



Advanced Apparel Production

Level III

Based on Occupational Standard

March 2011 Version 1



Module title: Performing Job Estimates and Costing

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Bishoftu, ethiopin



| Table of Contents | page |
|---|-----------|
| LO #1- Identify cost involved in producing garments or services..... | 3 |
| Instruction sheet | 3 |
| Information Sheet 1. Obtaining detail customer requirements | 4 |
| Self-Check1 | 10 |
| Information Sheet 2 Requiring types and quantities of materials..... | 11 |
| Self-Check 2 | 12 |
| Information Sheet 3. Estimating labor requirements | 13 |
| Self-Check 3 | 14 |
| Information Sheet 4. Estimating time to perform requirement of services | 15 |
| Self-Check 4 | 16 |
| LO #2- Calculate Cost..... | 17 |
| Instruction sheet | 17 |
| Information Sheet 1 Calculating total materials costs and labor costs..... | 18 |
| Self-Check 1 | 22 |
| Information Sheet 2. Calculating total job cost | 23 |
| Self-Check 2 | 24 |
| Information Sheet 3. Calculating final cost to customer..... | 25 |
| Self-check 3..... | 26 |
| Operation sheet 1 | 27 |
| Operation sheet 2 | 27 |
| Operation sheet 3 | 27 |
| Lap test..... | 27 |
| LO #3- Document and verify details..... | 28 |
| Instruction sheet | 28 |
| Information Sheet 1. Documenting details costs and charges..... | 29 |
| Self-Check 1 | 30 |
| Information Sheet 2 Verifying costs, calculations and other details..... | 31 |
| Self-Check 2 | 32 |
| Information Sheet 3. Preparing customer quotation | 33 |
| Self-Check 3 | 35 |
| Information Sheet 4. Documenting Details for future reference..... | 36 |
| Self-Check 4 | 37 |



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| LG #49 | LO #1- Identify cost involved in producing garments or services |
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| | |
|-------------------|--|
| Instruction sheet | |
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This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Obtaining detail customer requirements
- Estimating labor requirements
- Estimating time to perform requirement of services
- Requiring types and quantities of materials

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Obtain detail customer requirements
- Estimate labor requirements
- Estimate time to perform requirement of services
- Require types and quantities of materials

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| Learning Instructions: |
|-------------------------------|

Read the specific objectives of this Learning Guide.

1. Follow the instructions described below.
2. Read the information written in the “Information Sheets”. Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
3. Accomplish the “Self-checks” which are placed following all information sheets.
4. Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).
5. If you earned a satisfactory evaluation proceed to “Operation sheets”



Information Sheet 1. Obtaining detail customer requirements

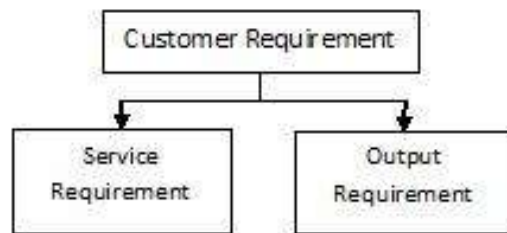
Introduction.

Cost typically can be defined as 'the economic value placed upon the resources consumed to make a product.' Costing is the process of estimating and then determining the total cost of producing a garment, including the cost of materials, labor and transportation as well as the general expenses of the operating the business.

1.1 Obtain detail customer requirements

There can be two types of customer requirements:

1. Service Requirement
2. Output Requirement



Service Requirements: Intangible aspects of purchasing a product that a customer expects to be fulfilled. It consists of elements like on-time delivery, service with a smile, easy-payment etc. It encompasses all aspects of how a customer expects to be treated while purchasing a product and how smooth his buying process goes.

