



Model Question-Answer



SHORT ANSWER TYPE QUESTIONS

[MARK 1]

1. Why the payment of wages to the workers are considered as a complex process ?

Ans. : If more wages are paid to the workers, the manufacturers raise objection to it. On the other hand, workers do not show interest in work if they are paid less wages.

As a result, the determination of wages rate, which will satisfy both the workers and the manufacturers is a complicated task. This is why, it is said that payment of wages to the workers is a complex process.

2. The methods of wage payment are mainly based on two important factors. What are these two factors ?

Ans. : The two factors on the basis of which different methods of wage payment has been developed are – (1) Time spent for the completion of the work and (2) Volume or quantity of work.

3. What do you mean by 'time rate system of wage payment' ?

Ans. : The wage payment system in which time spent by the workers for the job is considered for the payment of wage, is known as **time rate system of wage payment.**

4. State the name of any two methods of wage payment under time rate system.

Ans. : Two methods of wage payment under time rate system are – (1) Ordinary time rate system and (2) Graduated time rate system.

5. What do you mean by 'ordinary time rate system of wage payment' ?

Ans. : The method, in which wages are paid to the workers on the basis of predetermined rate for the time spent by the workers in the factory, is known as **ordinary time rate system of wage payment.**

6. On what basis the wages of the workers are paid under ordinary time rate system ?

Ans. : The wages of the workers are paid on the basis of time spent by the workers in the factory under ordinary time rate system.

7. What do you mean by 'graduated time rate system of wage payment' ?

Ans. : The method of wage payment, in which the ordinary time rate of wages is clubbed with the cost of living index for the determination of a revised rate of wages, is known as the **graduated time rate system of wage payment.**

8. In which cases, the time rate of wage payment is more appropriate ?

Ans. : The time rate of wage payment is more appropriate, when — (1) the efficiency of the workers are required to a great extent to do the job and the volume of work is not so important and (2) the measurement of the performance of the workers is very difficult.

9. What do you mean by 'piece rate system of wage payment' ?

Ans. : The method, in which wages are paid to the workers on the basis of quantity or volume of production or the number of jobs completed is known as the **piece rate system of wage payment**.

10. State the name of any two methods of wage payment under piece rate system ?

Ans. : Two important and notable methods of wage payment under piece rate system are — (1) Straight piece rate system and (2) Differential piece rate system.

11. What do you mean by 'straight piece rate system of wage payment' ?

Ans. : The method, in which wages are paid to the workers on the basis of quantity or units produced by them in the factory at a predetermined rate, is known as **straight piece rate system of wage payment**.

12. On what basis the wages of the workers are paid under straight piece rate system ?

Ans. : Wages of the workers are paid on the basis of quantity or units produced by them in the factory under straight piece rate system.

13. In which cases, piece rate system of wage payment is more appropriate ?

Ans. : The piece rate system of wage payment is more appropriate, when — (1) Production can be measured in term of units of production or in terms of other measurement basis and (2) the quality of the product is not dependent on the efficiency of the workers.

14. What do you mean by 'differential piece rate system of wage payment' ?

Ans. : The method of wage payment, in which arrangements are made to pay more wages to the skilled workers as they can produce more products as compared to the unskilled workers in the same time duration is known as **differential piece rate system of wage payment**.

15. Name any of the two methods of differential piece rate system of wage payment.

Ans. : Two important and notable differential piece rate systems of wage payment are — (1) Taylor's differential piece rate system and (2) Merrick's multiple piece rate system.

16. What do you mean by 'Taylor's differential piece rate system of wage payment' ?

Ans. : It is easily possible to determine the efficiency of the workers on the basis of standard production or standard time allowed for the job. According to Taylor's differential piece rate system of wage payment, efficient workers are paid at a higher wage rate and inefficient workers are paid at a lower wage rate.

17. How many rates are there in the Taylor's differential piece rate system of wage payment ?

Ans. : In Taylor's differential piece rate system of wage payment, only two rates are applied for the determination of total wages of the workers.

