

Standard Costing formulae

શ્રી સ્વામિનારાયણ ડિવાઇન મિશન

Dt.: / /

Pg.no.:

⇒ material

$$1. \text{ material cost variance} = (\text{Std. cost}) - (\text{Actual cost}) \\ = (SQ \times SP) - (AQ \times AP)$$

diff. between std. mat. cost of actual prod volume and actual cost of material.

$$2. \text{ Material price variance} = \left(\frac{\text{Std cost or}}{\text{actual Qty}} - \frac{\text{Actual}}{\text{cost}} \right) \\ = (SP - AP) \times AQ$$

diff. b/w SP and AP for Actual Qty purchased

$$3. \text{ mat. usage variance} = \left(\frac{\text{Std cost or}}{\text{Std Qty for}} - \frac{\text{Std cost or}}{\text{Actual prod. Qty}} \right)$$

$$= (SQ - AQ) \times SP$$

diff. b/w Std Qty specified for actual prod and AQ used at Std price

$$4. \text{ mat. mix variance} = \left(\frac{\text{Std cost or}}{\text{Actual Qty in}} - \frac{\text{Std cost or}}{\text{Actual Qty}} \right) \\ = (BSQ - AQ) \times SP$$

diff b/w Act. Qty in Std proportion and actual Qty in actual prop. at Std price

માણસને પૂર્વગ્રહ સિવાય બીજો કોઈ ગ્રહ નડતો નથી.

5. mat. yield variance = $\left(\begin{array}{l} \text{Std cost or} \\ \text{Std Qty} \\ \text{for Actual} \\ \text{prod} \end{array} - \begin{array}{l} \text{Std cost or} \\ \text{Actual Qty} \\ \text{in Std} \\ \text{proportion} \end{array} \right)$

$$= (SQ - ASQ) \times SP$$

diff. b/w std. Q specified for actual production and Actual Qty in standard production at SP.

→ labour

1. Lab. Cost variance = (Std cost) - (Actual cost)
 $= (SH \times SR) - (AH \times AR)$
 (Actual hours paid)

diff. b/w std. lab. cost and Actual lab. cost incurred for the production achieved

2. Labour Rate variance = (Std cost or Actual time - Actual cost)
 $= (SR - AR) \times AH$
 AH paid

diff. b/w SR per hour and AR per hour for Actual hours paid.

3. Lab. Efficiency variance = $\left(\begin{array}{l} \text{Std cost of std} \\ \text{- time for actual prod} \end{array} - \begin{array}{l} \text{Std cost} \\ \text{or Actual} \\ \text{time} \end{array} \right)$
 $= (SH - AH) \times SR$
 Actual hours worked

diff b/w. SH specified for actual production and actual hours worked at std rate

h. Labour mix variance = $\left(\begin{array}{l} \text{Std cost of Actual} \\ \text{time worked in Std} \end{array} - \begin{array}{l} \text{Std cost of} \\ \text{Actual time} \\ \text{worked} \end{array} \right)$

$$= (RSH - AH) \times SR$$

diff b/w actual hours worked in Std proportion and Actual hours worked in actual proportion at SR. $SR(RSH - AH)$

s. Labour yield variance = $\left(\begin{array}{l} \text{Std cost of Std} \\ \text{time, for Actual} \end{array} - \begin{array}{l} \text{Std cost of Actual} \\ \text{time worked in} \\ \text{Std std proportion} \end{array} \right)$

$$= (SH - RSH) \times SR$$

diff b/w SH specified for actual prod and actual hours worked in Std proportion

G. Idle time variance = $SR \times \text{Actual idle time}$

diff b/w AH paid and AH worked at SR

$$= AH_{\text{paid}} - AH_{\text{worked}}$$

→ Variable OH Cost variance

$$1. \text{ Var OH Cost variance} = \left(\begin{array}{l} \text{Std VOH} \\ \text{for Actual} \\ \text{Production} \end{array} - \text{Actual VOH} \right)$$

$$2. \text{ Var OH (spending) exp variance} = \left(\begin{array}{l} \text{Var OH for} \\ \text{actual hours} \\ \downarrow \\ \text{worked} \end{array} - \text{Actual VOH} \right)$$

$$= (SR - AR) AH$$

↳ worked

$$3. \text{ VOH efficiency variance} = \begin{array}{l} \text{Std VOH for} \\ \text{prod} \end{array} - \begin{array}{l} \text{Std VOH for} \\ \text{AH (worked)} \end{array}$$

$$= (SH - AH) \times SR$$

↳ worked

⇒ Fixed OH variances

$$1. \text{ FOH Cost Variance} = (\text{Absorbed} - \text{Actual})$$

$$= (SH \times SR) - (AH \times AR)$$

$$2. \text{ FOH Prop variance} = \text{Budgeted FOH} - \text{Actual FOH}$$

$$= (BH \times SR) - (AH \times AR)$$

$$3. \text{ FOH Volume variance} = \text{Absorbed} - \text{Budget}$$

$$= (SH - BH) SR$$

$$4. \text{ FOH Capacity variance} = SR (AH - BH)$$

$$F. \quad \text{FOH capacity variance} = \text{Std FOH rate per day} \left[\begin{array}{l} \text{Actual} \\ \text{no. of working} \\ \text{days} \end{array} - \begin{array}{l} \text{Budgeted no.} \\ \text{of working} \\ \text{days} \end{array} \right]$$

$$G. \quad \text{FOH efficiency variance} = \text{SAC} - \text{AH} \\ = (SH - AH) \times SR$$

Absorption Rate

$$\text{1 day} = \text{---} \text{ ₹}$$

$$\text{1 day} = \text{---} \text{ hr}$$

$$\text{1 unit} = \text{---} \text{ ₹}$$

$$\text{1 unit} = \text{---} \text{ hr}$$

$$\text{1 hr} = \text{---} \text{ ₹}$$

Whenever in FOH variance, there are different budgeted and actual days, for FOH capacity variance you need to find Revised budgeted hours and use instead of BH.

$$\left(\frac{\text{BH}}{\text{Bud. days}} - \frac{\text{Actual}}{\text{days}} \right)$$