Output Requirements: These are mostly the tangible characteristics, features or specifications that a consumer expects to be fulfilled in the product. If a consumer is availing a service as a product, then various service requirements can take the form of output requirements. For example, if the consumer is hailing a metro cab, then on-time arrival becomes an output requirement. For other products such as gadgets, the product

| | | | |
|--------------|---|---|------------------|
| Page 4 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



specifications like the loudness and clarity of a pair of speakers becomes its output requirements

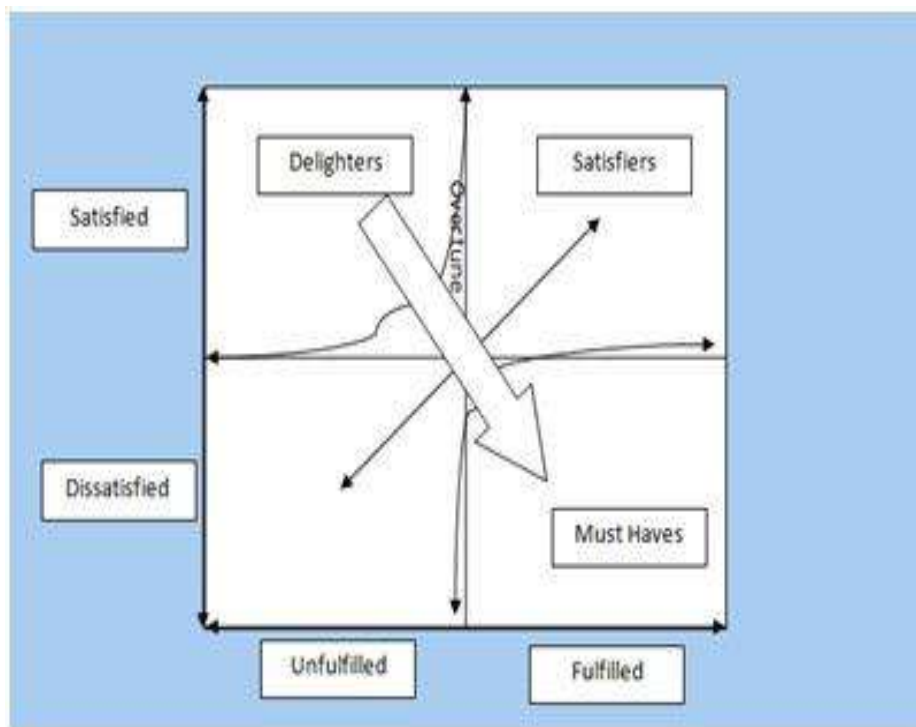
There are 3 levels of customer requirements:



Must Haves: These are the bare minimum requirements expected by the customers; if fulfilled customers will not show any exceptional appreciation but if not fulfilled, the customer will show dissatisfaction. The customers do not explicitly express their desire for these but expect it to be understood. .

Satisfiers: There are the requirements that customers express their desire for, explicitly. If you offer better or more of these satisfiers, then the customers will appreciate it more and will be more satisfied. For example, the assortment of desserts in a buffet; the customers might feel that they're entitled to at least two as they've paid heavily for the buffet and will be happier if they get four

Delighters: These are the extras or the add ones. Absence of these will not leave the customer dissatisfied; in fact, the absence of these characteristics might not even be noticed. But adding these would increase the customer's satisfaction greatly and will leave them delighted. For example, you order a-la-carte in a restaurant and get complimentary wine.



1.1.1 Style/Design

- 2 Designing: In garment manufacturing, the first step is designing the sketch for the dresses that have to be prepared. For this purpose the designer first draws several rough sketches in the sketch book. The designer does not go for details at this moment but rather lets creativity flow on the paper. There may be many sketches. Later, these sketches are analysed by a panel of designers. They finally select a few of them. These sketches are rendered in detail separately or in the form of a single collection. The designer also draws working drawings along with the sketch. Working drawings are flat drawing of the sketch and it helps pattern maker understand the patterns involved in the construction.



Shirt front part



Shirt back part

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|--------------|---|---|------------------|
| Page 7 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



2.1.1 Size And Color

In the garment manufacturing industry, one of the major issues is to determine the color difference of the same style of clothing pieces.

