For the purpose of HRA, all the employees have been classified into three categories such as executives, supervisors, and workmen. The present worth of future earnings of all employees given through salary and other welfare expenses made by NTPC on its employees has been calculated to arrive at the present value of its human resources.

Table 1: Analysis of Strength of Personnel of NTPC.

	1987-88		1988-89		1989-90	
	No.	%	No.	%	No.	%
Executives	5,290	29.44	5,949	29.77	6,373	30.12
Supervisors	2,752	15.30	2,987	14.95	3,091	14.61
Workmen	9,930	52.25	11,047	55.28	11,692	55.27
Total	17,972	100.00	19,983	100.00	21,156	100.00

	1990-91		1991-92		1992-93	
	No.	%	No.	%	No.	%
Executives	6,717	30.46	6,401	29.78	6,499	29.82
Supervisors	3,202	14.52	3,021	14.05	3,040	13.95
Workmen	12,133	52.02	12,076	56.17	12,258	56.23
Total	22,052	100.00	21,498	100.00	21,797	100.00

Question :

Analyse the above case and give your comments.

M.B.A. DEGREE EXAMINATION, DECEMBER 2014/JANUARY 2015.

Fourth Semester

Human Resource Management

HUMAN RESOURCE ACCOUNTING

(2012-13 Batch onwards)

Time : Three hours Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions.

All questions carry equal marks.

1. What is Human Resource Accounting? Explain its importance.

2. Write about efficient use of workforce and organisation performance in Human Resource Accounting.

3. What is Human Resource Planning?

4. Explain the objectives of Human Resource Accounting.

5. Describe the management of human value addition into money value.

6. "Behaviour of the organisation and individual is a variable factor in the organizational turnover" – Comment.

7. What is Responsibility Accounting? Explain its features?

8. What is HRA software? Explain.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

9. "Human resource is a continuous process, it should be accounted periodically, not at one time"- justify.

10. Critically examine Modern Market Investment Theory in Human Resource Accounting.

11. What is Human Capital Investment? Explain its Advantages to an organisation.

12. Briefly explain the various approaches to Human Resource Accounting.

13. "Recruitment costs and Training costs is an investment not an expenditure" – Comment.

14. State the advantages of Human Resource Accounting and difficulties in implementing it.

15. Elaborate the various classification of costs in Human Resource Accounting.

16. How to prepare a HRA oriented reporting process including P and L accounts and balance sheet? Give examples.

PART C — (20 marks)

Compulsory

17. Case Study

In this case study an effort has been made to make an in-depth study of NTPC, a leading organisation in the power generation and distribution industry, in respect of its application of HRA systems and evaluation of productivity and performance of the human resources of the company during the years 1987-88 to 1992-93. As such this case study may also be used to understand the basics of Human Resource Audit.

Human Resource Accounting in NTPC

NTPC Ltd. has grown to be one of the leading public sector undertakings and one of the key factors for this growth is the strength of its human resources. NTPC decided on measuring and communicating the value of human resources on an annual basis in the financial year 1986-87. Since then it has continuously disclosed the details of its human resources in its annual reports. In NTPC in order to work out the value of human resources Lev and Schwartz Economic Model has been employed. The company has computed the present value of future direct and indirect payments to its employees as a measure of its human resources. While doing so, the assumptions set by NTPC are as follows:

(a) Continuity of present pattern in employee compensation.

(b) Career growth as per the company's present policy.

(c) Discount factor @12%.