18. What is the main reason of non-acceptance of Taylor's differential piece rate system of wage payment by the workers ?

Ans. : The Taylor's differential piece rate system is not acceptable to the workers. Because the workers consider the low rate of wage payment to the inefficient workers as a punishment of inefficiency to the workers.

19. What do you mean by 'Merrick's multiple piece rate system of wage payment'?

Ans. : Under Merrick's multiple piece rate system of wage payment three different rates of wages are fixed on the basis of efficiency level of the workers. However, no workers are penalised for their inefficiency.

20. How many rates are there in the Merrick's multiple piece rate system of wage payment?

Ans. : In Merrick's multiple piece rate system of wage payment, three different rates are adopted for the determination of total wages of the workers.

21. What is the basic reason of popularity of Merrick's multiple piece rate system as compared to Taylor's differential piece rate system of wage payment?

Ans. : Where Taylor suggested strict financial penal action against inefficient workers, Merrick has not deprived the workers from their entitlements. This is why Merrick's multiple piece rate system of wage payment is more popular as compared to Taylor's differential piece rate system.

22. What will be the wage rate of a worker if he can produce 75% of the standard production level as per Merrick's multiple piece rate system?

Ans. : According to Merrick's multiple piece rate system of wage payment, if a worker produces 75% of the standard unit of production, then he is entitled to get wages at the ordinary piece rate.

23. What will be the wage rate of a worker if she can produce 125% of the standard production level as per Merrick's multiple piece rate system?

Ans. : According to Merrick's multiple piece rate system of wage payment, if a worker produces 125% of the standard unit of production, then she is entitled to get 20% above the ordinary piece rate.

24. In which method of wage payment, the volume of work or production becomes lesser important as compared to standard level of production?

Ans. : Under time rate system of wage payment, the volume of work or production becomes lesser important as compared to standard level of production. Because the workers give more importance to the time as compared to the volume of work or production under this system of wage payment.

25. In which method of wage payment, the quality of work or the product produced is adversely affected?

Ans. : Under piece rate system of wage payment, the quality of work or the product produced is adversely affected. Because in this wage payment system, the workers are interested to increase the volume of production or work by any means ignoring their quality.

26. 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.

27. 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 is known as **standard time of work or production**.

28. 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 to complete the job against the time allowed to him to do the job under Halsey premium plan.

29. Can time saved be negative under Halsey premium plan?

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

30. How the bonus entitlement of the workers are calculated under Halsey premium plan ?

Ans. : According to the Halsey premium plan, bonus entitlement of the workers are calculated by following the formula as given below :

$$\text{Amount of Bonus} = 50\% \times (S - T) \times R$$

Where, S = Standard time

T = Time taken

R = Rate of wages per unit of time

31. What is the difference between Halsey-Weir bonus plan with Halsey bonus plan ?

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

32. 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 :

$$\text{Total Earnings} = T \times R + 50\% \text{ of } (S - T) \times R$$

Where, S = Standard time

T = Time taken

R = Rate of wages per unit of time

33. 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 :

$$\text{Total Earnings} = T \times R + \frac{S - T}{S} \times T \times R$$

Where, S = Standard time

T = Time taken

R = Rate of wages per unit of time

34. 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.

35. The total wages of a worker is dependent on a number of factors. What are those factors ?

Ans. : The factors which have influence on the calculation of total wages of a worker are the following — (1) Standard time of work, (2) Actual time taken to do the work, (3) Wages per hour or per unit of production and (4) Method adopted for wage payment.

36. Which wage payment system is more appropriate in the making of jewellery products ?

Ans. : For making of jewellery products, time rate system of wage payment is more appropriate. Because this work gives more importance to the quality of the product, not the quantity of the product.

37. 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 premium plan ?

Ans. : Time saved by the worker = 60 hours — 50 hours, i.e., 10 hours. As a result, the worker's bonus hours will be 50% of 10 hours, i.e., 5 hours.