Some designers select an image, or series of images, to display their color story. Others use forecasting services which offer a variety of different color swatches, silhouette, and textile forecasts. Once you select your first color story, you are able to utilize Pantone to develop color standards. Pantone functions as both a trend and color forecasting site. They are also the industry standard for identifying colors. Each color swatch is labeled and categorized with numbers and letters, allowing you to easily find the true color.



2.1.2 Type Of Fabrics

Components of cost of garment; in continuation of the other functions Production merchandiser is also required to do the costing of the product. The costing is done by keeping in mind the cost of the various raw materials, operating cost of the company, the competition and expected profit of the organization. At the same time, it is necessary to keep in mind the buyers costing expectations.

Fabric is generally the most significant factor in costing of garment. Fabric accounts for 60 to 70% of the total cost of basic-styled garments .In many cases, evaluating the quality and the quantity of fabric consumed in the garment indicates better than any other factor the cost of producing it. The cost of fabric depends upon the type of fabric is going to be utilized in the garment.

Types of fabrics are

| | | | |
|--------------|---|---|------------------|
| Page 8 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



1. Woven/knitted fabric
2. Power loom/automatic loom fabric
3. Cotton, wool, polyester, silk, blended fabric etc.
4. Type of dyeing and finish used
5. GSM/Weight of fabric.
6. Type of yarn used i.e. ring spun, open ended, or carded/combed etc

The parameters that affect the fabric cost

UOM: Unit of Measurement (UOM) is a quantity used as a standard of measurement. The Unit of Measurement for woven fabric is normally in meters or yard, while knitted fabric measured in Kilograms or some time it is in yards also. Merchandiser should aware of unit of measurements while finding out the cost of fabric. Sometimes buyer specifies the UOM of fabric.

MOQ: Fabric Minimum Order Quantity (MOQ) is nothing but the smallest quantity of a product that a fabric manufacturer can supply. The MOQ depends on the type of fabric and on capacity of vendor. The MOQ plays the important role while ordering the fabric as it directly affects the cost of garment. If the order of fabric is below the estimated MOQ then vendor charges more cost as compared to regular charges. Merchandisers need to keep the MOQ in mind while doing the costing of small quantity orders.

Order quantity: The cost of fabric may vary with the order quantity, more the order quantity; cost of fabric can be optimized till certain level. But this is again depends on the type of fabric required and fabric manufacturer capacity along with negotiation between fabric buyer and supplier.

Inco term used: This factor makes the huge difference in fabric cost. While importing the fabric from another country merchandiser need to deal with the supplier for delivery of the fabric

Date to Finish = The date of finished is to take depend on our customer interest

| | | | |
|--------------|---|---|------------------|
| Page 9 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |

**Self-Check1****Written Test**

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page(2 point each)

I. Chose the best answer

1. Which of the following is In garment manufacturing, the first step is designing the sketch for the dresses that have to be prepared.

A. Style

C. Date to Finish

B. Color

D.All

2. One of the following is the date of finished is to take depend on our customer interest

A. Style

C. Date to Finish

B. Color

D. All

II. If the answer is correct say true if the answer is in correct say false

1. Service Requirements Intangible aspects of purchasing a product that a customer expects to be fulfilled.

Name: _____

date: _____

Note: Satisfactory rating – 6 points

Unsatisfactory - below 6 points

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

2. _____

1. _____

Score = _____

Rating: _____



Information Sheet 2 Requiring types and quantities of materials

2.1 Requiring types and quantities of materials

In short, yes. Not only does a label establish your clothing and brand identity, but it also gives instructions that help the customer best care for the garment long after purchase. Clothing labeling is so important,

Prepare a detailed project report covering the requirement of man, variety of machine and list of materials for the products you will be manufacturing. Machine requirement preparation involves understanding different types of machines required for making the desired product and product group. Then estimating number sewing machine, non-sewing machines and equipment required for making the monthly target production volume.

Material requirement calculation involves preparing a list of raw materials (fabrics, trims, accessories) and the volume of each material need to be procured

Material list

1. Fabric
2. Thread
3. Needle
4. Button

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| Page 11 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |

**Self-Check 2****Written Test**

Directions: answer all the questions listed below. Use the answer sheet provided in the next page.

