# Lesson 3.3 Practice Quiz

**3/3** points earned (100%)

Excellent!

Retake

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Correct

1 / 1 points

1. Which of the following is true about revenue variances?

1. Classified as favorable or unfavorable differently than cost variances
2. Only are calculated using budgeted sales price
3. **Can be calculated in multi-product scenarios**

**Correct Response**

Correct! The sales mix variance captures the relative proportion of overall sales volume, for one of many products.

Correct

1 / 1 points

2. Sales variances are more important than cost variances.

1. True
2. **False**

**Correct Response**

Correct! Neither sales variances nor cost variances are systematically more important.

Correct

1 / 1 points

3. Soundsthatcantbemade, Inc. produces two versions of its music software – deluxe and professional. The professional version comes with some hardware for connecting instruments to computers and servers.

The deluxe version is supposed to sell for $40 per package; the professional version is supposed to sell for $120 per package.

Given that some discounts were offered, the actual average selling price was $38 per package and $115 per package for the deluxe and professional versions, respectively.

The company had expected to sell 1,000 total copies of its software during the past month. Of these total copies, it was expected that 700 would be the deluxe version and 300 would be the professional version.

At the end of the month, managers realized they sold 800 copies of the deluxe version and 400 copies of the professional version.

What is the sales price variance for the deluxe product?

1. $1,600 (favorable)
2. $1,400 (favorable)
3. **$1,600 (unfavorable)**

**Correct Response**

Correct! The sales price variance is calculated as the difference between $30,400 ($38 per package x .67 mix x 1,200 total packages) and $32,000 ($40 per package x .67 mix x 1,200 total packages). Thus, the spending variance is $1,600, unfavorable.

1. $1,400 (unfavorable)