STANDARD COSTING : GRAPHICAL PRESENTATION

GRAPHICAL PRESENTATION OF VARIANCE ANALYSIS :-

A) DIRECT MATERIAL VARIANCES

Material Cost Variance
= (Std.Qty*Std Price) – (Actual Qty*Actual Price)

Material Price Variance
= Actual Qty *(Std Price – Actual Price)

Material Usage Variance
= Std Price * (Std Qty – Actual Qty)

B) DIRECT LABOUR VARIANCES

Labour Cost Variance
= (Std Hrs * Std Rate) – (Actual Hrs * Actual rate)

Labour Rate Variance
= Actual Hrs*(Std rate – Actual rate)

Labour Efficiency Variance
= Std Rate * (Std Hrs – Actual Hrs)

Idle time variance
= Std Rate * (Actual Hrs worked – Actual Hrs paid)

C) VARIABLE OVERHEAD VARIANCES

Variable Overhead Cost Variance
= (SRR/Unit * Actual Output) – Actual Overhead

Expenditure Variance
= (SRR/Hr * Actual Hrs) – Actual OH

Efficiency Variance
= SRR/Hr * (Std Hrs – Actual Hrs)

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D) ***FIXED OVERHEAD VARIANCES***

Fixed Overhead Cost Variance
= (SRR/Unit * Actual Output) – Actual Overheads

Expenditure Variance
= Budgeted OH – Actual OH

Volume Variance
= SRR/Unit * (Bud. Output- Actual output)

Capacity Variance
= SRR/Hr * (Bud. Hrs – Actual Hrs)

Efficiency Variance
= SRR/Hr * (Std Hrs – Actual Hrs)

E) ***SALES VARIANCES***

Sales Variances
= (Bud Qty * Std Selling price) – (Actual Qty * Actual Selling price)

Sales **Price** Variance
= Actual Qty (Std Sales price-Actual Sales price)

Sales **Volume** Variance
= Std Sales price (Bud Qty – Actual Qty)

MISCELLANEOUS RATIOS :

1) Efficiency Ratio = $\frac{\text{Standard hours for actual output}}{\text{Actual hours worked}} * 100$

Or

$= \frac{\text{Standard Output}}{\text{Actual Output}} * 100$

2) Capacity Ratio = $\frac{\text{Actual Hours Worked}}{\text{Budgeted Hours}} * 100$

Or

$= \frac{\text{Standard output}}{\text{Budgeted output}} * 100$

3) Activity Ratio = $\frac{\text{Actual output}}{\text{Budgeted ouput}} * 100$

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Or $= \frac{\text{Standard Hrs for actual output}}{\text{Budgeted Hours}} * 100$

RECONCILIATION STATEMENT OF PROFIT :

Particulars	Amount	Amount
BUDGETED PROFIT		****
(+/-) : Profit Volume Variance		****
STANDARD PROFIT		****
(+/-) Cost Variances (Material, labour, Variable OH, Fixed OH)	****	
(+/-) Sales price variance	****	****
ACTUAL PROFIT		****

- Profit Volume Variance = Std profit per unit * (Bud.Qty – Actual Qty)

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PLEASE FORWARD UR SUGGESTIONS TO gops_r_rathi@rediffmail.com

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