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FIRST YEAR B.COM.
COURSE NAME: LABOUR COST
COURSE CODE:24COB12101A
(Semester II)

Program : B.Com
Program Specific : B.Com
SET : A

Credits : 4
Time : 2 1/2 Hours
Max. Marks : 60

Instructions to the candidate:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Use of calculator is allowed.

Q1. A] Fill in the blanks :

[5 x 1mark each = 5]

- a) Labour cost include _____.
 - i. wages
 - ii. salaries
 - iii. commission
 - iv. All of the above
- b) Direct Labour forms part of _____.
 - i. ratio analysis
 - ii. prime cost
 - iii. cost of production
 - iv. cost of sales
- c) Overheads consist of _____.
 - i. all prime Cost
 - ii. all indirect cost
 - iii. both ,indirect cost and direct cost
 - iv. none of the above

- d) Cost sheet means _____.
- i. a statement of analytical and systematic presentation of cost incurred for a specific period
 - ii. a statement of Direct Labour cost and Direct Material cost
 - iii. a statement of Fixed Cost and Variable Cost
 - iv. a statement of overheads incurred for a specific period
- e) Supervisor's salary is _____ .
- i. Indirect labour cost
 - ii. Direct labour cost
 - iii. Direct expenses
 - iv. Indirect expenses

Q1. B] State True or False : [5 x 1mark each = 5]

- a) A Taylors Differential Piece rate system always guarantees minimum time wages.
- b) All overheads are expenses, but all expenses are not overheads.
- c) The basic objective of time booking is to ascertain the labour cost of work done.
- d) Low labour turnover rate means a higher labour cost.
- e) Job analysis is defined as the process of determining ,gathering, analyzing information regarding operations ,duties and responsibilities of specific job .

Q2. Write short notes on ANY FOUR of the following: [4 X 5marks each= 20]

- a) Merits & demerits of piece rate system
- b) Control on labour cost
- c) Job analysis & Job Evaluation
- d) Causes of Labour Turnover
- e) Format of Idle Time card
- f) Direct cost & Indirect Cost

Q3. Attempt the following question:

[1x 15 Marks =15]

Prepare Cost sheet of Parker Chemicals ,Pimpri for the month ended February 2025

Cost of sale of product 'BETA' is made up as follows:

Particulars	Rs.
Royalties	1000
Material used in production	12000
Carriage on sales	1250
Material used in primary packing	9000
Carriage on purchases	5000
Material used in secondary packing	1500
Bad debts	3250
Material used in factory workshop	750
Coal & Coke	1750
Administrative expenses	1250
Administration on cost	750
Labour required in manufacturing	9500
General overheads	1000
Purchases of raw materials	44000
Labour required for Works supervision	2500
Motive power	1000
Productive wages payable	500
Chargeable expenses	4000

Assuming that all products are manufactured in Parker Chemicals ,Pimpri are sold, what should be the invoice price to obtain a profit of 20% on selling price? Prepare necessary working notes.

Q4. Solve the following problems [BOTH PROBLEMS ARE COMPULSORY]

[5+10=15 Marks]

a) Solve the following problem on Labour Remuneration method 5 marks

In Classic Ltd., Chalisgoan, the standard time allowed to produce an article is fixed at 10 hours and the wage rate is Rs20 per hour. A worker 'Sagar' has completed 10 articles in 80 hours. Calculate his total wages under,

1. Halsey Premium plan
2. Rowan premium plan

b) Solve the following problem on labour turnover 10 marks

The personnel department of Duplex Ltd., Dombiwali has supplied the following information, relating to its work force during the month of January 2024.

Number of workers on 1 st January, 2024	-	900
Number of workers on 31 st January, 2024	-	1100

During the month 15 persons quit and 25 persons are discharged. 150 workers were engaged out of them 20 persons were appointed in the vacancy caused.

Calculate Labour Turnover Rate during the period under different methods like Replacement method, Separation method & Flux method.
