

Standard Costing

Time Allowed : 45 Minutes

TEST-12

Total Marks: 25 Marks

Q.1 A company's monthly budgeted variable and fixed overheads are ₹ 1,06,080 and ₹ 2,21,000 respectively. Budgeted labour hours during the month 8,840 hours. Actuals details are as follows:-

(a) Actual Hours worked	8,100 hours.
(b) Standard time for actual output	8,800 hrs.
(c) Actual Variable Overheads	₹ 1,02,000
(d) Actual Fixed Overheads	₹ 2,00,000

You are required to calculate:-

(i) Variable Overheads Variances:

(a) Expenditure Variance. (b) Efficiency Variance.

(ii) Fixed Overheads Variances:

(a) Budget Variance (b) Capacity Variance (c) Efficiency Variance

(5 Marks)

Q.2 The standard output of a product 'DJ' is **25** units per hour in manufacturing department of a company employing **100** worker. In a 40 hour week the department product **960** units of product 'DJ' despite **5%**

of the time paid was lost due to an abnormal reason. The hourly wage rates actually paid were ₹ 6.20, ₹ 6.00 and ₹ **5.70** respectively to group 'A' consisting 10 worker, Group 'B' consisting 30 worker and group 'C' consisting 60 worker. The standard wage rate per labour is same for all the worker. Total Labour efficiency variance is ₹ **240** (F). You are required to compute:

(i) Total Labour Cost Variance. **(ii)** Total Labour Rate Variance. **(iii)** Total Labour Gang Variance. **(iv)** Total Labour Yield Variance, and. **(v)** Total Labour Idle Time Variance.

(10 Marks)

Q.3 The Standard Cost of a Chemical Mixture is as follows:

60% of Material A @ ₹ 50 per kg

40% Material B @ ₹ 60 per kg

A standard loss of 25% on output is expected in production. The cost records for a period has shown the following usage.

540 kg of Material A @ ₹ 60 per kg

260 kg of Material B @ ₹ 50 per kg

The quantity processed was 680 kilograms of good product.

From the above given information

Calculate:

(i) Material Cost Variance

(ii) Material Price Variance

(iii) Material Usage Variance

(iv) Material Mix Variance

(v) Material Yield Variance

(10 Marks)