

- Q. 8. A chemical factory manufactures three kinds of chemicals namely Eucalyptus oil, Hexachlorobenzene and Toxaphene. In the last week of December 2022, the records were:

Labor Grade	No of Employees	Rate per hour (Rs.)	Hours Worked by each employee
I	12	40	40
II	36	32	42
III	8	28	40
IV	2	16	44

Output and standard times during the same week were as follows:

Components	Output (In Units)	Standard Minutes for each unit
Eucalyptus oil	888	30
Hexachlorobenzene	1800	54
Toxaphene	960	66

Normal working hours per week are 38. Overtime is paid at the premium of 50 % of the normal hour rate.

Group Incentive Scheme:

A group incentive scheme is in operation. The time saved is expressed as a percentage of hours worked and is shared between the group as a proportion of the hours worked by each grade. The incentive rate is 75% of the normal hour rate.

**Required:** Prepare the payroll for the last week of December 2022 showing the basic pay, overtime and incentive amount as separate totals for each grade of labor. (20)

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