



Original Article

A STUDY OF JOB COSTING IN SHIVANYA KITCHEN TROLLEY, PANDHARPUR

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Manuscript ID:

IJAAR-B130370

ISSN: 2347-7075

Impact Factor – 8.141

Volume - 13

Issue - 3

January – February 2026

Pp. 464 - 470

Submitted: 01 Feb. 2026

Revised: 10 Feb. 2026

Accepted: 15 Feb. 2026

Published: 28 Feb. 2026

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Quick Response Code:



Website: <https://ijaar.co.in/>



DOI: 10.5281/zenodo.20322425

DOI Link:

<https://doi.org/10.5281/zenodo.20322425>



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Abstract:

*This research paper examines the **job costing system** implemented at **Shivanya Kitchen Trolley**, a small manufacturing enterprise located in Bhosale Nagar, Pandharpur (Dist. Solapur), that fabricates custom kitchen trolleys for individual customers. Job costing is a method of cost accounting where costs are tracked and assigned to unique jobs or customer orders rather than mass production runs.*

*The study aims to understand how direct material costs, direct labour costs, and overheads are recorded and allocated to individual jobs at Shivanya Kitchen Trolley, and how these cost components influence the **pricing, profitability, and cost control** in the business. Through a detailed analysis of selected job orders over a fixed period, this study identifies the major cost elements involved in producing kitchen trolleys, evaluates the effectiveness of the current costing practices, and suggests improvements for enhancing cost accuracy and financial decision-making.*

*Primary data were collected through direct interviews with the owner and workers and by analyzing job cost sheets and production records. The findings reveal that **material costs constitute the largest portion of total job cost**, followed by labour and factory overheads. The research highlights strengths such as personalised costing for each order, as well as weaknesses including inconsistent overhead allocation methods. Recommendations include implementing **standardised cost sheets and formal overhead absorption rates** to improve future quoting and profitability.*

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How to cite this article:

Deshmukh Suchit Sanjay. (2026). A Study of Job Costing in Shivanya Kitchen Trolley, Pandharpur. International Journal of Advance and Applied Research, 13(3), 464 - 470. <https://doi.org/10.5281/zenodo.18536558>

Introduction:

In today's competitive business environment, accurate cost measurement is essential for effective pricing, profitability analysis, and decision-making. **Job costing** is a specialized cost

accounting method used to determine the actual cost incurred for a specific job or work order. Unlike traditional costing methods that average costs over mass production, job costing collects and records costs for individual jobs that are unique in nature.



This technique is widely used by businesses that produce customized products or provide specialized services, where each job requires different amounts of material, labour, and overheads and thus demands separate cost analysis.

In the context of *Shivanya Kitchen Trolley* — a small-scale food service enterprise located in **Pandharpur, District Solapur** — job costing plays a crucial role in tracking the costs associated with each customized service or product offering. Whether the trolley prepares a specific menu item, offers catering services for an event, or customizes meals according to customer requests, each task represents a separate job. By applying job costing, the business can record direct materials (like raw food ingredients), direct labour (preparation and service personnel), and overhead costs (utilities, fuel, wear and tear of equipment) for every job. This enables the owner to determine the **true cost and profitability** of each service and helps in pricing decisions, cost control, and planning for future operations.

Job costing thereby becomes a fundamental tool, especially for small entrepreneurs like those operating *Shivanya Kitchen Trolley*, to ensure efficient resource utilization, transparent cost tracking, and sustainable profit margins.

Objectives:

1. To study the job costing system used in Shivanya Kitchen Trolley.
2. To identify the components of cost in the business.
3. To determine factors affecting cost variation in different jobs.
4. To assess the effectiveness of cost control measures adopted.
5. To suggest improvements in the job costing process for better decision-making.

Scope of the Study:

1. Topical Scope:

The topical scope of the study on Shivanya Kitchen Trolley Shop, Pandharpur includes all the themes directly related to the functioning, operations, and services of the shop. The nature of business activities related to manufacturing and selling kitchen trolleys.

2. Periodical Scope:

It also includes the previous 1–3 years to understand changes in sales, customer demand, and business growth. Past data such as establishment year, technological changes, or shifts in customer preferences may also be considered for comparison

3. Geographical Scope:

The primary focus is on Pandharpur city, where Shivanya Kitchen Trolley shop is located. The study covers Pandharpur's local market, including nearby residential areas and commercial customers.

