

# **ANNEXURE**

1. List of questions for Laboratory
2. List of Questions for Bank
3. Questionnaire
4. Administrative Time Log

## **Annexure I**

### **Interview Guide**

#### **Introduction**

I am Kamlesh D. Vala, working as Assistant Professor in Department of accounting and Financial Management, Faculty of Commerce, pursuing a Doctor of Philosophy degree through The Maharaja Sayajirao University of Baroda, India on “Activity Based Costing: An effective tool for Cost Management – A Study of Selected Service Sector Organisation” under the guidance of Professor (Dr.) Pragnesh B. Shah. The objective of this study is to assess the use of activity-based cost information in decision-making and evaluate the success of Activity based costing as an effective tool for Cost Management in service sector organisation. It involves a case study. The main purposes of case study are: (1) to ensure the objectivities of present traditional volume based indirect costs allocation practises followed by service organisations and expected enhancement with the Activity Based Costing. (2) to gauge the relationship of indirect costs with reference to use of cost data in decision making of select service sector organisation both in public and private sector. I would like to reassure you that it is purely an academic exercise and the information supplied by you would not be analyzed on the individual basis and it would be kept strictly confidential. There will be no mention of names. At the end of the project I will write a thesis and the Laboratory will have access to it. I would appreciate it if you would spare your valuable time.

Your response to interview will be invaluable and contribute to the overall success of the research. It will help me with accuracy if I note down the responses and only I and my supervisor will have access to the noted responses. Would that be ok?

The interview will last for an hour. Would that be ok?

I have a list of questions which are really a guide.

Before we start do you have any questions?

## List of questions for Laboratory

How long have you worked for the Laboratory?

What are your actual functions in the Laboratory?

Types of Test performed in laboratory

What is the present system of calculating cost?

What are the objectives of present Costing system?

What kind of information do you receive from the Finance Department?

What kind of information do you receive for Decision Making?

What kind of information do you feel necessary and that you do not have?

What are the main activities in the Laboratory?

Which of those activities do you consider the most important?

What are the products/tests do you considered as important?

How would you assess profitability of various products/tests?

How does profitability of various products/tests calculated?

How nonfinancial costs are charged or allocated to various products/tests?

What do you think may be the main advantages of that new system to the laboratory?

What can be the reasons that may lead the laboratory to adopt ABC?

How can ABC be implemented? Target area? [Why? What are the objectives?]

How can activities be defined?

How can cost drivers be selected? Which cost drivers did you adopt?

What can you conclude so far? Are things going as planned? What changes were necessary to be made?

How can standard times be defined to perform each activity?

Do you think that activities and times defined in are accurate reflection of work?

Conclusion

That's all my questions.

Is there anything I haven't asked that you expected me to ask or think I should know about?

Is there anything you would like to ask me?

Thank you very much...

## **Annexure II**

### **Interview Guide**

#### **Introduction**

I am Kamlesh D. Vala, working as Assistant Professor in Department of accounting and Financial Management, Faculty of Commerce, pursuing a Doctor of Philosophy degree through The Maharaja Sayajirao University of Baroda, India on “Activity Based Costing: An effective tool for Cost Management – A Study of Selected Service Sector Organisation” under the guidance of Professor (Dr.) Pragnesh B. Shah. The objective of this study is to assess the use of activity-based cost information in decision-making and evaluate the success of Activity based costing as an effective tool for Cost Management in service sector organisation. It involves a case study. The main purposes of case study are: (1) to ensure the objectivities of present traditional volume based indirect costs allocation practises followed by service organisations and expected enhancement with the Activity Based Costing. (2) to gauge the relationship of indirect costs with reference to use of cost data in decision making of select service sector organisation both in public and private sector. I would like to reassure you that it is purely an academic exercise and the information supplied by you would not be analyzed on the individual basis and it would be kept strictly confidential. There will be no mention of names. At the end of the project I will write a thesis and the bank will have access to it. I would appreciate it if you would spare your valuable time.

Your response to interview will be invaluable and contribute to the overall success of the research. It will help me with accuracy if I note down the responses and only I and my supervisor will have access to the noted responses. Would that be ok?

The interview will last for an hour. Would that be ok?

I have a list of questions which are really a guide.

Before we start do you have any questions?

## List of Questions for Bank

How long have you worked for the Bank?

What are your actual functions in the Bank?

Numbers of departments in Bank

What is the present system of calculating cost?

What are the objectives of present Costing system?

What kind of information do you receive from the Accounting Department?

What kind of information do you receive for Decision Making?

What kind of information do you feel necessary and that you do not have?

What are the main activities in the Bank?

Which of those activities do you consider the most important?

What are the products do you considered as important?

How would you assess profitability of various products?

How Deposits are being utilized?

