

chapter-4 (Estimating & costing 2)

ACQUITTANCE ROLL

Acquittance Roll describe as the payment of salary by cash to the labours, contractor etc.

Preparation & Use of Making Payment of Pay & wages

Company Name										
SL NO	Name of Employee	CTC	Total gross salary					Total	Total Deduction	Net pay
			Basic	DA	HRA	Medical	Bonus			

22
SUN

23
MON

Acquittance Roll of Permanent Establishment of
FOR PAY OF

Item No	Name	Designation	Net amount Pay		Dated scrip (with stamp where necessary)
			RS	P	
		Total			Total Unpaid RS _____ Rupees

Passed for

^{RS}
24 _____ (Rupees _____) on the authority
TUE OF establishment bill of

(In figures)

(In words)

_____ for _____
CASHIER

DRAWING OFFICER.

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Notes

Labour & Labour report

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A labour cost distribution report is an accounting statement that details hours worked, wages earned, and benefits accrued by a company's employees. Some labour cost distribution reports also include information about what organizational funds were used to pay for that labour.

Method of labour payment

Payment by Results (PBR): -

Under this method, the wage/ pay of an employee is paid on the basis of the number of items an employee's produces in the organisation rather than considering the job done by the employee at a given time.

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Method-1 Time Rate System: -

under this method of wage payment, the workers are paid the wages on the basis of time.

→ In this system of wage payment, the workers are paid the wages on the basis of time as, per hour, per day, per week, per fortnight or per month etc.

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Wages = Time spent by the worker \times
Rate of wages according to time

Method-2 Piece rate system

Under this system of wage payment the workers are paid the wages on the basis of quantity and quality of work performed by them.

→ Under this system, the rates of wages are determined according to quantity and quality of work and the workers are paid according to these rates.

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Wages = Units of production \times Rate per unit

Method-3 Incentive Wage system

There are two basic systems of wage payment time rate system and piece rate system.

→ Both the system have their merits and demerits.

→ These systems are also known as incentive wage systems, progressive wage system and bonus schemes etc.

→ Under this system both the time and speed are considered as the basis of wage payment.

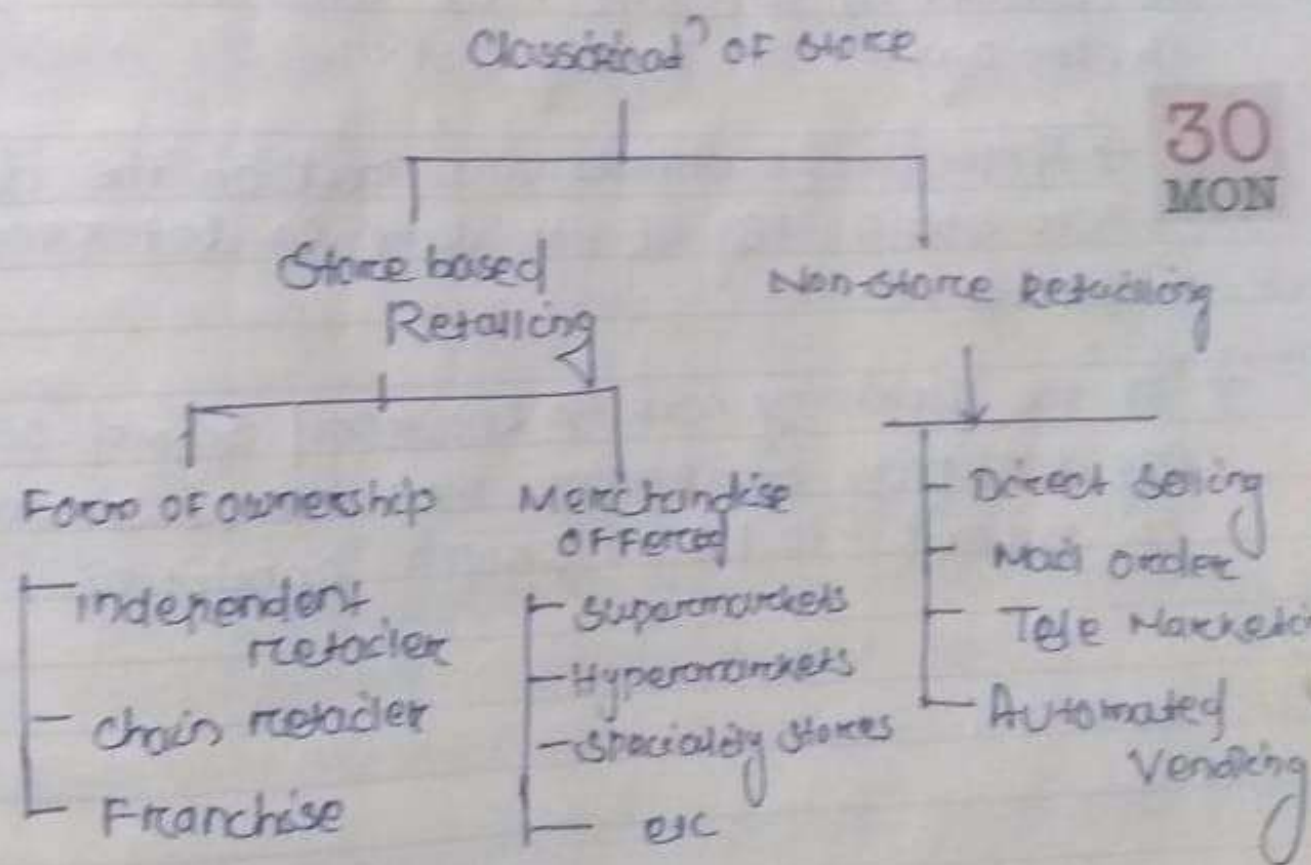
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Notes