Limitations of the Study:

- Time is limiting factor: In this we have to complete the project in one semester. It has deadline.
- Suggestion will be on the basis data obtained and response the owner management of the organization.
- Based on data provided by the enterprise which may have biases.
- Some records may be incomplete or unavailable.



Review of Literature:

1. Sharma, R.K. (2015): Sharma’s research paper focuses on the application of job costing in small-scale manufacturing units in India. He explains that customized production requires a separate costing record for each job to ensure correct pricing. The study highlights that most micro enterprises lack a systematic costing approach, leading to inaccurate cost estimation

2. Patil, S. & Kulkarni, A. (2016): This paper examines costing systems used by medium and small furniture-manufacturing enterprises in Maharashtra. The authors discuss how job costing helps manage customised customer orders by recording job-wise material and labour costs. They found that most units rely on manual cost sheets, which increases errors in cost calculation

3. Mehta, D. (2017): Mehta’s research paper analyses job costing practices in customised furniture units across Gujarat and Maharashtra. He explains that job costing is suitable where production is not uniform and each product is prepared according to customer requirements. His study found that most small enterprises do not maintain proper material requisition slips, leading to difficulties in calculating actual cost.

4. Jadhav, P.B. (2018): Jadhav’s paper studies job costing in modular kitchen and interior design units

in urban and semi-urban areas. He states that job costing helps determine cost variations between estimated and actual cost. His research found that material waste is one of the biggest cost-increasing factors during trolley making.

Research Methodology:

Primary data:

- The researcher will collect the primary data through internal issues of the on with management. Information collected from the daily records of the Shivanya Kitchen Trolley Pandharpur.

Secondary data:

- From the balance sheet and order sheet of the firm data collected.
- General information collected from different magazines and referring the book of different authors, and newspapers of Karmaveer Bhaurao Patil Mahavidyalaya, Pandharpur.

Sample Design: Sampling Technique: Random sampling of customers visiting the shop.

Sample Size: Around 50 respondents (depending on feasibility).

Target Population: Customers of Pandharpur who purchased or plan to purchase kitchen trolleys and modular kitchen furniture.

Data Analysis:

Table 1: Types Of Work Undertaken

Type of work undertaken	2020 – 21 (Use in No.)	2021 – 22 (Use in No.)	2022 – 23 (Use in No.)	2023 – 24 (Use in No.)
Modular trolley only	20	30	15	25
Full kitchen setup	30	20	35	40
Repairs work	10	5	20	15
All of the above	40	45	30	20

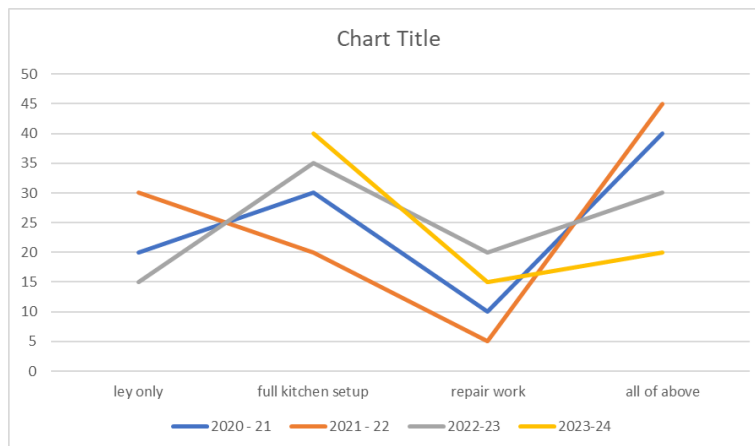
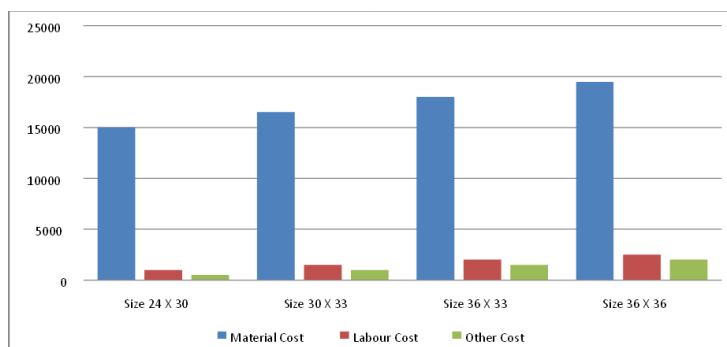


