

Standard cost examination

GROUP A:

Q1: An industrial company uses two items in the manufacture of its main commodities, A and B. The following are the standard data for the production of the unit

Material A 50 kg at 0.200 dinars / kg

Material B 50 kg at the price of 0.300 dinars / kg

When the material is mixed, the final product is 80 kg, Direct labor (12 hours at a rate of 10 dinars / hour). At the end of the period, the records showed the following:

Quantity of material (A) purchased 3000 kg at 0.250 dinars / kg and

Quantity of material (A) used in the production 2600 kg ,the

Quantity of material (B) purchased 1200 kg at 0.280 dinars / kg and

the Quantity of material (B) used in the production 2700 kg, Actual

direct labor hours 630 hours at a rate of 12 dinars / hour and the

number of units produced from the main commodity during the

period 50 units

Required: /// Analysis of material variances (price, quantity, mix, yield) and analysis of direct wage variances (wage rate, labor efficiency).

Q2: You have the following information about one of the industrial sections. The normal capacity is (5000) units of monthly production variable cost per unit was:

indirect material (variable) 4000 dinars

indirect labor (variable)2000 dinars

lighting cost (variable) 2000 dinars

Maintenance variable 2000 dinars

Other(variable) 4000 dinars

salaries (fixed) 20000 dinars

Other (fixed) income is 10000 dinars

Required: /// Flexible budget numbers for activity level

5600,5000 ,4400

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GROUP B:

Q1: An industrial company uses two items in the manufacture of its main commodities, A and B. The following are the standard data for the production of the unit

Material A 100 kg at 0.250 dinars / kg

Material B 50 kg at the price of 0.500 dinars / kg

When the material is mixed, the final product is 125 kg, Direct labor (10 hours at a rate of 10 dinars / hour). At the end of the period, the records showed the following:

Quantity of material (A) purchased 600000 kg at 0.250 dinars / kg and Quantity of material (A) used in the production 550000 kg ,the Quantity of material (B) purchased 300000 kg at 0.600 dinars / kg and the amount of material (B) used in the production 2700 kg, Actual direct labor hours 600 hours at a rate of 11 dinars / hour and the number of units produced from the main commodity during the period 5000 units

Required: /// Analysis of material variances (price, quantity, mix, yield) and analysis of direct wage variances (wage rate, labor efficiency).

Q2: You have the following information about one of the industrial sections. The normal capacity is (10000) units of monthly production, the variable cost per unit was:

indirect material (variable) 5000 dinars

indirect labor (variable)1000 dinars

lighting cost (variable) 2500 dinars

Maintenance variable 3000 dinars

Other(variable) 4000 dinars

salaries (fixed) 20000 dinars

Other (fixed) income is 15000 dinars

Required: /// Flexible budget numbers for activity level 11200,10000,8800