

Total DL Cost Var. $(SH \times SR) - (AH \times AR)$

Efficiency
(Prod. Dept.)
 $(SH - AH) \times SR$

Rate
(HR Dept.)
 $(SR - AR) \times AH$

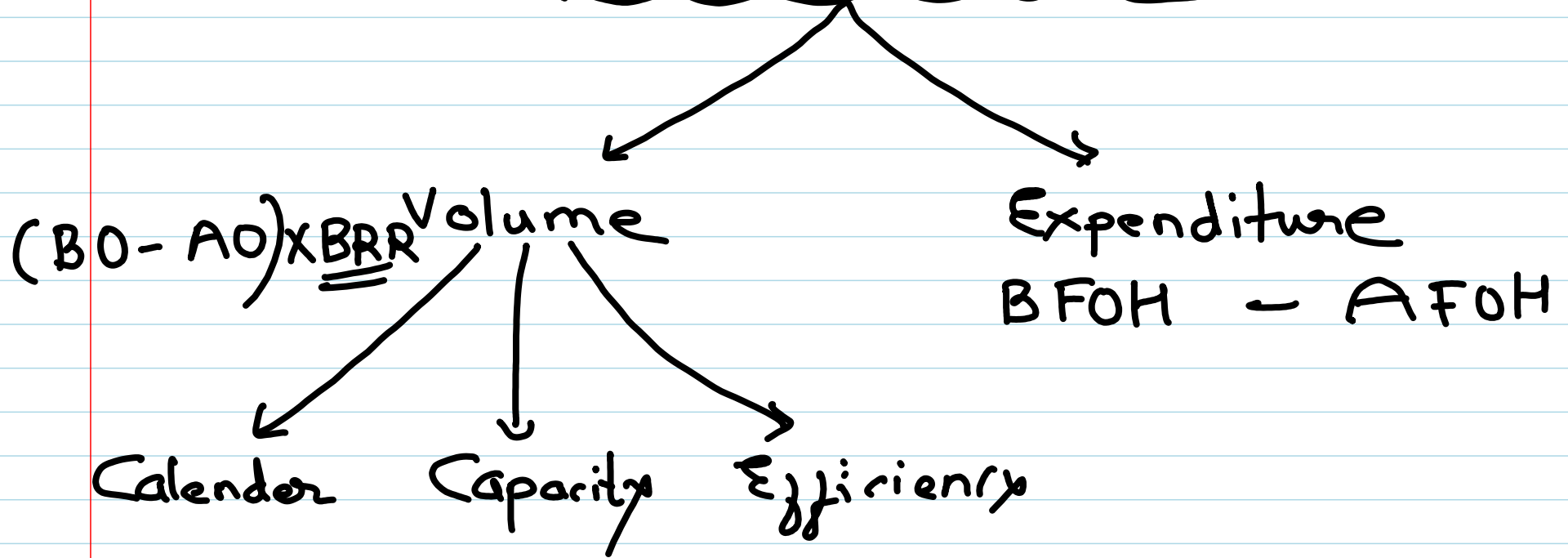
SR
AR
SH
AH
AO

Sub-Efficiency Mix
OR
Gang Composition Var.

	Output	<u>Bud.</u> 500 units	<u>Actual</u> 400 units
40	Skilled labour	5000 LHs	4200 LHs
10	Unskilled labour	20000 LHs	<u>19800 LHs</u>
			<u>24000</u>

	<u>Mix</u> RAH	AQ in AR
	4800	4200
	19200	19800
	<u>24000</u>	<u>24000</u>

Fixed OH Variance



① Budgeted \longleftrightarrow Actual

② Whether BFOH or AFOH will be recovered from customers?

③ $BRR_{unit} = \frac{BFOH}{BO}$

The rate through which we recover Bud. Fixed OH from customers

④ Fixed OH Var.

