



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Study Materials 2

Sub: Costing & Taxation

Class: XII

Chapter: Unit 2: B. Methods of Remuneration

Topic: Halsey & Rowan Plan

Date: 1/08/2020

Short Answer Type Questions:

1. What is incentive?

Ans. Incentive is an earning of the workers which encourages the workers to work more due to the increase in the financial and non-financial benefits to them in one hand, quantity and quality of the work or the production both is improved on the other hand.

2. What do you mean by standard time of production?

Ans. The time allowed to a worker to do a particular job or a specified quantity of production in known as standard time of work or production.

3. In which rate bonus is paid under Halsey Premium Plan?

Ans. A worker is entitled to get 50% of the wages of the time saved by him/her to complete the job against the time allowed to him/her to do the job under Halsey Premium Plan.

4. Can time saved be negative under Halsey plan?

Ans. Under Halsey plan, time saved can never be negative, it should be either positive or zero.

5. How the bonus entitlement of the workers is calculated under Halsey Plan?

Ans. According to Halsey Plan, bonus entitlement of the workers is calculated by the following formula:
$$50\% \times \text{Time Save} \times \text{Time Rate}$$

6. What is the difference between Halsey-Weir Bonus Plan with Halsey Bonus Plan?

Ans. Under Halsey bonus plan, bonus is calculated at 50% of wages of time saved, whereas under Halsey-Weir bonus plan, bonus is calculated at $33\frac{1}{3}\%$ of wages of time saved.

7. How total earnings of the workers are calculated under Halsey Premium Plan?

Ans. Following equation is followed to calculate the total earnings of the workers under Halsey Premium Plan:

$$\text{Total Earning} = (\text{TT} \times \text{TR}) + (50\% \text{ of } \text{TS} \times \text{TR})$$

Where TT = Time Taken; TR = Time Rate; TS = Time Saved i.e. (TA – TT);

8. How total earnings of the workers are calculated under Rowan Premium Plan?

Ans. Following equation is followed to calculate the total earnings of the workers under Rowan Premium Plan:

$$\text{Total Earning} = (\text{TT} \times \text{TR}) + \left(\frac{\text{TS}}{\text{TA}} \times \text{TT} \times \text{TR}\right)$$

Where TT = Time Taken; TR = Time Rate; TS = Time Saved i.e. (TA – TT);

9. How bonus entitlements of the workers are calculated under Rowan Premium Plan?

Ans. Bonus entitlements of the workers are calculated under Rowan Premium Plan by the following formula:

$$\text{Bonus} = \left(\frac{TS}{TA} \times TT \times TR \right)$$

Where TT = Time Taken; TR = Time Rate; TS = Time Saved i.e. (TA – TT);

10. In which method of wage payment, the length of working hours are not given due importance?

Ans. In piece rate of wage payment, the length of the working hours are not given any importance.

11. For a worker: Standard production : 50 units in 8 hours; Actual production : 40 units in 8 hours; Determine the efficiency level of the worker?

Ans. Efficiency level of the worker is calculated as below:

$$\text{Efficiency Level} = \frac{\text{Actual Production}}{\text{Standard Production}} \times 100 = \frac{40}{50} \times 100 = 80\%$$

12. Can a worker get bonus under Halsey Premium Bonus Scheme whose time taken to complete a job is equal to the time allowed for the job?

Ans. No, because there is no time saved i.e. the positive difference between the time allowed and time taken.

13. A worker is given 100 hours to do a job and she completed the job in 75 hours. How many hours will be considered as bonus hours under Rowan Plan?

Ans. Bonus hours as per Rowan Plan will be:

$$\frac{TS}{TA} \times TT = \frac{25}{100} \times 75 = 18.75 \text{ hours.}$$

14. A worker is given 60 hours to do a job and he completed the job in 50 hours. How many hours will be considered as bonus hours under Halsey Plan?

Ans. Bonus hours as per Halsey Plan will be:

$$50\% \text{ of } TS = 50\% \text{ of } 10 \text{ hours} = 5 \text{ hours.}$$

15. If a worker finishes his job in 8 hours where the standard time of the job was 10 hours, find his efficiency level?

$$\text{Efficiency Level} = \frac{\text{Standard Hours}}{\text{Actual Hours}} \times 100 = \frac{10}{8} \times 100 = 125\%$$