defined as a financial and practical compilation of performance information that tracks the main activities of an enterprise over production costs (Al-Tikriti, 2007: 163).

The importance of the ABC approach is highlighted in the following points: (Attia, 2020: 24)

1. To accomplish a particular plan or budget, identify the activities and resources required to carry them out and ascertain the cost factors influencing the scope and degree of resource exploitation within each activity.

2. Management can make decisions about pricing, introducing a new product or service, production levels, marketing, and distribution channels, as well as how to carry out tasks more efficiently, thanks to the more objective and accurate cost information that the activity-based cost approach offers.
3. This entrance allows the administration to know the size of the changes that occur in the services of a particular activity as a result of making certain decisions such as:
   a. Improvements to production processes.
   b. Make a modification in the design of the product.
   c. Change the percentage of sales formation.
   d. Measure the cost of the product more accurately.

There are many stages that require adoption when applying the ABC approach and can be listed as follows: (Brown, et.al, 2012:20)

- As a first step in the ABC entry, the first stage involves determining the sources of indirect costs by calculating direct and indirect expenses.
- • The second step, where cost guidelines—the causal relationship between indirect costs and the activity—are established. These guidelines serve as the proper foundation for allocating each category of operational expenses to the different business operations.
- • The third stage, where the facility's operations are distinguished, quantified, and reflect the lower echelons of administrative tasks like engineering and customer service.
- The cost guidelines, which serve as the proper foundation for allocating the expenses of every activity to the cost purposes (products or services), are established in the fourth stage.
- The final step involves allocating the indirect costs to each activity based on the extracted ratios and the indirect cost guidelines.
- The sixth stage: based on the extracted ratios and the activity cost standards, the costs of the activities are allocated to each product or service.
- The seventh step: the product or service's total cost, which reflects the total expenses incurred by the product or service from each activity, is attained.

Integration of the theory of constraints and the entrance to the cost of activity (ABC) under the strategic approach to cost management:

With the increase in competition at the present time and the great technological progress, pressure has increased on departments within companies in order to exploit their resources optimally to achieve the best performance at the lowest cost and raise the level of quality required. It helps these companies to optimize the use of resources because some of these resources are scarce, which means the use of the theory of constraints at the heart of the work of the ABC portal by dividing activities into a value host, and this is not considered a limitation in the production process and activities that do not add value and are considered a constraint in the production process and work to improve it (Hirsch & Maurice,2021:219) .

ABC can be used to improve the information generated from management accounting and derived from the output accounting approach based on the theory of constraints, as the information provided on both the theory of constraints and the approach to costs based on activities supports the strategic decision-making process, at the beginning of the ABC era. There has been a tendency to ignore the idea of energy cost isolation other than planning Identification and aggregation of activities Recording the cost of activities Determining activity centers Determining the cost of products Choosing cost routers (Baxendale & Raju,2020:32) .

Both the theory of constraints and the activity cost approach to ABC can be achieved under the strategic approach to cost management, as both approach represent alternative schemes for the model of building the productive structure of any organization, both have been designed to support managers in understanding production processes within the company and to prepare information for resource allocation decisions. It represents an expansion of traditional cost systems and the companies that implemented it have acknowledged that they have made an improvement in understanding the profitability of their production lines as well as for customers in addition to that many companies have acknowledged that they have achieved similar development and improvement in their production processes (Kee,2015:48) .

Linking the ABC approach with the theory of constraints as a view of the nature of product cost calculation assumes that all costs are traceable on products and vary in proportion according to cost causes, but from the point of view of constraint theory, costs are fixed and sunk in relation to product choices and production level decisions, so the information on the cost saved by ABC is used in the theory of constraints for production mix selection decisions (Massi,2022:23) .