Are there any norms for amount to be invested and loans and advances to be made?

How does profitability of various products calculated?

How nonfinancial costs are charged or allocated to various products, loans and investments or members?

Are there any resolutions or rules for amount to be invested from collected funds?

How investments are made? (To know about norms/ policy/ tradition)

What do you think may be the main advantages of that new system to the bank?

What can be the reasons that may lead the bank to adopt ABC?

How can ABC be implemented? Target area? [Why? What are the objectives? ]

How can activities be defined?

How can cost drivers be selected? Which cost drivers did you adopt?

What can you conclude so far? Are things going as planned? What changes were necessary to be made?

How can drivers be defined for each activity?

Do you think that activities and times defined in your department are accurate reflection of work?

Conclusion

That's all my questions.

Is there anything I haven't asked that you expected me to ask or think I should know about?

Is there anything you would like to ask me?

Thank you very much...

### Annexure III

#### WELCOME TO THE QUESTIONNAIRE

Dear Sir / Madam,

I am working as Assistant Professor Department of accounting and Financial Management, Faculty of Commerce, pursuing a Doctor of Philosophy degree through The Maharaja Sayajirao University of Baroda, India on “**Activity Based Costing: An effective tool for Cost Management – A Study of Selected Service Sector Organisation**” under the guidance of Professor (Dr.) Pragnesh B. Shah. The objective of this study is to assess the use of activity-based cost information in decision-making and evaluate the success of Activity based costing as an effective tool for Cost Management in service sector organisation.

As we know under Traditional Costing System, overheads are first allocated and apportioned to various production and service departments, then overheads of service departments are re-apportioned to production departments. Total overheads of production departments are arbitrarily charged to the cost objects (i.e. product, service, job or customer) using Single Cost Driver rate (on the basis of machine hours, labour hours or direct wages etc.) on the assumption that cost object consumes resources in proportion to the volume of production. Whereas Activity Based Costing is a techniques of charging overheads to cost objects under which overheads are first calculated separately for each activity and then are charged to various cost objects on the basis of activities consumed by these cost objects using multiple cost drivers.

I would appreciate it if you would spare your valuable time to complete this questionnaire and submit it at your earliest convenience. Your response to the questionnaire will be invaluable and contribute to the overall success of the research. I assure you that it is purely an academic exercise and the information supplied by you would not be analyzed on the individual basis and it would be kept strictly confidential.

Thank you in advance for your cooperation.

Yours sincerely,

(SHRI KAMLESH D. VALA)

PART - I							
1. Evaluation of Cost Accounting System (CAS) :							
[Strongly Agree = 5, Agree = 4, Indifferent = 3, Disagree = 2 and Strongly Disagree = 1]							
Sr. No.	Selected criteria		5	4	3	2	1
1	CAS designed as per the requirements of the organisation		5	4	3	2	1
2	CAS measures the efficiency by which input resources were converted to output		5	4	3	2	1
3	CAS should be based on cause and effect relationship		5	4	3	2	1
4	CAS should differentiate cost for different purposes		5	4	3	2	1
5	CAS is needed						
	5.1	To determine cost	5	4	3	2	1
	5.2	To facilitate control	5	4	3	2	1
	5.3	To measure the efficiency of internal operating processes	5	4	3	2	1
	5.4	To improve the efficiency of internal operating processes	5	4	3	2	1
	5.5	To facilitate planning	5	4	3	2	1
	5.6	To provide basis for valuing manufactured inventory	5	4	3	2	1
	5.7	To provide basis for valuing Cost of goods sold for external reporting	5	4	3	2	1
	5.8	To help in making day- to- day Decision	5	4	3	2	1
	5.9	To develop competitive strategies	5	4	3	2	1



2. Comparative Evaluation of Traditional Costing System (TCS) and Activity Based Costing System (ABC) for the followings : [Strongly Agree = 5, Agree = 4, Indifferent = 3, Disagree = 2 and Strongly Disagree = 1]											
TCS					Sr. No.	Selected criteria	ABC				
5	4	3	2	1			5	4	3	2	1
5	4	3	2	1	1	Increases accuracy of cost allocation with the help of Cost Driver	5	4	3	2	1
5	4	3	2	1	2	Objectively assigns costs based on cause-and-effect relationships	5	4	3	2	1
5	4	3	2	1	3	Shows More realistic cost behavior	5	4	3	2	1
5	4	3	2	1	4	Reflects cost actually consumed by cost object	5	4	3	2	1
5	4	3	2	1	5	Provides fact-based insight into the spending on cost object	5	4	3	2	1
5	4	3	2	1	6	Provides fact-based insight into profitability of cost object	5	4	3	2	1
5	4	3	2	1	7	Provides accurate cost information in case of increased overheads	5	4	3	2	1
5	4	3	2	1	8	Separates Profitable and non-profitable activities	5	4	3	2	1
5	4	3	2	1	9	Separates controllable and uncontrollable cost	5	4	3	2	1
5	4	3	2	1	10	Controls costs based on tangible activities	5	4	3	2	1
5	4	3	2	1	11	Suitable for cost control	5	4	3	2	1
5	4	3	2	1	12	Greater cost efficiency	5	4	3	2	1

