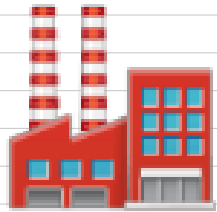


Standard Costing



(1st Day)
Standard Profit

(Last Day)
Actual Profit

Net Profit Variance

COST VARIANCES

SALES VARIANCES

1. MATERIAL
VARIANCES

2. LABOUR
VARIANCES

3. VARIABLE OH
VARIANCES

4. FIXED OH
VARIANCES



1. MATERIAL VARIANCES

Table

+ F	Standard		Comparable Standard			Actual		
- A	Output		Actual Output			Actual Output		
	Type	Qty	SQ	SP	SC	AQ	AP	AC
		A						
		B						
			TSQ		TSC	TAQ		

Std Mix RSQ Std Mix RSQ

Diagram

COST
(SC-AC)

PRICE
(SP-AP) × AQ

USAGE
(SQ-AQ) × SP

MIX / COMPOSITION

$$\left(\frac{\text{Std Mix}}{\text{Mix}} - \frac{\text{Actual}}{\text{Mix}} \right) \times \text{SP}$$
 RSQ AQ

YIELD / SUB-USAGE

$$(\text{TSQ} - \text{TAQ}) \times \frac{\text{TSC}}{\text{TSQ}}$$

2. LABOUR VARIANCES

Table

+ F	Standard		Comparable Standard			Actual		
- A	Output		Actual Output			Actual Output		
	Type	Hours	SH	SR	SC	AHP	AR	AC
		A						
		B						
			TSH		TSC			

1	2	1-2
AHP	Idle Hours	AHVV
		TAHVV

Std Mix RSH Std Mix RSH

Diagram

COST
(SC-AC)

RATE
(SR-AR) × AHP

IDLE TIME
Idle Hours × SR
(Always Adverse)

EFFICIENCY
(SH-AHVV) × SR

MIX / GANG COMPOSITION

$$\left(\frac{\text{Std Mix of AHVV}}{\text{of AHVV}} - \frac{\text{Actual Mix}}{\text{of AHVV}} \right) \times \text{SR}$$
 RSH AHVV

YIELD / SUB-EFFICIENCY

$$(\text{TSH} - \text{TAHVV}) \times \frac{\text{TSC}}{\text{TSH}}$$

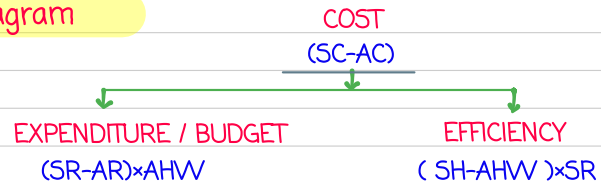
3. VARIABLE OH VARIANCES

(Power)

Table

+ F	Standard			Comparable Standard			Actual		
- A	Output			Actual Output			Actual Output		
	Hours	Rate	Cost	SH	SR	SC	AHVV	AR	AC

Diagram



ABBREVIATIONS

SQ : Standard Quantity	AQ : Actual Quantity
SP : Standard Price	AP : Actual Price
SH : Standard Hours	AH : Actual Hours
SR : Standard Rate	AR : Actual Rate
SC : Standard Cost	AC : Actual Cost
TSQ : Total Standard Quantity	TAQ : Total Actual Quantity
TSH : Total Standard Hours	TAHV : Total Actual Hours Worked
TSC : Total Standard Cost	TAC : Total Actual Cost
RSQ : Revised Standard Quantity	AHP : Actual Hours Paid
RSH : Revised Standard Hours	AHV : Actual Hours Worked

4. CALENDER

$$\left(\frac{\text{Budgeted Days} - \text{Actual Days}}{\text{Days}} \right) \times \text{RR Per Day}$$

5. CAPACITY

$$\left(\frac{\text{Budgeted Capacity} - \text{Actual Capacity}}{\text{in Actual Days}} \right) \times \text{RR Per Hour}$$

	Budget	Actual
Days		
Hours Paid		?

4. FIXED OH VARIANCES

Table

+ F	Cost	1.
- A	Expenditure	2.
	Volume	3.
	Calender	4.
+ A	Capacity	5.
- F	Idle time	6.
	Efficiency	7.

Particulars

Budget

Actual

Recovery Rate

(RR)

1 Unit = Rs. OH/ Units

1 Day = Rs. OH/Days

1 Hour = Rs. OH/Hours Paid

1 Unit = Rs. OH/Units

Diagram

1. COST

Recovery Rate per unit	×
× Actual units	×
Recovered OH	×
Actual OH	(×)
	×

2. EXPENDITURE / BUDGET

$$\left(\frac{\text{Budgeted OH} - \text{Actual OH}}{\text{OH}} \right)$$

3. VOLUME

$$\left(\frac{\text{Budgeted Units} - \text{Actual Units}}{\text{Units}} \right) \times \text{RR P.U.}$$

6. IDLE TIME

$$\left(\frac{\text{Idle Hours} \times \text{RR}}{\text{Per Hour}} \right)$$

(Always Adverse)

7. EFFICIENCY

$$\left(\frac{\text{Budgeted Units} - \text{Actual Units}}{\text{in Actual Hours Worked}} \right) \times \text{RR Per Unit}$$

	Budget	Actual
Hours Worked		
Units		?