

# **Labour Costing and Compensation Management**

## **Content**

### **CHAPTER 1: NATURE, CONCEPTS AND CLASSIFICATION OF COSTS**

- 1.1 Meaning of cost accounting
- 1.2 The concept of cost
- 1.3 Elements of Cost
- 1.4 Classification of costs
- 1.5 Cost centre and cost unit
- 1.6 Cost sheet orientation

### **CHAPTER 2 : LABOUR COST**

- 2.1 Meaning
- 2.2 Classification of Labour costs
- 2.3 Types of workers
- 2.4 Cost related to contract workers
- 2.5 Treatment of Special Labour Cost
- 2.6 Idle Time
  - 2.6.1 Causes of Idle Time
  - 2.6.2 Treatment of Idle Time in cost accounts
  - 2.6.3 Control of Idle Time
- 2.7 Overtime
  - 2.7.1 Causes of Overtime
  - 2.7.2 Effects of Overtime
  - 2.7.3 Treatment of Overtime Cost
- 2.8 Productivity
  - 2.8.1 Meaning
  - 2.8.2 Definition
  - 2.8.3 Importance of Productivity
  - 2.8.4 Labour Productivity
  - 2.8.5 Benefits of higher productivity

## **CHAPTER 3: LABOUR TURNOVER**

- 3.1 Meaning of Labour Turnover
- 3.2 Measurement of Labour Turnover
- 3.3 Causes of Labour Turnover
- 3.4 Effects of high Labour Turnover
- 3.5 Cost of Labour Turnover
- 3.6 Treatment of cost of labour turnover
- 3.7 Measures to reduce labour turnover

## **CHAPTER 4: MANPOWER AND RELATED COSTS**

- 4.1 Introduction
- 4.2 Functions of Personnel Department
- 4.3 Cost related to personnel functions
- 4.4 Manpower costs
  - 4.4.1 Recruitment Cost
  - 4.4.2 Training Cost
  - 4.4.3 Relocation cost
  - 4.4.4 Salary and Wage Cost
  - 4.4.5 Fringe Benefits
  - 4.4.6 Statutory costs
  - 4.4.7 Leaving cost
  - 4.4.8 Support cost
  - 4.4.9 Manpower administration

## **CHAPTER 5: EMPLOYEE REMUNERATION SYSTEMS**

- 5.1 Introduction
- 5.2 Job Evaluation and Merit Rating
- 5.3 Factors influencing remuneration
- 5.4 Essentials of good remuneration systems
- 5.5 Methods of remuneration
- 5.6 Designing a Remuneration Plan

## **CHAPTER 6: INCENTIVES**

- 6.1 Meaning of Incentive
- 6.2 Objectives of Incentive Schemes
- 6.3 Factors to be considered before introducing an Incentive Scheme:
- 6.4 Essential characteristics of a Good Incentive System
- 6.5 Designing of Incentive Package
- 6.6 Indirect Monetary and Non Monetary Incentives
- 6.7 Incentive Plan for Indirect workers
- 6.8. Incentive Schemes in Indian Industries

## **CHAPTER 7: COMPUTATION OF SALARY**

- 7.1 Time Keeping
- 7.2 Time Booking
- 7.3 Reconciliation of Time Keeping and Time Booked
- 7.4 Payroll Accounting
- 7.5 Frauds in Wage Payment
- 7.6 Components of Salary
- 7.7 Overview of Fringe Benefit Tax

## **CHAPTER 8 : COMPENSATION MANAGEMENT**

- 8.1 Introduction
- 8.2 Compensation and Reward
- 8.3 Methods of Compensation
- 8.4 Objectives of Compensation Management
- 8.5 Elements of Compensation
- 8.6 Designing a compensation package