Question 1 of 7 - / 5

View Policies

Current Attempt in Progress

The difference between standard and actual costs is

- ○ considered to be an ideal standard.
- ○ a variance by exception.
- ○ the budgeted cost of one item of product.
- ○ a standard cost variance.

Question 2 of 7 - / 5

View Policies

Current Attempt in Progress

What are the two most likely reasons an unfavorable total materials variance may exist?

- ○ Inflation caused an increase in the cost to acquire materials of the same quality, and due to this inflation, the company purchased fewer materials than used.
- ○ The company used less material than it purchased, and the amount paid for the material was more than the standard price.
- ○ The price paid was more than the standard price, and the quantity budgeted was less than quantity used.
- ○ The price paid was more than the standard price, and the quantity used was less than the quantity budgeted.

Question 3 of 7 - / 10

View Policies

Current Attempt in Progress

At Lawn, the standard price for the M640 electrical relay (a component used in the production of a commercial refrigeration unit) is $63. Standards call for 2.0 relays per unit of finished product. In July, the company purchased 145 relays for $8,555. The company used 114 relays in the production of 48 refrigeration units (4 relays were damaged in the installation process).

Calculate the material price variance and the material quantity variance related to the M640 electrical relay. Indicate whether the variances are favorable or unfavorable. ***(Round intermediate calculations to 2 decimal places, e.g. 14.37 and final answers to 0 decimal places, e.g. 125. Enter all variances as a positive number.)***

Material Price Variance	$		
Material Quantity Variance	$		

Unfavorable
Favorable
Neither Unfavorable nor Favorable

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Question 4 of 7 - / 10

View Policies

Current Attempt in Progress

At Pukalani, the standard quantity of labor is 21 hours per refrigeration unit. The standard wage rate is $33. In July, the company produced 82 refrigeration units and incurred 2,050 labor hours at a cost of $63,550.

Calculate the labor rate variance and the labor efficiency variance. Indicate whether the variances are favorable or unfavorable. ***(Round intermediate calculations to 2 decimal places, e.g. 14.37 and final answers to 0 decimal places, e.g. 125. Enter all variances as a positive number.)***

Labor Rate Variance	$		
Labor Efficiency Variance	$		

Unfavorable
Favorable
Neither Unfavorable nor Favorable

eTextbook and Media

Question 5 of 7 - / 10

View Policies

Current Attempt in Progress

The standard labor cost in the production of a pair of Hiroole Brand athletic shoes is 0.40 hours at $13.00 per hour. During the month of June, 23,420 pairs were produced. Actual labor costs were $104,390 for 8,030 hours. Compute the labor rate and labor efficiency variances for the month of June. ***(Round actual wage rate to 2 decimal places, e.g. 15.25 and final answers to 0 decimal places, e.g. 125. Enter all variances as a positive number.)***

Labor Rate Variance	$		
Labor Efficiency Variance	$		

Favorable
Neither Unfavorable nor Favorable
Unfavorable

eTextbook and Media

View Policies

Current Attempt in Progress

The Canarie Company uses a standard costing system. During 2021, the company incurred actual overhead of $570,300. The standard rate for applying overhead is $4.11 per unit, and 120,900 units were produced in 2021. One-third of the total overhead variance is attributed to the volume variance, and the remainder is attributed to the controllable overhead variance. Prepare the journal entries to record overhead incurred (you should credit "various accounts") and the overhead variances. ***(Credit account titles are automatically indented when the amount is entered. Do not indent manually.)***

No.	Account Titles and Explanation	Debit	Credit
1.			
	(To record actual overhead incurred)		
2.			
	(To record overhead applied)		
3.			
	(To close manufacturing overhead and record overhead variances)		

Question 7 of 7 - / 10

View Policies

Current Attempt in Progress

Espresso Jewelry produced 1,580 rings during March. The standard cost of each ounce of gold used in a ring is $1,050 per ounce. The standard quantity of material for each ring is a half ounce of gold per ring. The cost of gold purchased and used in March was $803,400 at $1,030 per ounce. Determine the material price variance and the material quantity variance for March. Indicate whether each variance is favorable or unfavorable. ***(Enter all variances as a positive number.)***

Material price variance	$		
Material quantity variance	$		

Favorable
Neither Unfavorable nor Favorable
Unfavorable

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