

Budgeted Statement

a) Sales Variance

Sales price variance = (Actual selling price - Budgeted selling price) x Actual quantity
Product A
Product B
Sales price variance
Sales volume variance = (Actual quantity - Budgeted quantity) x Budgeted selling price
Product A
Product B
Sales volume variance

Total sales variance \$3,700 [favourable], which is a combination of sales price variance \$12,000 [unfavourable] and sales volume variance \$12,000.

b) Materials Variance

Total materials variance
Standard quantity x Standard price
Actual quantity x Actual price
Material price variance
Material price variance
(Standard price - Actual price) x Actual quantity
(Standard quantity - Actual quantity) x Standard price

c) Labour Variance

Total labour variance
Standard quantity x Standard price
Actual quantity x Actual price
Labour price variance
Labour quantity variance
(Standard price - Actual price) x Actual quantity
(Standard quantity - Actual quantity) x Standard price

d) Variable Overheads Variance

Variable overheads price variance
Actual variable overhead
Budgeted adjusted actual hours
Price variance

Variable overheads efficiency variance
Budgeted adjusted actual hours
Budgeted adjusted to standard hours
Efficiency variance

e) Fixed Overheads Variance

Fixed overhead budget variance
Actual fixed overhead
Budgeted fixed overhead
Budget variance
Volume variance
Budgeted fixed overhead
Standard fixed overhead
Volume variance
Fixed overhead efficiency variance
$(\text{Standard hours vs Actual hours}) \times \text{Standard fixed overhead rate}$
Fixed overhead pure volume variance
$(\text{Actual hours} - \text{Budgeted hours}) \times \text{Standard fixed overhead rate}$

Actual units sold
\$1,600.00
-\$9,900.00
-\$8,300.00
Standard selling price
-\$12,000.00
\$24,000.00
\$12,000.00

Favourable
Unfavourable
Unfavourable

Workings for Assessor

$(\$6.20 - \$6.00 \times 8,000)$
 $(\$7.70 - \$8.00 \times 33,000)$

 $(8,000 \text{ vs } 10,000 \times \$6.00)$
 $(33,000 \text{ vs } 30,000 \times \$8.00)$

sales price variance \$8,300

\$120,000.00
\$112,000.00
\$8,000.00
\$2.00
-\$32,000.00
\$40,000.00

Favourable

Unfavourable
Favourable

Workings for Assessor

$(24,000 \times \$5)$
 $(16,000 \times \$7)$

 $(\$7 - \$5)$

 $((\$5 - \$7) \times 16,000)$
 $((24,000 - 16,000) \times \$5)$

\$252,000.00
\$336,000.00
-\$84,000.00
\$1.00
\$42,000.00
-\$126,000.00

Unfavourable

Favourable
Unfavourable

Workings for Assessor

$(28,000 \times \$9)$
 $(42,000 \times \$8)$

 $(\$9 - \$8)$

 $((\$9 - \$8) \times 42,000)$
 $((28,000 - 42,000) \times \$9)$

\$13,000.00
\$10,000.00
-\$3,000.00

Unfavourable

Workings for Assessor

$(2,500 \times \$4)$

	\$10,000.00	
	\$12,000.00	(3,000 x \$4)
	\$2,000.00	Favourable

	\$420,000.00		<u>Workings for Assessor</u>
	\$400,000.00		
	-\$20,000.00	Unfavourable	$((10,000 \times 2) \times \$20)$
	\$400,000.00		
	\$380,000.00		$((9,500 \times 2) \times \$20)$
	-\$20,000.00	Unfavourable	
	-\$24,000.00	Unfavourable	$((9,500 \times 2) - (10,100 \times 2) \times \$20)$
	\$4,000.00	Unfavourable	$((10,100 \times 2) - (10,000 \times 2) \times \$20)$