Cost reduction through the integration of constraint theory and the cost of activity approach (ABC) :

The world economy has changed significantly in recent years due to a number of factors and events. This has made markets more competitive and forced many businesses to reevaluate their operations in an effort to become more efficient and look for ways to cut costs in order to maintain financial results and satisfy shareholders and customers. Therefore, in order to achieve more accurate systems and procedures that help to lower businesses' costs, cost reduction has largely replaced the cost accounting concept. in a way that It does not affect the level of quality required (Spee & Douw, 2018:45) .

The main benefit of the process of integrating the theory of constraints and the entrance to the cost of the activity is to improve the performance of the company as a whole by improving profitability in addition to overcoming the obstacles that limit the ability of the company as a whole, the ABC approach takes the information used in the theory of constraints and adds monetary value to it and the causes of resource cost can be used to track the cost of resources on the activity that is a constraint and this cost can be divided by the causes of the cost of the activity such as working hours, and the result is a load rate that is later multiplied by The minutes required to produce the product from that activity will give us the estimated cost of the activity to produce a single unit, activities that do not have idle energy or that suffer from energy shortages are classified as restrictions (Louderback,2019:217) .

ABC differs from the theory of constraints in that it tracks the resource costs on the activities and then divides the cost of the activity required by the ABC by the activity capacity required by the TOC and ABC to reach the load rate of the activity required by the ABC After that, the loading rate is multiplied by the amount of the activity cost cause required for each product of each activity required by the TOC and ABC and based on the number of units planned to be produced from the product, the planned production cost for each activity is compared with the planned energy costs of the activity to arrive at the unused energy costs for each activity expressed in amounts of money by ABC and non-financial figures by the TOC Over a specified period of time (Marten, 2014:68) .

ABC produces the same information as the theory of constraints with respect to the idle energy of the activity, and as a result of tracking operating expenses on products and on idle energy, the income statement according to ABC provides additional information on the profitability of one unit for each product that the income statement according to the theory of constraints cannot provide, however, there remains a risk of misuse of the information provided by the income statement prepared according to ABC On the basis of canceling the product that makes a loss according to the list, so an appropriate input must be used for decision-making, with a focus on the outputs for each product, if the outputs of a product are positive, it should

not be canceled on the basis that the fixed operating expenses related to the product will remain even after its cancellation and will be distributed to the rest of the products and added to the idle energy cost for each activity that was related to the product of that product (Rayburn, 2020:198) .

4. THE APPLIED SIDE OF THE RESEARCH

Introductory summary of the research sample (Electronic Industries Company):

Electronic Industries Company is one of the formations of the Iraqi Ministry of Industry and Minerals, the company was established in 1973, and it is a company specialized in the production as these products carry the brand (Qethara), and the company has two sites, namely the site of Uqba bin Nafi Square and the site of Zaafaraniyah, the site of Uqba bin Nafi Square includes the general administration of the company and the production of audio-visual devices such as television, radio, smartphone and laptop, either the site of Zafaraniyah includes a factory for the manufacturing of electrical inverters, automatic power motors, and automatic voltage regulators. The company also tracks the entry costs to the actual expenses in light of the unified accounting entrance and the company's cost accountants. Cost lists are prepared and sent to the department, which reviews them and forwards them to the pricing committees to establish product selling prices.

Integration of the theory of constraints and the entrance to y ABC on Electronic Industries Co. for the purposes of cost reduction:

The Zafaraniyah factory, one of the Electronic Industries Company's facilities, will use the current research, which specializes in the production of two types of products, namely the automatic power motor and the automatic voltage regulator, as these products suffer from the problem of high costs when compared with competing foreign products offered in the local market, and prior to the introduction of the cost of activity ABC and the incorporation of the notion of constraints The study sample must ascertain the true cost of a single unit of the company's products, as indicated in the table that follows:

Table 1. The true price of the unit made using the Electronic Industries Company's products

NO.	DETAILS	MATERIALS DIRECTNESS	WAGES DIRECTNESS	INDIRECT EXPENSES	TOTAL
1	Automatic Motor Power	30324	30540	3916	64780
2	Automatic Voltage Regulator	47827	49895	25590	123312

In the automatic power engine product, the actual cost per unit was 64780 dinars, with direct materials, direct wages, and indirect expenses of 30324, 30540, and 3916 dinars, respectively. In the automatic voltage regulator product, the actual cost per unit was 123312 dinars, with direct materials, direct wages, and indirect expenses of 47827, 49895, and 25590 dinars, respectively.

