# Lesson 3.2 Practice Quiz

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

Excellent!

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Correct

1 / 1 points

1. Marbles Company has the following information available regarding its materials:

Managers expected to pay $5 per kilogram, but ended up paying $6 per kilogram. Each unit produced should take 2 kilograms; actual total usage was 2,100 kilograms. Finally, the company planned to produce 1,000 units, but only produced 950.

Calculate the materials efficiency variance.

1. $1,400 (unfavorable)
2. $2,100 (unfavorable)
3. **$1,000 (unfavorable)**

**Correct Response**

Correct! Using the variable cost variance framework, the total of the "standard price" column is $10,500 ($5 per kg x 2,100 kgs used). The total of the "flexible budget" column is $9,500 ($5 per kg x 2 kg per unit x 950 units). Thus, the efficiency variance is $1,000 (unfavorable).

Correct

1 / 1 points

2. When materials spending variances are unfavorable, labor efficiency variances are automatically favorable.

1. True
2. **False**

**Correct Response**

Correct. Relationships among variances are context-specific.

Correct

1 / 1 points

3. The calculation of variances is the final step in the variance analysis process.

1. True
2. **False**

**Correct Response**

Correct! After variance calculation, managers interpret and investigate variances.

Correct

1 / 1 points

4. Marbles Company has the following information available regarding its labor:

Managers expected to pay $11 per direct labor hour, but ended up paying $10 per labor hour. Each unit produced should take 1 direct labor hour; actual total usage was 990 direct labor hours. Finally, the company planned to produce 1,000 units, but only produced 950.

Calculate the labor spending variance.

1. $1,000 (favorable)
2. $990 (unfavorable)
3. $1,000 (unfavorable)
4. **$990 (favorable)**

**Correct Response**

Correct! Using the variable cost variance framework, the total of the "actual" column is $9,900 ($10 per hr x 990 hours used). The total of the "standard price" column is $10,890 ($11 per hr x 990 hours used). Thus, the labor spending variance is $990 (favorable).