Table – 2: Statement Showing Expenses for The Year 2021-22

Items	Size 24 X 30	Size 30 X 33	Size 36 X 33	Size 36 X 36
Material cost	15,000	16,500	18,000	19,500
Labour cost	1,000	1,500	2,000	2,500
Other cost	500	1,000	1,500	2,000



SHIVANYA KITCHEN TROLLEY PVT. LTD. PANDHARPUR
JOB COST SHEET
FOR THE YEAR 2021-22

Job size 24 X 30

Unit Produced - 30 qty

Particulars		Total Cost
Direct Material		
Design material	2500	
Composite material	1000	
Welding	1000	
Cutting	1500	
Machining	9000	15000
Direct Labour		1000
Direct Expenses		
Light Bill	350	
Transport	150	500
Prime cost		16500



Add Factory Overheads		
Depreciation		900
Factory cost		17400
Add office & Administration Overheads		
Salary	2000	
Rent	1200	
Printing & Stationary	50	
Tea & Others	30	3280
Cost of Production		
Add Selling & Distribution Overheads		20680
Sales Transports	300	
Advertisements	100	400
Cost of Sales		21080

SHIVANYA KITCHEN TROLLEY PVT. LTD. PANDHARPUR
JOB COST SHEET
FOR THE YEAR 2019-20

Job size 36 X 33

Unit Produced - 30 qty

Particulars		Total Cost
Direct Material		
Design material	3200	
Composite material	2000	
Welding	600	
Cutting	1200	
Machining	11000	18000
Direct Labour		2000
Direct Expenses		
Light Bill	950	
Transport	550	1500
Prime cost		21500
Add Factory Overheads		
Depreciation		1100
Factory cost		22600
Add office & Administration Overheads		
Salary	3000	
Rent	1200	
Printing & Stationary	150	
Tea & Others	80	4430
Cost of Production		
Add Selling & Distribution Overheads		27030
Sales Transports	450	
Advertisements	200	550
Cost of Sales		27580

Findings:

1. **Material Cost is the Highest Cost Element:**

In all job sizes, machining and composite

materials constitute the largest share of total cost, directly impacting job cost and profitability.



- Larger Job Size Increases Cost Significantly:** Job size 36×33 shows higher total cost compared to 24×30 due to increased material usage, labour, and overhead expenses.
- Full Kitchen Setup is More Profitable:** Increasing trend in full kitchen setup work indicates higher demand and better revenue potential compared to modular trolley-only or repair work.
- Overheads Add Considerable Cost:** Factory, administration, and selling overheads significantly increase the cost of sales, highlighting the need for overhead control.

Suggestions:

- Control Material Wastage:** Since material cost is the major expense, proper planning, quality checks, and inventory control should be adopted to reduce wastage.
- Focus on High-Demand Jobs:** More emphasis should be given to full kitchen setups and combined services, as they show consistent growth and higher profitability.
- Reduce Overhead Expenses:** Administrative and selling expenses should be reviewed periodically to minimize unnecessary costs and improve profit margins.
- Improve Cost Estimation:** Accurate pre-job cost estimation should be implemented to avoid cost overruns and to ensure competitive pricing.

Conclusion:

The study on **Job Costing at Shivanya Kitchen Trolley, Pandharpur** concludes that the organization has adopted a practical and functional costing system suitable for its customised manufacturing process. Job costing has been helping the firm estimate material, labour, and overhead expenses for each individual order, thereby supporting accurate pricing and cost control.

However, the analysis reveals that certain areas need improvement, such as systematic record-keeping, timely preparation of job cost sheets, and better coordination across departments. The financial comparison of the last three years indicates a gradual increase in material and labour expenses, making it essential for the company to strengthen cost monitoring practices. The study further concludes that the organization can significantly enhance its profitability by reducing wastage, improving labour productivity, and implementing digital tools for real-time cost tracking. Employee awareness and training on costing procedures must also be improved to ensure smooth implementation.

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