Retail Formats can be classified into the following categories -
Store based Formats can be further classified into two formats based on the basis of ownership or merchandise offered service based classified?

STORE

Classification OF STORES



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STORES SYSTEMS & PROCEDURES THE RECEIPT PROCEDURE

- All incoming materials must necessarily pass through the Receipt section and in no circumstance go directly to the users department.
- The Receiving Incharge must complete all Documentation and paper work at the Receipt stores before the dispatch or storage of goods.
- On receiving the challan and other documents from the carrier, the consignment is unloaded and is checked against the packing list.

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→ Appropriate entries are made on the delivery note and a copy of the same is returned to the carrier.

→ In the Delivery note is returned signed without any qualifying statements then the consignment is deemed to be in proper condition.

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STORES SYSTEM & PROCEDURES THE ISSUE SECTION

- The term Issues implies the Normal supply of materials from stores to various user Dept.
- Most users Dept judge the Effectiveness of stores by the service levels of the stores.
- Items issued on requisitions for direct use.
- Items issued on loan and scrapped in due course.

ACCOUNTS OF WORKS

Administrative approval

Administrative approval is the communication of formal acceptance of the proposals by the competent authority of the Administrative ministry / Department requiring the work.

- Accord of administrative approval -
The concurrence of the competent authority to the preliminary estimate of the work.
- Power for accord of administrative approval -
Various ministries / Authorities delegated specific powers to accord administrative approval.

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TECHNICAL SANCTION

→ Technical sanction amounts to a guarantee that the proposals are technically sound, estimates are accurately prepared based on adequate data.

→ Accord of technical sanction.

→ Detailed estimate are required to be prepared for technical sanction.

→ Before an estimate is technically sanctioned, the following are.

- Detailed architectural drawings & specifications.
- Preliminary structural drawings for foundation.

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• In case of work for design and construct basic details functional requirement and complete specifications including preliminary drawings finalized before the call of tenders.

→ Deviation in Technical sanction.

Can be exceeded up to 10% beyond which material structural alternatives, orders of the authority which sanctioned necessary.

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Notes

2008 JULY

Contingency Budget

A contingency budget is money set aside to cover unexpected costs during the construction process. This money is on reserve and not allocated to one area of the work, and simply "insurance" against other costs.

