FORMULA SHEET- FINAL

Handout # 04

Material Price Variance : (Actual Quantity (AQ) x Actual Price (AP) – (AQ x Standard Price (SP)

Or

Material Price variance: AQ (AP – SP)

Material quantity variance: ((AQ) x (SP) – (Standard Quantity (SQ) x Standard Price (SP))

Or

Material quantity variance: SP (AQ – SQ)

Total variance= (AQ x AP) – (SQ x SP)

Total variance= MPV+MQV

Labor rate variance= (Actual Hours (AH) x Actual Rate (AR) – (AH x Standard Rate (SR))

Or

Labor rate variance = AH ( AR – SR)

Labor efficiency variance = ((AH) x (SR) – (Standard Hours (SH) x Standard Rate (SR)

Or

Labor efficiency variance = SR (AH – SH)

Total variance = (AH x AR) – (SH x SR)

HANDOUT # 06

Budget Variance=Actual MOH- Flexible Budget based on standard hours

Capacity Variance=Flexible Budget Based on standard hours- MOH Applied to standard hours

Spending Variance=Actual MOH- Flexible Budget Based on Actual Hour

Efficiency Variance=Flexible Budget Based on Actual Hour- Flexible Budget

Based on Standard hours