I written test

1. Write list of material(**4 point each**)

Name: _____

date: _____

Note: Satisfactory rating – 4 points**Unsatisfactory - below 4 points**

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

2. _____

3. _____

Score = _____

Rating: _____



Information Sheet 3. Estimating labor requirements

3.1 Estimating labor requirements

Production is the total number of garments stitched by operators in a line in a day. Production is also termed as daily output. To estimate production, you need the following information.

Direct labor cost

1. Machine = 10

2. Sewing = 20

3. Finishing = 15

Total labor cost= 25

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|---------------|---|---|------------------|
| Page 13 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |

**Self-Check 3****Written Test**

Directions: answer all the questions listed below. Use the answer sheet provided in the next page. **(4point each)**

- I. What is labor cost

Name: _____

date: _____

Note: Satisfactory rating – 4 points

Unsatisfactory - below 4 points

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

Score = _____

Rating: _____



Information Sheet 4. Estimating time to perform requirement of services

As you have drawn an outline for the product categories, now you need to plan the daily production volume. I mean, how many garments for the selected products you want to make daily basis

The formula for production estimation

Daily production = (Total man minutes available in a day/SAM) * Average Line efficiency

Total available man-minutes =(Total no. of operators * Working hours in a day * 60)

Let's assume

Daily Production= Total man minutes available in a day

SAM=Standard Allowed Minuets

- Garment SAM is 20 minutes,
- Number of operators is= 5
- Shift hours in a day = 6 hours
- Average line efficiency =50
- Operators get a total of 45 minutes for lunch and tea break.

So, Total available man minutes = 5 * (6 * 60) – 45) = 1580 minutes

Daily estimated production = 1580 /20 * 50% = 39 pieces

You can expect this much output from that line if everything goes well.

Daily production quantity from a line is directly proportional to the line efficiency; the number of operators and working hours. And production is reverse proportional to the garment SAM. If the efficiency of a line increases you can expect higher production.

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|---------------|---|---|------------------|
| Page 15 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |

**Self-Check 4****Written Test**

Directions: answer all the questions listed below. Use the answer sheet provided in the next page. (2 point each)

I. Define

1. SAM

Name: _____

date: _____

Note: Satisfactory rating – 3 points

Unsatisfactory - below 3 points

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

Score = _____

Rating: _____



| | |
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| LG #50 | LO #2- Calculate Cost |
| Instruction sheet | |
| <p>This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:</p> <ul style="list-style-type: none"> • Calculating total materials costs and labor costs • Calculating total job cost • Calculating final cost to customer <p>This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:</p> <ul style="list-style-type: none"> • Calculate total materials costs and labor costs • Calculate total job cost • Calculate final cost to customer | |
| Learning Instructions: | |
| <p>Read the specific objectives of this Learning Guide.</p> <ol style="list-style-type: none"> 1. Follow the instructions described below. 2. Read the information written in the “Information Sheets”. Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them. 3. Accomplish the “Self-checks” which are placed following all information sheets. 4. Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks). 5. If you earned a satisfactory evaluation proceed to “Operation sheets | |



Information Sheet 1 Calculating total materials costs and labor costs

Preparation of material cost sheet Prepare material requirement sheet List down all items required and calculate consumption per unit for all materials to be used in garments Material price listing Preparation of material requirement sheet Material cost is the major cost component of a garment manufacturing costs. A correct cost calculation method will give you better projection of garment cost for a style. In this article how to calculate direct materials cost have been explained in details. Raw materials required for making a garment is sourced from suppliers. Main materials are like fabric, labels, sewing thread, hang tags, trims etc. So to have correct material cost you must have price knowledge of each item. Steps used for material costing estimation are

1. Material cost

It is the cost of the substance from which the product is made.
 It may be in a raw or a manufactured state.
 It can be direct as well as indirect.

