

Service Costing:

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| Laxmi transport company is running 4 buses between Delhi and Panipat, which are 100 km apart, seating capacity of each has is 40 passengers The following details are available from log book for one month. | |
| Expenses | Rs. |
| Wages of drivers, conductors and Cleaners | 1,48,000 |
| Salaries of supervisor | 1,20,000 |
| Diesel Oil and Petrol | 48,000 |
| Repairs and Maintenance | 16,000 |
| Road tax and insurance | 32,000 |
| Depreciation | 52,000 |
| Interest and other charges | 40,000 |
| Actual passenger carried were 75% of seating capacity. All four buses run on all days of the month. Each has made one round tripper day. Find out cost per passenger km. | |

Solution:

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|---|-----------------|------------------------|-----------------------------------|
| Total Passenger kms for one month | | | |
| No of buses*Distance*No of days per month*Round trip*seating capacity*actual capacity % | | | |
| 4*100*30*2*40*75% | | | |
| | | | 7,20,000 |
| Calculation of cost per Passenger km | | | |
| Particulars | workings | Total cost(Rs.) | Cost per passenger km(Rs.) |
| Standing charges: | | | |
| Wages of drivers, conductors and Cleaners | | 1,48,000 | |
| Salaries of supervisor | | 1,20,000 | |
| Road tax and insurance | | 32,000 | |
| Interest and other charges | | 40,000 | |
| Total standing charges | | 3,40,000 | 0.47 |
| Variable charges: | | | |
| Diesel Oil and Petrol | 48000/720000 | | 0.07 |
| Repairs and Maintenance | 16000/720000 | | 0.02 |
| Depreciation | 52000/720000 | | 0.07 |
| Variable charges per km | | | 0.16 |
| Cost per passenger km | | | 0.63 |