



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Study Materials 1

Sub: Costing & Taxation

Class: XII

Chapter: Unit 2: A. Cost of Labour

Topic: Time Keeping & Time Booking

Date: 25/07/2020

Short Answer Type Questions:

1. Why cost of wages is considered as an important element of production cost?

Ans. Cost of wages is considered as an important element of cost of production as no production can take place without incurring the labour cost.

2. What is the main function of human resource department for procurement of workers?

Ans. The main function of this department is to procure required number of workers starting from the recruitment of workers, making necessary training for them and maintaining employment related document.

3. What is direct wages?

Ans. Direct wages are the cost of labour which can be identified with and allocated to specific cost centre or cost unit.

4. What do you mean by indirect wages?

Ans. Indirect wages are the cost of labour or wages cost other than direct wages cost. It comes under the head of overheads.

5. What is motion study?

Ans. Motion study is the thorough examination of the whole process of work performed either by a worker or by a machine. It determines the movements of workers when they are performing job.

6. What is time study?

Ans. Time study is the art of observation and recording of utilisation of time taken by the workers for the completion of a particular job or process in a detailed way.

7. What do you mean by timekeeping?

Ans. Timekeeping is the function of recording the time of arrival and departure of the workers and employees of the factory as well as maintenance of their attendance records.

8. What are the different methods of time keeping?

Ans. The main methods of timekeeping include manual system and mechanical system of timekeeping. Attendance register and metal disc methods are followed under manual system; and time recording clock and biometric methods are followed under mechanical system.

9. What do you mean by time booking?

Ans. Time booking is a process of determination of time spent by a worker for the completion of a job, process or work related to the production.

10. What are the different methods of time booking?

Ans. Different methods of time booking are:

- Preparation of daily time sheets
- Preparation of weekly time sheets

- Preparation of job cards.

11. What is job card?

Ans. Job card is a detailed statement prepared by individual worker containing the description of how much time the worker has taken for every specific job and out of which how much time is efficiently used for production process and how much overtime work he/she has undertaken.

12. In how many ways job card can be kept?

Ans. Job card can be kept in three different ways. These ways are:

- Job card for each job
- Time-based job card and
- Combined job and time card.

13. What do you mean by idle time?

Ans. In idle time, the workers are paid, but no work is done by them at that time.

14. Classify the causes of idle time.

Ans. The causes of idle time can be classified into two types: normal cause and abnormal cause.

15. What do mean by normal causes of idle time?

Ans. The normal causes of idle time are those causes which are unavoidable i.e. not possible to be avoided even after taking different precautionary measures.

16. What do you mean by abnormal causes of idle time?

Ans. The abnormal causes of idle time are those causes which are avoidable, i.e., possible to be avoided by taking different precautionary measures.

17. What do you mean by economic causes of idle time?

Ans. The idle time arising out of the reason of reduction of production due to fall in demand of the product in the market is considered as the economic causes of idle time.

18. What do you mean by overtime hours?

Ans. If the workers work beyond the normal working hours, then additional working hours worked by the workers are known as overtime hours.

19. Under which category of overhead wages for idle time is included?

Ans. Idle time wages can be of two types. Wages for normal idle time is considered as a part of production cost and wages for abnormal idle time is treated as a loss and charged to costing profit and loss account.

20. What are hours the excess of which is considered as overtime according to Indian Factories Act?

Ans. According to the provisions of the Indian Factories Act, 1948, if a worker works for more than 9 hours a day or 48 hours in a week, then additional hours he/she worked over the normal hours are considered as overtime hours.

21. Time recorded as per timekeeping is 8 hours. Time recorded as per time booking is 7 hours. What is the time difference between timekeeping and time booking and what it is called?

Ans. The time difference between timekeeping and time booking is 1 hour and this 1 hour i.e. the time gap between timekeeping and time booking is termed as idle time.