Two of the company's products, the automatic power motor and the automatic voltage regulator, will be searched for, Because these two products are subject to limitations reflected in machine operating hours and direct working hours, the factory is unable to meet the necessary performance standards, which lowers the value of the company's overall accomplishment and prevents it from achieving the maximum return on investment. of outputs (sales minus the cost of direct materials) and thus not helping to give management a clear picture of The amount of achievement achieved (outputs) and therefore the company's management cannot achieve the goals set efficiently and effectively, and therefore it is necessary to collect some data on these two products, represented in the selling price of one unit, the cost of direct materials per unit The following table displays the statistics for both the restriction of direct working hours and the restriction of machine running hours, as well as the return of the unit's output contribution, which is the selling price less the cost of direct materials per unit.

Table 2. Some data on the producers of automatic power motor and automatic voltage regulator

DATA	AUTOMATIC MOTOR POWER	AUTOMATIC VOLTAGE REGULATOR
Single Unit Sale Price	75000	130000
Direct material cost per unit	30324	47827
Return on output contribution per unit	44676	82173
Direct working hours for the production of one unit	12	13
Hours of operation of machines for the production of one unit	12	11

According to the previous table, the cost of direct materials was 30,324 dinars, while the selling price of one unit of the automatic power motor and automatic voltage regulator products was 75,000 and 130,000 dinars, respectively for the automatic power motor and 47,827 dinars for the automatic voltage regulator, and thus the return of the output contribution of the automatic power motor and the automatic voltage regulator was calculated as follows:

Return of output contribution per unit = unit selling price – direct material cost per unit

Return of output contribution to automatic power engine = 75000 – 30324 = 44676 dinars.

Output contribution return of the automatic voltage regulator = 130,000 – 47827 = 82,173 JOD

Additionally, the research sample company's direct working hours for producing one automatic power motor and one automatic voltage regulator unit were 12 and 13 hours, respectively. This is in addition to the fact that the company's machines only needed to operate for 12 hours in order to produce one automatic power motor unit available to the company to produce one unit of the automatic voltage regulator only 11 hours during the year 2023.

Through reviewing the factory records, restrictions or limitations have been reached for the production of both the automatic power motor and the automatic voltage regulator, knowing that these restrictions prevent the company's ability to produce certain or targeted amounts that can satisfy the market's demands, which impedes the factory's capacity to function at the necessary level. The limitations are displayed in the following table. or determinants of the production of each of the company's producers.

Table 3. Limitations or limitations for the production of both automatic power motor and automatic voltage regulator

LIMITATIONS OR LIMITATIONS	HOURS
All year long, direct working hours are available.	12160 hours
The machine's operating hours throughout the year	11000 hours

The previous table shows that the factory has only 12,160 direct working hours during the year, and only 10,001 hours are available to operate machines during the year, so The company's ability to meet market demands and achieve target performance is hampered by the direct working hours and machine operating hours, which are constraints or determinants for the production of automatic power motors and automatic voltage regulators. To maximize contribution return, these constraints must be fully utilized.

As (x) is the number of units produced and sold in tons of the automatic power engine product, and (y) is the number of units produced and sold, mathematical equations representing the goal function can be prepared in accordance with the theory of constraints and using the fundamentals of linear programming to achieve the maximum return contribution to the outputs (44676 X + 82173 P) in tons of the automatic voltage regulator product, as well as a statement of the restriction of direct working hours and the restriction of machine operating hours, and these mathematical equations.