38. 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 premium plan ?

Ans. : If a worker completes a job in lesser time as compared to the time allowed to him, then following equation is to be followed to calculate bonus hours under Rowan premium plan :

$$\begin{aligned} \text{Bonus hours} &= \frac{S - T}{S} \times T \\ &= \frac{100 - 75}{100} \times 75 \\ &= 18.75 \text{ hours.} \end{aligned}$$

39. The rate of wages per hour is ₹ 80. If a product requires 6 minutes to produce, then what will be the wages per unit of product ?

Ans. : Rate of wages per unit

$$= \frac{\text{₹ } 80}{60 \text{ minutes}} \times 6 \text{ minutes} = \text{₹ } 8.$$

40. 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? [HS'15]

Ans. : A worker can not get bonus under 'Halsey premium bonus scheme' whose time taken to complete a job is equal to the time allowed for the job as because the worker does not save any time and bonus is calculated on the basis of time saved only.

41. What is standard time of production? [HS'15]

Ans. : The time to be taken by an ordinary worker to complete a particular job or production related activity in normal speed of work is termed as standard time of production.

42. Write the formula of calculating bonus under Rowan premium method. [HS'16]

Ans. : Bonus wages under Rowan premium method is calculated as —

$$\text{Bonus wages} = \frac{S - T}{S} \times T \times R$$

Here, S = Standard time, T = Time taken and R = Wage rate per unit of time.

43. For a worker :

Standard production : 50 units in 8 hours

Actual production : 40 units in 8 hours

Determine the efficiency level of the worker. [HS'16]

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

$$\begin{aligned} \text{Efficiency Level} &= \frac{\text{Actual production}}{\text{Standard production}} \\ &= \frac{40}{50} = 0.80, \text{ i.e., } 80\%. \end{aligned}$$

44. Time allowed to do a job is 36 hours. If a worker completes the said job in 40 hours. Calculate his level of efficiency. [HS'17]

$$\begin{aligned} \text{Ans. : Level of Efficiency} &= \frac{36 \text{ hours}}{40 \text{ hours}} \times 100 \\ &= 90\%. \end{aligned}$$

45. In a day of 8 hours, standard output is 75 units. If in the same time, actual output of a worker is 75 units, then what is the level of efficiency of the worker? [HS'15]

Ans. : Efficiency Level of the Worker = $\frac{\text{Actual Production}}{\text{Standard Production}} = \frac{75}{60} = 1.25$, i.e., 125%

46. In a week, a worker worked for 40 hours. His basic wages is ₹ 3,600 and bonus is ₹ 1,200. What is effective rate of wages per hour of the worker? [HS'16]

Ans. : In this case,
Total wages of the worker = Basic wages + Bonus = ₹ 3,600 + ₹ 1,200 = ₹ 4,800.

As a result, the effective rate of wages per hour of the worker = $\frac{₹ 4,800}{40 \text{ hours}} = ₹ 120$.

47. Hourly wage rate is ₹ 50, standard time 60 hours, time saved 12 hours. What is the bonus amount under Rowan premium method? [HS'19]

Ans. : Bonus amount as per Rowan Premium Method is = $\frac{S - T}{S} \times T \times R$

Here, R = ₹ 50, S = 60 hours and S - T = 12 hours.

Therefore, T = S - 12 hours = 60 hours - 12 hours = 48 hours

or, Bonus = $\frac{12 \text{ hours}}{60 \text{ hours}} \times 48 \text{ hours} \times ₹ 50 = ₹ 480$.

48. Standard time for a work is 48 hours. If the efficiency level of a worker for that work is 120%, then what will be the actual time taken for said work? [HS'19]

Ans. : Efficiency Level (in time) = $\frac{\text{Standard time}}{\text{Actual time}}$

or, 120% = $\frac{48 \text{ hours}}{\text{Actual time}}$

or, Actual Time = $\frac{48 \text{ hours}}{120\%}$

= $\frac{48 \times 100}{20}$
= 40 hours.