

## 2.1 RATE ANALYSIS AND COSTING

### STANDARD DATA

The process of working out the cost or rate per unit of each item is called as Data. In preparation of Data, the rates of materials and labour are obtained from current standard scheduled of rates and while the quantities of materials and labor required for one unit of item are taken from Standard Data Book.

### OBSERVED DATA

In statistics, an estimator is a rule for calculating an estimate of a given quantity based on observed data: thus the rule (the estimator), the quantity of interest (the estimate) and its result (the estimate) are distinguished. For example, the sample mean is a commonly used estimator of the population mean.

### SCHEDULE OF RATES

In order to determine the rate of a particular item, the factors affecting the rate of that item are studied carefully and then finally a rate is decided for that item. This process of determining the rates of an item is termed as analysis of rates or rate analysis.

The rate of particular item of work depends on the following.

1. Specifications of works and material about their quality, proportion and Constructional Operation method.
2. Quantity of materials and their costs.
3. Cost of labors and their wages.
4. Location of site of work and the distances from source and conveyance charges.
5. Overhead and establishment charges
6. Profit

## MARKET RATES

This term indicates the cost per unit at which an article can be procured at a given time, at the store go down, from the public markets. The cost should be inclusive of carriage and and incidental charges, and may include a reasonable provision foe wastage and depreciation.