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TENDER

Tender is an invitation from the owner to the contractor to execute some work at specified cost in specified time.

- It is published in the form of tender notice in news papers, notice boards, gussets etc. according to the cost of works.
- Tender is to invite bids for a project or accept a formal offer such as a takeover bid.

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Preparation of notice inviting Tender

Tender process and notices for the execution of projects also tender notice is required. Thus the tenders are filled when an invitation is received for bidding.

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Final Payment

Final Pay is the amount of money you as an employer owe an individual when they leave your business, instead each employee's final pay will have to be carefully calculated to ensure the amount is accurate.

When calculating an final payment they should be aware about the deduction amount.

Running bill

Running Account Bill means a bill for the payment of an account money to the contractor as per the terms and condition of agreement made between the ministry and the tenderer.

→ Running Account Bill form is used for contracts both for works executed on piece work system and for supplies received.

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→ In this, the organizations sell out their quoted prices in exchange of goods and services, which are further subjected to stated conditions.

Security deposit

A security deposit is a sum of money held in trust either as an initial part-payment in a purchasing process. Often used to prevent the seller selling an item to someone else during an agreed period of time while the buyer verifies the suitability of the item, or arranged also known as an earnest payment, or else in the course of a rental agreement to ensure the property owner against default by the tenant and for the cost of repairs in relation to any damage explicitly specified in the lease and that in fact occur.

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Advance payment

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An advance payment, or simply an advance, is the part of a contractually due sum that is paid or received in advance for goods or services, where the balance included in the invoice will only follow the delivery.

On account payment

An item you create on your site that a client can purchase using a credit card, check, etc. The purchase results in account credit. Account credit; credit that can be used to pay down a negative balance or to create a positive balance for use on future purchases.

Intermedicate payment

payments by final beneficiaries (advance payments, intermedicate payments and payments of the balance) are made accompanied by receipted invoices or accounting documents of equivalent probative value.

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account

→ In a simple system, a debit is money going out of the account.

Credit

credit is money coming in the account.

Book transfer

A book transfer is the transfer of the legal right of ownership of an asset, without physically shifting the asset to the new owner.

→ The most common use of the concept is

when a bank transfers funds from the account of the payer to the account of the payee when both accounts are with the same bank.

Voucher

A voucher is an internal document describing and authorizing the payment of a liability to a supplier. It is most commonly used in a manual payment system, where it is part of the system of controls the amount to be paid.

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The date on which payment should be made.
→ The accounts to be charged to record the liability.

Measurement Book

Measurement book is a book containing all the measurement of any site.

→ This book is used for payment, the payment is done for the actual work done by contractor which is measured and written in MB by JEN or AEs. Being threats packing with checkbox-sample security.

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Standard Measurement book

Standard measurement book is a measurement book of permanent nature, in it detailed measurements of a building are correctly recorded on its completion so as to facilitate preparation of estimates for periodic repairs.

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Supervision Charges

Supervision charges is paid to some expert who is technical and competent to ensure the quality and other aspects of the work. Alternatively, supervision charges may be related to any other activity which is taxable other than line management consultant etc.

→ The supervision charges for the above supervision work is generally 5% to 10% of the total project cost.

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Suspense account

An account in the books of an organization in which items are entered temporarily before allocation to the correct or final account.

→ This account is a suspense account for unallocated payments.

Debit

Debits and credits are used to monitor incoming and outgoing money in your business

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Notes

Reference

<https://cpwd.gov.in>

<https://scr.indianrailways.gov.in>

Assignment Questions
Estimating & Costing-2
(6th sem)

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- 1 - What do you mean by Acceptance Roll & its uses for making payment.
- 2 - What is the basic difference between credit & debit?
- 3 - What is Measurement Book.
- 4 - What is the difference between Measurement book & Standard measurement book.
- 5 - What is Administrative approval.
- 6 - What is Peer review sanction.
- 7 - What is Tender & How it can be prepared.
- 8 - What is the difference between the intermediate payment & Final payment.
- 9 - What is Running bill.
- 10 - What is Master roll & How it can be prepared.

Notes

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