

Standard Costing (bird's eye view)

	Cost Variances (Production Analysis) -convert standard for actual production					Revenue Variances (Periodic Analysis) -convert standard for actual period		Reconciliation		
	Material Quality Cost Var.	Material Variances	Labour Variances	Variable O/H Variances	Fixed O/H Variances	Total O/H Variances	Sales Variances	Profit variances	Absorption Approach	Marginal Approach
1	Material Cost Variance: (Total Std Input Cost for Act. Output - Act Input Cost)	Material Cost Variance: (Total Std Cost for Act. Output - Total act Cost)	Labour Cost Variance: (Total Std Cost for Act. Output - Total act Cost)	VOH Cost Variance: (Total Std Cost for Act. Output - Total act Cost for Prdctv hrs)	FOH Cost Variance: (Std. FOH for Act. Output - Act. FOH)	Total O/H Cost Variances: FOH Cost Variance + VOH Cost Variance	Sales Value Variance: (Act. Sales for Act. Period - Bud. Sales for Act. Period)	Sales Profit Variance: (Act. Profit for Act. Period - Bud. Profit for Act. Period)	Budgeted Profit ** + Profit Price Var. ** + Profit Volume Var. ** + Cost Var.	Budgeted Profit ** + Contbn. Price Var. ** + Contbn. Volume Var. ** + Cost Var.
2	Material Price Variance: (Std Pr. -Act Pr.) x Act Qt. =Std Pr. x Act Qt.-Act Pr. x Act Qt.	Material Price Variance: (Std Pr. -Act Pr.) x Act Qt. =Std Pr. x Act Qt.-Act Pr. x Act Qt.	Labour Rate Variance: (Std. Rate - Act. Rate) x Act. Hrs paid	VOH Rate/Exp. Variance: (Std. Rate/hr. - Act Rate/hr.) x Act. Prdctv hrs	FOH Exp. Variance: (Bud. FOH for Bud. Output - Act. FOH)	Total O/H Exp. Variance: VOH Exp. Variance + FOH Exp. Variance.	Sales Price Variance: (Act. Price - Std. Price) x Act. output sold = AP x AO - SP x AO	Profit Price Variance: (Act. Profit/ut. - Std.profit/ut.) x Act. output sold = AP x AO - SP x AO	MCV ** LCV ** VOHCV ** FOH Exp. Var. ** FOH Vol. Var. ** **	MCV ** LCV ** VOHCV ** FOH Exp. Var. ** **
3	Material Usage Variance: (Std Qt.-Act Qt.) x Std Pr. =Std Qt. x Std Pr. - Act Qt. x Std. Pr.	Material Usage Variance: (Std Qt. for Act. Output-Act Qt.) x Std Pr. =Std Qt. x Std Pr. - Act Qt. x Std. Pr.	Labour Efficiency Variance: (Std. Hrs for Act. Output - Act. Prdctv Hrs) x Std Rate/hr	VOH Efficiency Variance: (Std. Hrs for Act. Output - Act. Prdctv hrs) x Std. Rate/hr.	FOH Volume Variance: (Act. Output - Bud. Output) x Std. FOH/ut.	VOH Efficiency Variance: (Std. Hrs for Act. Output - Act. Prdctv hrs) x Std. Rate/hr.	Sales Volume Variance: (Act. Output sold - Bud output sold) x Std Selling price/ut. =AO x Std. SP - BO x Std. SP	Profit Volume Variance: (Act. Output sold - Bud output sold) x Std Profit/ut. =AO x Std. Profit/ut - BO x Std. Profit/ut	Actual Profit on Act Cost ** A) Profit Price Var. = Sales Price Var.	Actual Profit on Act Cost ** A) Contbn. Price Var. = Sales Price Var.
4	Material Mix Variance: (Std. Prop. - Act. Prop.) x Total std. Qt. x StdPr. =(TAQ/TSQ) x TSC-(AQ x SP)	Material Mix Variance: (Std. Prop. - Act. Prop.) x Total std. Qt. x StdPr. =(TAQ/TSQ) x TSC-(AQ x SP)	Labour Mix Variance: (TAPH/TSH) x TSC -(APH x SR)		FOH Calendar Variance: (Act. Working dy - Bud. Working dy) x Std. FOH/day	FOH Volume Variance: (Act. Output - Bud. Output) x Std. FOH/ut.	Sales Mix Variance: (Act. Prop - Std. Prop) x TAO x Std. SP/ut =AO x Std SP - (TAO/TSO) x Total Bud. Sales	Profit Mix Variance: (Act. Prop - Std. Prop) x TAO x Std. Profit/ut =AO x Std. Profit/ut - (TAO/TBO) x Total Bud. Profit		B) Contbn. Volume Var. = Profit Volume Var. + FOH Volume Var.
