

Job Costing & Batch Costing

Questions:

1. What is the difference between Job Costing and Batch Costing?

Answer:

S. No.	Basis	Job Costing	Batch Costing
1.	Nature	Job Costing is a specific order costing.	Batch Costing is a special type of job costing.
2.	Applicability	It is undertaken in such industries where work is done as per the customers requirements.	It is undertaken in such industries where production is of repetitive nature.
3.	Similarity	No two jobs are alike.	The articles produced in a batch are alike.
4.	Cost Determination	The cost is determined on job basis.	The cost is determined on batch basis.
5.	Examples	Industries where job costing is undertaken are repair workshop, Furniture.	Industries where batch costing is undertaken are pharmaceuticals, garment manufacturing, radio, T.V. manufacturing etc.

2. What is the difference between Job Costing and Process Costing?

Answer:

S. No.	Basis	Job Costing	Process Costing
1.	Method	Job costing is one of the methods of costing used to ascertain cost of each job.	Process costing is one of the methods of costing used to ascertain cost of a product at each process or stage of manufacture.
2.	Cost Determination	Cost is determined separately for each job.	Cost of a product is determined by accumulating cost of each process.
3.	Cost collection	The cost is collected on the basis of job order.	The cost is collected by period i.e. on time basis.
4.	Supervision	Detailed supervision and control is needed as each job is distinct and different from others.	Supervision and control is comparatively easier as the process operations are standardised.

3. What is the difference between Job Costing and Contract Costing?

Answer:

S. No.	Basis	Job Costing	Contract Costing
1.	Scope	Job work is carried out in the premises.	Contract work is carried out on site.
2.	Area	An order, a unit, lot or batch of product may be taken as cost unit.	Each contract is a cost unit.
3.	Absorption of overhead	It is a system of costing in which the element of cost are accumulated separately for each job or work undertaken by an organisation.	Only general overheads and head office expenses are apportioned to individual contracts.