3. Comparative Evaluation of Application of Traditional Costing System (TCS) and Activity Based Costing System (ABC) for the following : [Excellent = 5, Good = 4, Average = 3, Fair = 2 and Poor = 1]											
TCS					Sr. No.	Selected criteria	ABC				
5	4	3	2	1			5	4	3	2	1
5	4	3	2	1	1	Cost Object costing	5	4	3	2	1
5	4	3	2	1	2	Product Engineering	5	4	3	2	1
5	4	3	2	1	3	Product Re-engineering	5	4	3	2	1
5	4	3	2	1	4	Quality Control	5	4	3	2	1
5	4	3	2	1	5	Inventory Valuation	5	4	3	2	1
5	4	3	2	1	6	Process Improvement	5	4	3	2	1
5	4	3	2	1	7	Research and Development	5	4	3	2	1
5	4	3	2	1	8	Pricing Policy	5	4	3	2	1
5	4	3	2	1	9	Improve Customer Value	5	4	3	2	1
5	4	3	2	1	10	Identification of non-value added activity	5	4	3	2	1
5	4	3	2	1	11	Product-mix Decisions	5	4	3	2	1
5	4	3	2	1	12	Cost Management	5	4	3	2	1
5	4	3	2	1	13	Managerial Planning	5	4	3	2	1
5	4	3	2	1	14	Decisions Outsourcing	5	4	3	2	1
5	4	3	2	1	15	Customer Satisfaction Analysis	5	4	3	2	1
5	4	3	2	1	16	Performance Measurement	5	4	3	2	1
5	4	3	2	1	17	Detection of Causes for Deviation from budget	5	4	3	2	1
5	4	3	2	1	18	Different cost for different purposes	5	4	3	2	1
5	4	3	2	1	19	Identification of relevant and irrelevant cost for decision making	5	4	3	2	1
5	4	3	2	1	20	As a Total Quality Management tool	5	4	3	2	1

4. Evaluate the followings in relation to Service Sector :						
[Strongly Agree = 5, Agree = 4, Indifferent = 3, Disagree = 2 and Strongly Disagree = 1]						
Sr. No.	Selected criteria	5	4	3	2	1
1	Significant and growing economic activity is being observed in the Service Sector	5	4	3	2	1
2	Service Sector contributes maximum share in GDP	5	4	3	2	1
3	The share of Service Sector in generating Export Revenue is higher	5	4	3	2	1
4	Competitive market poses at most challenges to Service Sector for competitive services	5	4	3	2	1
5	Profitability of Service Sector improves with better understanding of the followings					
	5.1 Market Condition	5	4	3	2	1
	5.2 Customers requirements	5	4	3	2	1
	5.3 Information Technologies	5	4	3	2	1
	5.4 Innovation	5	4	3	2	1
	5.5 Skills and knowledge	5	4	3	2	1
6	Service Sector needs to focus on myriad of activities performed to serve the customer	5	4	3	2	1
7	Lowering the “cost to serve” is a critical success factor in Service Sector	5	4	3	2	1
8	Changing environment has compelled Service Sector to adopt advanced Cost Management practices	5	4	3	2	1
9	Refined Costing System is required in Service Sector due to non-uniformity in the resource consumption to serve	5	4	3	2	1
10	Customer Costing System is required in Service Sector due to non-uniformity in the resource used by customer	5	4	3	2	1
5. What is the current costing method used in Service Sector to determine cost? (Put “✓” mark)						
1.	Job Costing					
2.	Process Costing Method					
3.	Hybrid Costing Method					
4.	Any Other					