- **Direct Material** – mostly termed as raw material
 - ✓ Direct material refers to all materials which becomes an integral part of the finished product and which can be conveniently assigned to specific physical unit
 - ❖ Following are some of the examples direct material
 - All materials specifically purchased, produced or requisitioned from stores,
 - Primary packing material (e.g. cartoon, wrapping, cardboard, boxes etc.).
 - Purchased or partly produced components.
- **b) Indirect Material**
 - ✓ Indirect material - all materials which are used for purposes ancillary to the business and which cannot be conveniently assigned to specific physical units is termed as.
 - ✓ Consumable stores, oil and waste, printing and stationery etc. are a few examples.
 - ✓ Indirect material may be used in the factory, the office or the selling and distribution division.

| | | | |
|---------------|---|---|------------------|
| Page 18 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



| Material list | | Unit | Quantity | Price |
|---------------|--------|------|----------|-------|
| 1 | Fabric | M | 100cm | 80 |
| 2 | Thread | Spun | ¼ | 20 |
| 4 | Needle | No, | 1 | 1 |
| 5 | Button | No, | 5 | 1 |

Material Cost

1. Fabric 80cm = So if 100cm=80br $100\text{CM} = \underline{80\text{br}}$
 2. ¼ spun if 1 tread=20br = $1/4 = \underline{5\text{br}}$
 3. Needle=1br
 4. Button=1bn=1br 5bn=5br
- $80+5+1+5=91\text{br}$

2. Labor cost

For conversion of materials into finished goods, human effort is needed; such human effort is called labor.

Labor can be direct as well as indirect

- **Direct Labor**

- ✓ Labor which takes an active and direct part in the production of a particular commodity is called direct labor.
- ✓ Direct labor costs are, therefore, especially and conveniently traceable to specific products eg. Design engineer
- ✓ Direct labor is also described as process labor, productive labor, operating labor, manufacturing labor, direct wages etc

Labor cost

1. Machine =10 $\underline{10+20+15=45\text{br}}$
2. Sewing = 20
3. Finishing = 15



- **Indirect Labor**

- ✓ Labor employed for the purpose of carrying out tasks incidental to goods or services provided, is indirect labor.
- ✓ Such labor does not alter the construction composition or condition of the product.
- ✓ It cannot be practically traced to specific units of output.
- ✓ Wages of store-keepers, foremen, time-keepers, directors' fees, salaries of salesmen, etc. are examples.
- ✓ Indirect labor may relate to the factory, the office or the selling and distribution divisions

3. **Expenses** - may be direct or indirect.

- **Direct Expenses** - are expenses which can be directly, conveniently and wholly allocated to specific cost centers or cost units. Examples of such expenses are:

- ✓ hire or purchase some special machinery required for a particular contract,
- ✓ cost of defective work incurred in connection with a particular job or contract etc.
- ✓ Also called Directly chargeable expenses.

- **Indirect Expenses**

- ✓ These are expenses which cannot be directly, conveniently and wholly allocated to cost centers or cost units.
- ✓ It is part of an overhead cost

Indirect expenses may be classified under the following three categories-

Manufacturing (works, factory or production) Expenses

- ✓ Such indirect expenses are incurred in the factory and concerned with the running of the factory or plant.
- ✓ Expenses relating to production management and administration are included therein.
- ✓ Eg. Rent, rates and insurance of factory premises; power used in factory building, plant and machinery, etc.

1. Office and Administrative Expenses

- These expenses are not related to factory but they pertain to the management and administration of business

| | | | |
|---------------|---|---|------------------|
| Page 20 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



- Such expenses are incurred on the direction and control of an undertaking business.
- Examples are: Office rent, lighting and heating, postage and telegrams, telephones and other charges; depreciation of office building, furniture and equipment, bank charges, legal charges, audit fee etc.

1 Selling and Distribution Expenses

- These are expenses incurred for marketing of a commodity, for securing orders for the articles, dispatching goods sold, and for making efforts to find and retain customers, are called selling and distribution expenses.

