

MMI15 - II Mid Term.

Time: 1 hr.

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Q1. Explain Halsey and Rowan plan and compare the both

Halsey Plan :

- In this system and an hourly or daily rate is guaranteed to the workers.
- A standard time is fixed for the performance of each job and the worker is paid agreed rate 1 hour for the time spent thereon plus a fixed % (usually $33\frac{1}{3}\%$) of the time he can save on the standard.

$$\text{Total wage} = \text{Rate/hr. for that time} + \underbrace{\frac{k}{100} \times \text{Time saved}}_{\times \text{wage rate}} + \underbrace{\text{Bonus.}}_{\text{Bonus.}}$$

$$k = 33\frac{1}{3}\%$$

Rowan Plan :

- This system is same as Halsey Plan,
- K is found out by different formula

$$K = \frac{\text{Standard time} - \text{Actual time}}{\text{Standard time}} \times 100$$

$$\text{Bonus} = \frac{k}{100} \times \text{time taken} \times \text{wage rate}$$

Difference between both plans:

- ① upto $\frac{2}{3}$ time saved Rowan Plan is more beneficial.
- ② In Rowan Plan a worker can't get more than a fixed amount even he finishes his task too early

Q1. whether in Lower Halsey in extreme case
the worker receive a very high rate;
which is not possible.

Q2. Explain Method of purchasing adopted
by purchasing department.

① Purchasing when required:

→ Purchasing is done only when required.
and small quantity is required.

Advantage: Market fluctuation does not affect
as costing is based on market rates

disadvantage: Distribution cost will be higher
② Sudden demands can not be met.

2. Market Purchasing:

→ Market trends are analysed and purchasing
is done

Application: Raw Mat. in coal and Rubber industry.

Advantage: Purchasing is done in lot, distribution
cost is less.

Disad.: Proper planning is necessary otherwise
Market topples, there is big loss.

3. Speculative Purchasing

→ This type of purchasing is done when there is
low rates in market and material is sold
out when market rates are high.

disadvantage: chances of big loss due to wrong
time is required.

) 4. Purchasing for specified future period :

→ generally, the standard items which are regularly used and rates are not deviated, that materials are purchased in small quantity for a specified period.

Advantage : less storage space is needed.
And cost analysis is easier.

5. Contract Purchasing :

→ contract are given to suppliers for large amount of future requirement.

→ Useful for purchase motor parts, coal.

Advantage → In this type of purchasing there is no need of much more storage.

→ It gives a measure of safety to supplier.

6. group Purchasing :

→ In type of purchasing, one time order (group) for all things is given instead separate order for separate things.

Advantage : clerical work is reduced from both side, supplier and purchaser

7. Scheduled Purchasing :

- In this method supplier is given all the requirements of industry for certain time period.

- At And when required in industry, order is given to supplier.

Advantage : Purchaser no need to worry about

Q4

Q3. short note:

(a) Necessity of Tender

- when some purchaser wants to start work, first of all the needs capable contractor, he need experienced contractor.
- And this is not essential that she knows all good contractors personally.
- so Tender inviting is the best way to find experienced, capable contractor who has availability of required resources also.

(b) Limited Tender

- This tender is used when low priced articles are required and there is no need to open tendering.
- In this type, quotations are invited only from few firms.
- According government, limited tendering is done from 2000 Rs to 50,000 Rs.