<b>6. What is the current system for allocating overheads in Service Sector Organisation? (Put “✓” mark)</b>						
1.	Traditional budgeting using predetermined cost drivers					
2.	Standard costing and variance analysis					
3.	Actual cost reviews					
4.	Activity Based Costing System					
5.	Any other					
<b>7. Evaluation of need of Activity Based Costing System in Service Sector :</b> [Strongly Agree = 5, Agree = 4, Indifferent = 3, Disagree = 2 and Strongly Disagree = 1]						
<b>Sr. No.</b>	<b>Selected criteria</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	Providing Insight into Cost Causation	5	4	3	2	1
2	Rational Ascertainment of Cost	5	4	3	2	1
3	Cost Management	5	4	3	2	1
4	Ensuring Cost Control	5	4	3	2	1
5	Cost Reduction	5	4	3	2	1
6	Performance Measurement	5	4	3	2	1
7	Process Improvement	5	4	3	2	1
8	Managerial Decision Making	5	4	3	2	1
9	Scope for Corrective Action	5	4	3	2	1
10	Compare Benchmarks	5	4	3	2	1
11	Enhance Quality of services	5	4	3	2	1
<b>8. Overall evaluation of: [Excellent = 5, Good = 4, Average = 3, Fair = 2 and Poor = 1]</b>						
<b>Sr. No.</b>	<b>Selected criteria</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1	The accuracy of Cost accounting System	5	4	3	2	1
2	The accuracy of Traditional costing system	5	4	3	2	1
3	The accuracy of Activity based costing system as a Tool of Cost Management	5	4	3	2	1
4	Role played by Service Sector in the development of economy	5	4	3	2	1
5	The accuracy of Activity based Costing as specific approach of refining costing system in Service Sector	5	4	3	2	1

PART – II (Personal Profile of Respondent)										
<b>9. Name(Optional) :</b>										
<b>10. Age (Optional) : (in Years)</b>	20 to 30		31 to 40		41 and above					
<b>11. Educational Qualification:</b>										
11.1 Graduate:	Yes		No		If Yes,					
	Commerce		BBA		Science					
	Engineering		Any other							
11.2 Post Graduate :	Yes		No		If Yes,					
	Accounting and Finance				Commerce or Management					
	Any other									
11.3 Professional Degree :	Yes		No		If Yes,					
	ICWA		CA		CS		CIMA			
	CFA		Chartered Engineer				Any other			
11.4 M. Phil :	Yes		No		If Yes					
	Commerce			Any other						
11.5 PhD	Yes		No		If Yes					
	Commerce				Any other					
<b>12. Occupation :</b>	Self- employed				Service					
<b>13. Specialization/ Department/ Expertise:</b>	Accounts				Taxation			Costing		
	Production				Finance			Other		
<b>14. Work Experience: (in Years)</b>	Less than 10			10 to 20			More than 20			
<b>15. Grade your understanding about Cost Accounting System on scale of 1 to 5.</b> (Where 1 is the lowest and 5 is the Highest)					<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	

## Annexure IV

### Administrative Time Log

The two—page time log used to determine how this employees of the cooperative bank spend their time is presented below:

#### The Government Servant Co-operative Credit Society Ltd - Administrative Time Usage Survey

In connection with a doctoral course at Department of Accounting and Financial management, Faculty of Commerce, The Maharaja Sayajirao University of Baroda, Vadodara, I am collecting information about employees, how many hours they work and how those hours are used.

1. Are you: Male\_\_\_\_\_ Female\_\_\_\_\_
2. How many years have you been doing this or similar work?
3. What is your present job title?
4. Are you employed:  
Full-time\_\_\_\_\_ Half-time\_\_\_\_\_  
other(Please State) \_\_\_\_\_
5. What is your education level? (check all that apply)  
Bachelor's \_\_\_\_\_  
Master's \_\_\_\_\_  
Any Other (please specify) \_\_\_\_\_
6. How many hours do you spend with different activities in a normal week? \_\_\_\_\_hrs.

**The section on the asks about how you use your time**

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**Total hours in a typical week \_\_\_\_\_ hrs.**

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**Activities relating to file creation/Loan/Investment**

1.	Initial Conversation with the Loan applicant	_____hrs
2.	Issuing application forms for the loan	_____hrs
3.	Receiving application for the loan	_____hrs
4.	Assessment of the Application for the Loan	_____hrs
5.	Understanding the credit history of the Applicant	_____hrs
6.	Taking the decision of granting / rejecting the application for loan	_____hrs
7.	Disbursement of loan	_____hrs
8.	Searching avenues for investment	_____hrs
9.	Communication with the investee institution.	_____hrs
10.	Procedural matters relating to Investment	_____hrs

**Activities relating to Recovery**

1.	Communication with borrower	_____hrs
2.	Documentation for the recovery	_____hrs
3.	Setting of ECS	_____hrs
4.	Collection	_____hrs
5.	Legal actions in case of failure by the borrower to repay	_____hrs
6.	Communication with the employer of the Borrower ( if borrower fails to pay)	_____hrs

**Activities relating to Accounting relating to Loans and Investment**

1.	Accounting relating to loans	_____hrs
2.	Accounting relating to investments	_____hrs
3.	Accounting relating to recovery of the loans / maturity of Investments	_____hrs
4.	Preparation of Financial statements /Quarterly or monthly results	_____hrs
5.	Dealing with the internal auditors	_____hrs

Thank you in advance