Inflow - Outflow
 (RFOH) - (AFOH)
compute given

(BRR x AO)

	<u>Budget</u>	<u>Actual</u>
Output	1,000 units	1,020 units
FOH	₹ 2,00,000	₹ 2,01,000

FOH Cost Var. $\left(\frac{2,00,000}{1,000} \times 1020 \right) - 2,01,000 = 3000 F$
 $\frac{2,00,000}{1,000}$

FOH Exp. Var. = $2,00,000 - 2,01,000 = 1000 A$

FOH Vol. Var. = $(1020 - 1000) \times 200 = 4000 F$

Vol.
 Calendar
 Capacity
 Efficiency

Aug. 22

	<u>Budget</u>	<u>Actual</u>
Volume (units)	1,000	1,020
FOH	₹ 1,00,000	₹ 99,200
Days	25	26
Hrs.	2,000	2,005
Efficiency	0.5 units/hr	0.51 units/hr.

Volume Var. = $(1020 - 1000) \times ₹ 100 = ₹ 2000 F$

Calendar	Capacity	Efficiency
<ul style="list-style-type: none"> • Diggin Days = 1 Day (F) • Output/day = 40 units (Bud.) • BRR/unit = ₹ 100 Var. = $40 \times ₹ 100$ 	<ul style="list-style-type: none"> • Diggin in hrs = $2000 - 2005$ $(25 \text{ Days}) \quad (26 \text{ Days})$ $= 5 \text{ Hrs. (F)}$ $= \text{Hrs. worked in 26 Days} - \text{Hrs. in 26 Days}$ $= 2080 - 2005$ 	<ul style="list-style-type: none"> • AO in AH = 1020 (Actual Effici.) • SO in AH = 1002.5 in 2005 (Std. Efficiency) $17.5 \text{ units} \times ₹ 100$

= ₹4000 F

= 75 hrs. (A)

₹1750 F

Output/hr. = 0.5
(Bud.)

∴ 75 hrs × 0.5
= 37.5 units

₹ 100

₹ 3,750 A

	Bud.	Actual
Volume (units)	4000	3960
FOH	10,000	11,000
Days	25	23
Hrs.	1000	980

750	A	C
1750	F	₹
<u>2000</u>	<u>F</u>	<u>(Vol.)</u>

Vol. = (3960 - 4000) × 2.5 = ₹100 A

Calendar

• Diff in Days = 2 (A)

• Output/day = 160 units

∴ Dec. in output = 320 units
× ₹ 2.5

= ₹ 800 A

Capacity

• Avail. hrs in Actual Days — Act. hrs. in Actual Days

$\left(\frac{1000}{25} \times 23\right) - 980 \text{ hrs.}$

= 920 — 980

= 60 hrs. (F)

• Bud. output/hr = 4 units.

$$\therefore 60 \text{ hrs.} \times 4 \text{ units} \times ₹ 2.5 \\ = 600 ₹$$

Efficiency Var.