Examples are: Advertisement expenses cost of preparing tenders, travelling expenses, bad debts, collection charges etc. warehouse charges, packing and loading charges, carriage outwards,

4. Overheads

- ✓ Overhead costs: stands for those costs incurred, but which are not directly related to the production process
- ✓ Overheads include the cost of indirect material, indirect labor besides indirect expenses.

Overheads

1. Cutting 10
2. Electric 8 =10+8+5+2=25br
3. Transport 5
4. Water 2

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|---------------|---|---|------------------|
| Page 21 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |

**Self-Check 1****Written Test**

Directions: answer all the questions listed below. Use the answer sheet provided in the next page. **(2 point each)**

1. Which of the following stands for those costs incurred, but which are not directly related to the production process
A. Labor cost C. Material cost
B. **Overhead cost** D. All of above

2. Which of the following is Labor which takes an active and direct part in the production of a particular commodity
A. Material cost C. **Labor cost**
B. Overhead cost D. None

3. One of the following is the cost of the substance from which the product is made
A. **Material cost** C. Labor cost
B. Overhead cost D. None

Name: _____

date: _____

Note: Satisfactory rating – 6 points**Unsatisfactory - below 6points**

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

2. _____

3. _____

Score = _____

Rating: _____



Information Sheet 2. Calculating total job cost

Job costing, also called project-based accounting is the process of tracking costs and revenue for each individual project. Job costing looks at each project in detail, breaking down the costs of labor, materials and overhead. It makes fewer assumptions than other costing methods.

Job costing is commonly used in the construction industry, where costs vary widely from job to job. But it's also used by manufacturers, creative agencies, law firms and more. Because job costing tracks costs in detail for each job, it can be a helpful tool for small business owners to evaluate individual jobs and see if any expenses can be reduced on similar projects in the future.

Total cost = Direct material cost + Labor cost + Applied overhead

$$\underline{48+5+5+1+1=91br} \quad \underline{45br} \quad \underline{25br}$$

$$\text{Total cost}=91+45+25=\underline{161}$$

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|---------------|---|---|------------------|
| Page 23 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



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| Self-Check 2 | Written Test |
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Directions: answer all the questions listed below. Use the answer sheet provided in the next page. **(4 point each)**

1. What is job cost

Name: _____

date: _____

Note: Satisfactory rating – 4 points

Unsatisfactory - below 4 points

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

Score = _____

Rating: _____



Information Sheet 3. Calculating final cost to customer

Customer cost refers not only to the price of a product, but it also encompasses the purchase costs, use costs and the post-use costs. Purchase costs consist of the cost of searching for a product, gathering information about the product and the cost of obtaining that information. Usually, the highest use costs arise for durable goods that have a high demand on resources, such as energy or water, or those with high maintenance costs. Post-use costs encompass the costs for collecting, storing and disposing of the product once the item has been discarded

1. Wastage=Total material cost* 2%/100

$$161*2/100=\underline{\underline{3.22}}$$

2. Production cost= Material cost +Labor cost +Overhead cost + Wastage

$$91+45+25+3.22+3.22=\underline{\underline{164.22}}$$

3. Profit=production cost*20/100

$$164.22*20/100=\underline{\underline{32.844}}$$

4. Tax=production cost*15/100

$$164.22*15/100=\underline{\underline{24.633}}$$

5. Final cost=Production cost +Tax +Profit

$$=164.22+32.844+24.633=\underline{\underline{221.7}}$$

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|---------------|---|---|------------------|
| Page 25 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



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| Self-check 3 | Written test |
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Directions: answer all the questions listed below. Use the answer sheet provided in the next page. **(2 point each)**

I. Chose the best answer

1. Which of the following is customer cost refers not only to the price of a product

- A. Total cost C. Final cost
B. Material cost D. All

II. Short answer

1. Write formula of final cost

Name: _____

date: _____

Note: Satisfactory rating –4 points

Unsatisfactory - below 4 points

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

2. _____

| |
|---------------|
| Score = _____ |
| Rating: _____ |



| | |
|--------------------------|--|
| Operation sheet 1 | Calculating total materials costs and labor costs |
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Procedure.: by using the following steps and Calculate Cost.