Table 4. Mathematical equations objective function and constraints

TARGET FUNCTION	MAXIMUM OUTPUT CONTRIBUTION = 44676 X + 82173 Y
Direct working hours restriction	12hr + 13r ³ 12160
Restriction of machine operating hours	12x + 11y ³ 11000
Whereas:	o £ zero, r £ zero

For the purpose of determining the best mix area for products, a series of calculations based on the principles of linear programming must be performed. These calculations seek to ascertain the value of the x-axis and the y-axis for each constraint (direct working hours and machine operating hours) so that they can be graphically represented. The following table displays the value of (x) and (y) for each constraint.

Table 5. Calculating value (x)&(y)

CONSTRAINT	X (number of units produced and sold from the automatic power motor)	Y (Number of units produced and sold from the automatic voltage regulator)	(X, Y)
Direct working hours restriction	x = 0	Y = 12160 ÷ 13 = 935	(1013 ،935)
	x = 12160 ÷ 12 = 1013	y = 0	
Restriction of machine operating hours	x = 0	Y = 11000 ÷ 11 = 1000	(916 ،1000)
	x = 11000 ÷ 12 = 916	y = 0	

Source: Prepared by the researcher.

Through the adoption of linear programming method, it is clear that the optimal mix of products is located in the optimal area and therefore it is necessary to determine or calculate the return of the output contribution at each of the points representing the pillars of the possible range and then the maximum output contribution return that may be attained is identified, indicating that the point at which the highest contribution return is obtained is the ideal one that maximizes Since the theory of constraints treats all cost elements (apart from direct materials) as period costs, it helps determine the best mix of products, which in turn improves the

effectiveness of these decisions. This is evident from the value of the return of the output contribution. and thus may represent the decision of production blending, which, if 1200 automatic power motor units are manufactured and sold throughout the year, and 1650 automatic voltage regulator units are produced and sold, yields the highest possible contribution return. This is something you were unaware of regarding factory management, as the production is carried out in a random manner and is not based on scientific foundations, so through the results reached, the factory management can be directed and helped in making appropriate decisions.

Porpose of applying the ABC approach in the Electronic Industries Company determine whether the behavior and nature of costs vary from one activity to another within the economic unit and even within the same department, and then the actual materials used for each activity are determined, then the actual rate of the resource of each activity is determined, which is through the percentage of employee time spent in each activity, then the cost of each activity is determined, and then the standard rate of activity is calculated. In order to determine the price deviation for each activity, cost management calculates the actual resource quantity reached in each activity, multiplies it by the supplier and consumer prices, and subtracts this amount from the actual cost of the activity. This yields the price deviation for flexible resources, while the quantity of mandatory resources remains the same. The standard rate for all activities should be estimated using internal and external indicators, work measurement techniques, and other methods required to estimate the standard rate. fixed doesn't change, next figure out the applied activities' expenses and quantity variation, and lastly figure out how productive each activity may be.

It determining actual of the factory, they will be distributed to the main and auxiliary activities, and the indirect industrial costs can be distributed to the activities in the Electronic Industries Company during the year 2022, as shown in the following table:

Table 6. Distribution of indirect industrial costs on activities in the Electronic Industries Company

Costs	Distribution basis	Main activities (thousand dinars)				Total (thousand dinars)
		Preparation	Composition	Construction	riveting	
Raw materials and raw materials	Benefit from the Industrial Services Department	16203261	81016302	10802174	432086944	540108681
Fuels & Oils	Benefit from the Industrial	1858167	9290832	1238777	49551103	61938879

	Services Department					
Water	Benefit from the Industrial Services Department	39684	198420	26456	1058240	1322800
Electricity	Horsepower of the equipment	2033926	10169632	1355951	542380367	555939876
Total (thousand dinars)		20135037	100675186	13423358	1025076654	1159310235

