

# COST ACCOUNTING

Presented by

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## ● IDLE TIME

- When workers spend their whole time at different jobs, then the time booked for jobs must agree with the gate time.
- Ordinarily the time booked for jobs does not agree with the gate time.
- It so happens, because of reasons like, waiting for materials, machine breakdown, waiting for instruction, power failure, etc.,

- **Idle time** is that for which the employer pays without any benefit to him.
- Idle time is **two types- normal idle time and abnormal idle time.**
- **Normal idle time** : the time wasted by a worker cannot be avoided. This must be borne by the employer.
- **Examples,** Time taken to reach the department from the gate, break for tea, time for tool setting, time wasted in completing one job and starting the next job etc.,

- **ABNORMAL IDLE TIME:**
- It is the wasted time, which can be avoided.
- For example,
- Machine breakdown, waiting for work, waiting for instruction, power failure, shortage of materials, strikes, lockout etc.

## ● CAUSES OF IDLE TIME

### ● Idle time arises because of:

- Power failure
- Waiting for work
- Waiting for instruction
- Waiting for tools
- Machine breakdown
- Bad planning of work
- Accidents, Strikes etc.
- Time wasted in changing from one job to another
- Seasonal nature of industry
- Time taken to reach the department from gate.

## ● **CONTROL OF IDLE TIME**

- Vigilance must be exercised to control and eliminate idle time.
- The instructions to the workers should be given in advance so that workers need not wait.
- Plant and machines should be maintained properly so that their breakdown can be avoided.
- The causes of the idle time should be found out and the root cause must be removed.
- Regular and timely supply of raw materials must be made available through a good system of storing materials.



- **OVERTIME**

- Workers are expected to work during a fixed schedule of hours of a day or a week.
- If they work for more than the normal working hours, the excess time is known as “overtime”.
- Generally, rate of overtime is higher than the normal rate.
- The extra payment required to be paid for overtime work is known as overtime premium.



- **LABOUR TURNOVER**

- Labour turnover may be defined as the rate of change in the labour force, ie., it denotes the percentage of change in the labour force of an organisation.
- It is a term used to describe the movement of shifting into and out of an organisation by the employees.



## ● **CAUSES FOR LABOUR TURNOVER**

### ● ***(A) AVODABLE CAUSES***

- Dissatisfaction with job
- Dissatisfaction with wages
- Poor working conditions
- Unsuitable working hours
- Non-cooperative attitude
- Lack of promotions
- Unfair method of promotion
- Unsympathetic attitude of management
- Inadequate protection
- Weakness(employee- employer relations)



- ***(B) UNAVOIDABLE CAUSES***

- Quitting the job (due to inefficiency)
- Lack of work
- Retirement or death
- Accident or illness
- Marriage
- Disliking a job
- Personal betterment
- Worker's roving nature
- National service



- ***EFFECT OF LABOUR TURNOVER***

- Fall in production
- Increased in cost, selection, training, etc.
- Dislocation of even flow of production
- Increase of scrap, defective work, additional supervision etc.
- Higher accident rate
- Mishandling of machines
- Instability of labour and their low team spirit.



Thank you