Step 1- clean the work station

Step 2- Take simple of project

| | |
|--------------------------|-----------------------------------|
| Operation sheet 2 | Calculating total job cost |
|--------------------------|-----------------------------------|

Procedure.: by using the following steps and Calculate Cost.

Step 1- clean the work station

Step 2- Take simple of project

| | |
|--------------------------|---|
| Operation sheet 3 | Calculating final cost to customer |
|--------------------------|---|

Procedure.: by using the following steps and Calculate Cost.

Step 1- clean the work station

Step 2- Take simple of project

| | |
|-----------------|--------------------------------|
| Lap test | Practical demonstration |
|-----------------|--------------------------------|

Name: _____ date: _____

Time started: _____ time finished: _____

Instructions: given necessary cost simple you are required to perform the following tasks within required hours.

Task 1: Calculating total materials costs and labor costs

Task 2: Calculating total job cost

Task 3: Calculating final cost to customer



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| LG #51 | LO #3- Document and verify details | | |
| Instruction sheet | | | |
| <p>This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:</p> <ul style="list-style-type: none"> • Documenting details costs and charges • Verifying costs, calculations and other details • Preparing customer quotation • Documenting Details for future reference <p>This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:</p> <ul style="list-style-type: none"> • Document details costs and charges • Verify costs, calculations and other details • Prepare customer quotation • Documented Details for future reference | | | |
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Information Sheet 1. Documenting details costs and charges

Detail cost charges A ratio of the cost divided by the charges

| Charges | In % | 161 | |
|---|-------------------------------------|------------|------|
| Rejection and wastage | 2 % (depending upon order quantity) | 161*2% | 3.22 |
| Commission on foreign exchange | 3% | 161*3% | 4.83 |
| Commission of buying house (if applicable) | 1% | 161*1% | 1.61 |
| Transportation charges internally | 2%/ garment | 161*2% | 3.22 |
| Margin (decided by marketing department by looking business scenario) | 10% | 161*10% | 16.1 |
| Testing inspection charges | 2% | 161*2% | 3.2 |

**Self-Check 1****Written Test**

Directions: answer all the questions listed below. Use the answer sheet provided in the next page. (4 point each)

I. Short answer

1. What is charges in cost estimation

Name: _____

date: _____

Note: Satisfactory rating – 4 points**Unsatisfactory - below 4 points**

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

2. _____

3. _____

Score = _____

Rating: _____



Information Sheet 2 Verifying costs, calculations and other details

Verifying: numerical simulations are increasingly used to increase understanding to solve problems to design devices.

Setting the right cost and price for your product is crucial in order for your business to be successful. In this article we will discuss the difference between cost and price. We will dive deep into methods and techniques used to calculate the right cost and price for your specific product and will share unique tips on how to get the right cost from your manufacturer as well as set the right price for your target market in order to become a profitable business

Verifying is the please that there is sufficient memory available before loading the program

The cost of operating without a contractor verification system could prove consequential to organizations making that decision, the costs of a contractor related fatality could far exceed the initial investment to implement a contractor management services.

While large figures could apply to any workplace related incident, many organizations believe the likelihood increases when employing third parties. This argument holds up to debate as the employing company has no way to ensure that adequate safety training and protocols are in place unless a contractor has been appropriately screened.

Management services and verification systems require contractors to submit documentation related to the hiring companies' requirements for third party contractors.

As this information is recorded, it should be processed and evaluated for compliance.

The need for administrative resources to support these objectives is the reason why many companies now outsource contractor verification.

The [avetta Cost Savings Calculator](#) helps you determine cost for using Avetta contractor prequalification and management solutions versus using in-house management. The ROI calculations and safety multipliers in this report are based off actual results, benchmark studies, and industry data so that you can make an informed purchasing decision

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|---------------|---|---|------------------|
| Page 31 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



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| Self-Check 2 | Written Test |
|---------------------|---------------------|

Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

I. Choose the best answer (each 2 point)

1. What is verifying cost

- A. Rivers B Lakes C. Oceans. D. All

Name: _____

date: _____

Note: Satisfactory rating – 3 points

Unsatisfactory - below 3 points

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

2. _____

3. _____

Score = _____

Rating: _____



Information Sheet 3. Preparing customer quotation

So you've come up with a new design collection and you need to get an estimate of how much it is going to cost to produce it. Tech pack in hand, and with a list of potential suppliers, now you need to request pricing quotations to see which factory can work with your budget and timings, while still meeting your quality needs.