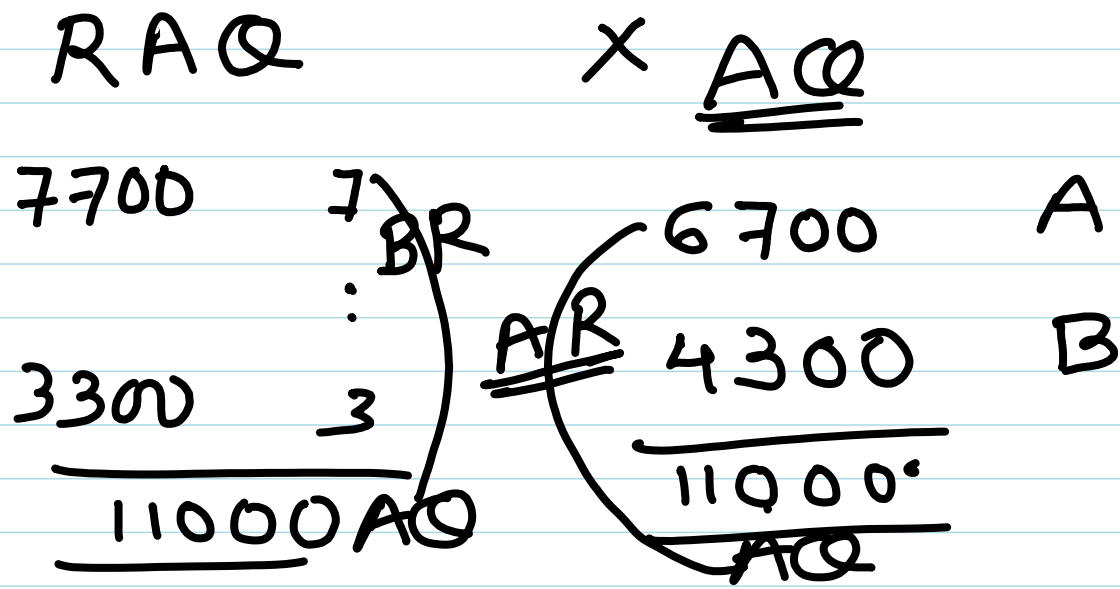
$$\text{AO in AHs} = 3960$$

$$\text{SO in AHs} = 980 \times 4 \text{ units} \\ = 3920 \text{ units}$$

$$\begin{array}{r} + \quad 40 \text{ units} \\ \hline \times 2.5 \\ \hline = ₹ 100 ₹ \end{array}$$

11:15

MMV



MSUV
SQ

RAQ

11:

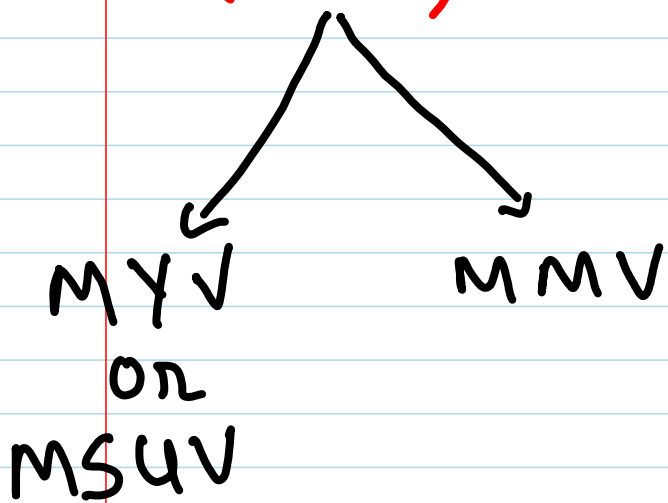
(To)

	<u>Ring Gold</u>	<u>Archad</u>
Gold :	90%	93%
Copper :	10%	7%
other :		
	<u>std.</u>	<u>A</u>

	<u>Budget</u>	<u>Actual</u>
Volume	10,000 units	12,000 units
RM	20,000 kgs @ ₹ 10/-kg. (₹ 2,00,000) <i>Bud. cost</i>	₹ 2,40,000 <u><i>Std. cost</i></u>
BQ/unit	2 kgs.	
BP/kg of RM	₹ 10	

Purch Dept = $(SP - AP) \times \frac{SQ}{AQ}$
 ₹ 20 - ₹ 22

Prod. Dept = $(SQ - AQ) \times \frac{SP}{AP}$?
 10000 - 11000



	<u>Bud</u>	<u>Actual</u>
	Product A (3000 units)	(3300 units)
RM ₁	5000 kgs. 1	7600 kgs.
	⋮	⋮
RM ₂	10000 kgs. 2	39000 kgs.
	<u>15000</u>	<u>15000</u>
		<u> </u>

Std.
3300 units
5500 kgs.

11000 kgs

Std. Cost = Budgeted Cost for Actual output
 Bud. Cost = Budgeted Cost for Bud. Output

	<u>Year 2022-23</u>	
	<u>Budget</u>	<u>Actual</u>
Volume	10,000 units	12,000 units
✓ RM	₹ 10,00,000	₹ 11,60,000
LC	₹ 5,00,000	₹ 6,04,000
FC	₹ 20,00,000	₹ 20,10,000

Standard ↔ Actual (VC Variances)

Budgeted ↔ Actual (Time dependant Variances)