**Objectives of human resource Accounting and Auditing**

1. When the cost incurred on recruiting, training and developing the employees is considered for determining the value of employees, it is called **Historical Cost Approach.**
2. The opportunity cost approach in human resource accounting was introduced by **Hekimian and Jones.**
3. The aggregate payment approach in human resource accounting was developed by **S. K. Chakraborty.**
4. The value of human resources is the function of the average salary of the employees and their average employment tenure in the organization. This is the essence of the **aggregate payment model.**
5. Fixing the value of an employee depending upon his productivity, promotability transferability and retainability is the core of the **stochastic reward valuation model.**
6. In 1960s **Rensis Likert** along with the other social researchers made an attempt to define the concept of Human Resource Accounting.
7. The main aim of HRA is to depict the potential of HR in monetary terms, while preparing the organization’s **financial statements.**
8. **Acquisition cost** refers to the costs incurred in acquiring the right man for the right job at the right time and in right quantity
9. **Selection costs** includes the costs of application blanks, administrative costs of processing applications as well as conducting tests.
10. **Formal** training cost refers to the costs incurred in conventional training for the orientation of an individual. So that he can operate the work.
11. The cost to acquire a new employee is called as **Acquisition Cost**
12. The cost to make the employee sufficiently competent to work with the peers in the organisation is called as **training and development cost**.
13. Human resource accounting does an accounting of **Human Assets** in the firm.
14. HRA is an **Employer Employee mutual benefiting** ideology.
15. “**Human resource accounting** is the term applied by the accountancy profession to quantify the cost and value of employees to their employing organization”
16. Historical cost accounting is also known as **conventional accounting**
17. **Historical cost** is the concept that assets should be valued based on their purchase price or the money actually paid for the assets.
18. **Financial statements** can be easily verified with the help of relevant documentary and other evidence.
19. **Positional replacement** is the cost that refers to the cost of filling different position in an organization.
20. **EVA** can be used for personal gains by the manager. Which might not be particularly profitable for the firm.
21. **Provident fund** is the compulsory contributory fund for the future of employees after their retirement or for their dependents in case of their early death.
22. **The Indian companies Act** does not provide any scope for furnishing any significant information about human resources in financial statements.
23. **The EDLI** provides assurance benefit to employees along with PF benefit.
24. Gratuity is calculated as **Basic + DA/26\* no. of years of service\*15**
25. TDS deduction is carried out under **section 192** of the income tax act, 1961.
26. **Capitalisation of salary** method indicates that the present value of total future earnings of homogeneous group of employees is estimated.
27. EVA is the theory developed and trademarked by **Stern Steward and Co.**
28. There is no opportunity cost for the employees that are available in **Abundant.**
29. Lack of management commitment is one of the **limitation** of HR audit.
30. Process of HR audit includes **Six** steps.
31. **Outside authority approach** is the one in which auditors use standards set by an outside company as benchmark.
32. **Stress interview** is used by an employee to put a candidate under intense pressure for assessment.
33. Drawing inferences from various senses that are seen and are heard off is done in **Observation method.**
34. Database to be maintained for the information of part time and full time employees is done through **HRIS.**
35. HR audit involves the measurement of Cost and **value** of the people in the organization.
36. Conducting of HR audit is **optional.**
37. HR audit helps in **decreasing** Human resources cost.
38. Results of HR audit can be expressed in **measureable** terms.
39. In the **compliance** approach the auditors review past actions to calculate whether those activities comply with legal requirements.
40. HR audit affects the **compensation management** system of the organization.
41. **TQM based interventions** helps in quantifying the problems and understand the customers in better and qualitative way.
42. Certificate education program is offered by **TVRLS** in HRD audit.
43. Valuation of Human resources can be done through **monetary** and **non-monetary** methods.
44. Expected realisable value method is a type of **Non-monetary methods.**
45. There is **Absence** of industry standard for human valuation.
46. Monetary methods consider the **economic value** of human resources.
47. Opportunity cost method is a **monetary method** of human resources.
48. **Human capital** refers to the collective capability, knowledge and skills of the people that are employed by an organization.
49. Decreasein value of assets is called as **decapitalization.**
50. Capability of change is one of the factors considered for success of **Intervention of HR audit.**