The following table makes it evident that the preparation, formation, construction, and installation expenses were, respectively, (20135037), (100675186), (13423358), and (1025076654) thousand dinars. This indicates that the overall costs of the company's primary operations were In 2023, the research sample consisted of 1159310235 thousand dinars and through personal interviews by the researcher with the employees of the research sample company, the indirect costs were distributed to the auxiliary activities and according to the rates of benefit from each activity of the company, either The distribution of indirect industrial costs on auxiliary activities in the General Company for Electrical Industries during the year 2020 can be clarified as shown in the following table:

Table 7. Distribution of indirect industrial costs on ancillary activities in the Electronic Industries Company

Costs	Auxiliary activities (thousand dinars)				Total (thousand dinars)
	Maintenance	Marketing Services	Administrative Services	Stores	
Spare Tools	49012510	0	0	0	49012510
Packaging Materials	0	1268580	0	0	1268580
Miscellaneous	76620	383100	51080	2043200	2554000
Personnel Equipment	0	0	2554000	0	2554000
Maintenance	5284000	0	0	0	5284000
Research & Consulting Services	0	0	3714000	0	3714000
Printing, Hospitality & Publishing	0	0	762000	0	762000
Transport, dispatch and communications	0	0	312500	0	312500
Transfer expenses	0	0	13373875	0	13373875
Extinction of fixed assets	0	0	39800375	0	39800375
Total (thousand dinars)	54373130	1651680	60567830	2043200	118635840

The preceding table makes it evident that the expenses associated with each maintenance and marketing service activity administrative services and stores were (54373130), (1651680),

(60567830), (2043200) dinars respectively, and one of the most important reasons that led to the loss of the factory and the suspension of the industry in the factory is the high wage element due to the presence of a large number of employees and workers in the company, as it suffers from significant functional sagging and this is reflected in the high cost of the product and the impact on the process of differentiation and choosing the right decision, which may cause the factory Weakening competitiveness Thus, it can be said that the integration of the theory of constraints and the ABC input can help reduce unnecessary and unjustified costs.

5. CONCLUSIONS AND SUGGESTIONS.

Conclusions:

1. Constraints theory is a strategy for managing the economic unit in order to improve the time of the product process cycle to ensure an optimal flow of production, and thus the theory of constraints size.
2. Activity-based cost ABC is a special use of cost, resources, performance of activities and cost purposes that consume activities with the aim of generating more accurate and meaningful information for decision-making. ABC input is a financial and practical compilation of performance information that follows the main activities of the enterprise on production costs.
3. ABC can be used to improve the information resulting from management accounting and derived from the input of output accounting based on the theory of constraints, as the information provided on both the theory of constraints and the entrance to costs based on activities supports the process of strategic decision-making.
4. Integration between the theory of constraints and the entrance to the cost of activity ABC can be achieved under the strategic approach to cost management, as both the theory of constraints and the entrance to costs based on activities represent alternative schemes for the model of building the productive structure of any institution.
5. The ABC approach takes the information used in the theory of constraints and adds a monetary value to it and can use the causes of resource cost to track the cost of resources on the activity that is a constraint and this cost can be divided by the causes of the cost activity.

Recommendations:

1. Need to develop the entrance to constraints theory in order to benefit by identifying and addressing restrictions to achieve the effectiveness and efficiency of the entrance in light of the effectiveness and efficiency of the restrictions imposed on it for the purpose of maximizing outputs, reducing costs and reducing inventory.
2. The need to manage the constraints to which the economic unit is exposed efficiently and effectively.
3. Commitment to the assumptions and principles of the theory of constraints and understand them correctly because of the change in the cost structure as all costs are fixed.
4. Emphasizing commitment to the steps of implementing the theory of constraints and the steps of applying the ABC approach so that the goals set are reached efficiently and effectively.
5. The need to use the theory of constraints emphasis on the management of the research sample by adopting the methodology adopted in the research area for taking the appropriate decision to determine that mixture.

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