5	Material Yield Variance: (Total Std Qt. for Act. Output - Total Act. Qt.) x Std. Wtd. Avg. Pr.	Material Yield Variance: (Total Std Qt. for Act. Output - Total Act. Qt.) x Std. Wtd. Avg. Pr.	Labour Yield Variance: (Total Std Hr. -Total Act. Prdctv Hrs) x Std. Wtd. Avg. Rate		FOH Capacity Var.(Revised): (Act. Hrs - Bud. Hrs in act dys) x Std FOH/hr		Sales Qty. Yield Variance: (Total Act. Output - Total Bud. Output) x Std. Wtd. Avg Price/ut.	Profit Qty. Variance: (Total Act. Output - Total Bud. Output) x Std. Wtd. Avg Profit/ut.	Note: Add: Fav. Variances Less: Adv. Variances	Note: Add: Fav. Variances Less: Adv. Variances
6	Mat. Rework Cost Var.: (Std Rewrk cost for Act Output - Act. Rewrk cost)		Labour Idle Time Var.: (Std. Abnrml Idle tm - Act. Abnrml Idle tm) x Std Rate/hr (For Ab. Idle Time)		FOH Idle Time Variance: (Std. Idle Tm - Act. Idle Tm) x Std FOH/hr		Market Size Variance: (Act. Industry Sales ut - Bud. Industry sales ut) x Bud share% x Std. Wtd. Avg Price/ut.	Market Size Variance: (Act. Industry Sales ut - Bud. Industry sales ut) x Bud sales% x Std. Wtd. Avg Profit/ut.		
7	Mat. Scrap realisation Variance: (Act. Scrap Rlsn-Std Scrp Rlsn for Act. Out put)				FOH Efficiency Variance: (Std. Hrs for Act. Output - Act. Prdctv hrs) x Std. Rate/hr.		Market Share Variance: (Act. Share% - Bud. Share%) x Act. Industry Sales x Std. Wtd. Avg Price/ut.	Market Share Variance: (Act. Share% - Bud. Share%) x Act. Industry Sales x Std. Wtd. Avg Profit/ut.		
8	Material Quality Cost Var. (Std net Mat. Cost for Act. Output - Act net Mat. Cost)									
9	Check: 1= 2+3; 3= 4+5; 8=1+6+7	Check: 1= 2+3 ; 3= 4+5	Check: 1= 2+3 ; 3= 4+5+6	Check: 1= 2+3	Check: 1= 2+3 ; 3= 4+5+6+7	Check: 1=2+3+4	Check: 1= 2+3 ;3= 4+5; 5= 6+7	Check: 1= 2+3 ;3= 4+5; 5= 6+7		
		A) Emergency Purchase Effect. Additional Price over act. Purchase Price should be charged to Production Manager. B) Single Plan: Closing st. at std price. & MPV on Purchase Qty. Partial Plan: Closing st. at actual price. & MPV on Qty. consumed.	A) Std. Hrs produced is out put measure for multiple products. B) Where no. of employees given take Man-Hrs. C) Std. Ab. Idle Time is always "0" ; ITV is adverse.	A) Can vary with output produced, then no VOH Eff. Var.	A) Marginal Approach: No FOH Vol Var. B) FOH Ratios: 1. Vol. Ratio= AO/BO 2. Cal. Ratio= Act days/Bud Days. 3. Capa. Ratio= AH/BH in act days. 4. Eff. Ratio= SH for AO/AH (1 = 2 x 3 x 4)	A) 3 points analysis.	A) Cost is constant at Std. Cost B) Profit Price Variance = Sales Price Variance.	A) Product Cost = Variable Cost + Fixed Cost Period Cost = Selling Cost. B) Margin = Profit = SP-VC-FC	A) Product Cost = Variable Cost Period Cost = Fixed Cost. B) Margin =Cont. = SP-VC	

