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Constrained Optimisation Technique and Management Accounting

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ABSTRACT Management accounting is an aspect of accounting that aids management to record, plan and control activities, and to help in decision - making . Most decision- making in management accounting assume that organisations have perfect freedom of choice. In reality, organisations operate under constraints such as their contractual obligation. It is against this background that this paper examines some issues involved in constrained optimisation techniques and consequently, concept, rationale and the procedures of constrained optimisation technique in making optimal decision. At the end, this paper recommends among others the need for management accounting to integrate constrained optimisation techniques into the existing accounting system.