# Lesson 3.1 Practice Quiz

**4/4** points earned (100%)

Excellent!

Retake

[Course Home](https://www.coursera.org/learn/managerial-accounting-tools/home/welcome)

Correct

1 / 1 points

1. Which of the following best describes a standard?

1. Broader than a master budget
2. Determined at the end of an accounting period
3. **Reported on a per-unit basis**

**Correct Response**

Correct! Standards are reported at the component-level (as opposed to the aggregate level).

Correct

1 / 1 points

2. Favorable variances are good news, and unfavorable variances are bad news.

1. True
2. **False**

**Correct Response**

Correct! Favorable variances may stem from undesirable circumstances or actions. Similarly, unfavorable variances may stem from desirable circumstances or actions.

Correct

1 / 1 points

3. Which of the following is true regarding cost variances?

1. **Variable costs can exhibit spending, efficiency, and activity variances.**

**Correct Response**

Correct! All three variance types apply to all variable costs.

1. Fixed overhead costs exhibit efficiency variances.
2. All costs can exhibit spending, efficiency, and activity variances.

Correct

1 / 1 points

4. Which of the following best describes variance analysis?

1. Performed at the aggregate level
2. Provides a comparison of actual and expected performance

**Correct Response**

Correct! This comparison is the key output of variance analysis.

1. Used only on an annual basis