Follow this price quotation strategy to get accurate quotes from suppliers. This way you can make the right decision when it's time to produce your collection.

This post will cover-

- Step 1. Ensure your tech pack is complete
- Step 2. Make a list of potential suppliers
- Step 3. Get in touch
- Step 4: Keep track of your requests
- Step 5: Review Quotations
- Step 6: Shortlist the best candidates
- How to effectively communicate with your selected suppliers
- BONUS

Step 1. Ensure tech pack is complete

First thing first, make sure your entire product details are clearly laid out in a tech pack. Include your design's flat sketches, bill of materials, color way specs, POMs (Points of Measure) for your product in all sizes, plus the list of embellishments and branding artwork if it applies.

Lastly, remember to add your desired quantity you are looking to produce. This will help your manufacturer determine the cost per unit for producing the item. For this, you can add a quantity breakdown table in your tech pack.

| | | | |
|---------------|---|---|------------------|
| Page 33 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



Step 2. Make a list of potential suppliers

Try to gather at least three, but ideally, you should have ten or more, if possible. The more choices you have, the better as it's not usually wise to accept the first price you obtain. This will allow you to compare and shortlist the best suppliers and you'll gain a better understanding of the overall market cost for certain items. What's more, you will also have backup options if there is an issue with your first choice.

Make notes on the pros and cons of each, at least your top ones, so you remember why you chose them. Perhaps later on a different supplier might be more convenient for a different type or garment.

Step 3. Get in touch

MOQ is an acronym that stands for minimum order quantity and refers to the minimum amount that can be ordered from a manufacturer. It doesn't make sense for a manufacturer to produce items for you unless they can make a decent profit on the transaction. And that's only possible if you are able to give them a minimum quantity order.

Ask your manufacturer if they have any MOQ's per order. This means the total minimum quantity of garments you would need to be able to issue an order.

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|---------------|---|---|------------------|
| Page 34 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



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| Self-Check 3 | Written Test |
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Directions: answer all the questions listed below. Use the answer sheet provided in the next page. (2 point each)

Name: _____

date: _____

Note: Satisfactory rating – 3 points

Unsatisfactory - below 3 points

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

2. _____

3. _____

Score = _____

Rating: _____



Information Sheet 4. Documenting Details for future reference

4.1 Documenting Details for future reference

A reference for future cost estimates, and improve estimating techniques. The Government Accountability Office (GAO) considers documentation that permits independent recreation of the estimate to be a cost estimating best practice. The ability to provide consistent

A cost sheet makes the job of garment sample costing easier and faster. If you use a cost sheet, there is less chance to miss any particular costing heads when you are in hurry.

Many times it is needed to know how we reach the final FOB of a garment order. A well-designed cost sheet will help you trace all the details of the cost breakup. The cost sheet will also give cost break up for future reference.

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|---------------|---|---|------------------|
| Page 36 of 38 | Federal TVET Agency Author/Copyright Garment Trainers | TVET Program title:- Advanced Apparel Production Level III | Version -1 |
| | | | December 2020 |



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| Self-Check 4 | Written Test |
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Directions: answer all the questions listed below. Use the answer sheet provided in the next page. **(2 point each)**

I say true or false

1. A reference for future cost estimates and improve estimating techniques

Name: _____

date: _____

Note: Satisfactory rating – 3 points

Unsatisfactory - below 3 points

You can ask you teacher for the copy of the correct answers.

Answer sheet

1. _____

| |
|---------------|
| Score = _____ |
| Rating: _____ |



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This TTLM was developed on the **December 31- Jan 4/2020G.C at Bishoftu ..**

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