STANDARD COSTING FORMULAE (MATERIAL & LABOUR)

MATERIAL VARIANCES

MATERIAL COST VARIANCE
(SQ x SP)-(AQ x AP)
(it is the difference between *Standard Material Cost* for ACTUAL PRODUCTION & *Actual Material Cost*)

MATERIAL PRICE VARIANCE
(SP-AP) x (AQ)
(it is the difference between *Standard Price* & *Actual Price* for ACTUAL QUANTITY

MATERIAL USAGE VARIANCE
(SQ-AQ) x (SP)
(it is the difference between *Standard Qty for Actual Production* & *Actual Qty* at STANDARD PRICE

MATERIAL MIX VARIANCE
(RAQ-AQ) x (SP)
(it is the difference between *Actual Quantity in Std Proportion & Actual Qty at* STANDARD PRICE

MATERIAL YIELD VARIANCE
(SQ-RAQ) x (SP)
(it is the difference between *Std Quantity & Actual Qty in Std Proportion* at STANDARD PRICE

LABOUR VARIANCES

LABOUR COST VARIANCE
(SH x SR)-(AH x AR)
(it is the difference between *Standard Labour Cost* for ACTUAL PRODUCTION & *Actual Labour Cost*)

LABOUR RATE VARIANCE
(SR-AR) x (AH)
(it is the difference between *Standard Rate/Hr* & *Actual Rate/hr for* ACTUAL HOURS

EFFICIENCY VARIANCE
(SH-AH worked**) x (SR)**
(it is the difference between *Standard Hours & Actual Hours worked* at STANDARD RATE

LABOUR IDLE TIME VARIANCE
(Idle Time) x (SR)
(it is the difference between *Actual Hours Paid & Actual Hours worked* at STANDARD RATE

MIX VARIANCE
(RAH-AH worked**) x (SR)**
(it is the difference between *Actual Hours worked in Std Proportion and AH worked* at STANDARD RATE

YIELD VARIANCE
(SH-RAH) x (SR)
(it is the difference between *Std Hours & Actual Hours worked in Standard Mixing Proportion* at STANDARD RATE

STANDARD COSTING FORMULAE (OVERHEADS)

FIXED OVERHEAD VARIANCES

FOH TOTAL VARIANCE
Absorbed Fixed Overheads - Actual Fixed Overheads
(Difference between *Standard OHS & Actual OHS*

FOH EXPENDITURE VARIANCE
Budgeted Fixed Overheads - Actual Fixed Overheads
(Difference between *Budgeted OHS & Actual OHS*

FOH VOLUME VARIANCE
SRR/Unit (Budgeted Output - Actual Output)
(Difference between Overheads fixed for *Budgeted Output as against Actual Output*)

FOH CALENDAR VARIANCE
SRR/Day (Budgeted Working days- Actual Working Days)
(Difference in OH recovery based on *Number of days worked as against days planned*)

FOH CAPACITY VARIANCE
SRR/Hr (Budgeted Hours- Actual Hours)
(Difference in OH recovery based on *Number of Hours worked as against Hours planned*)

FOH EFFICIENCY VARIANCE
SRR/Hr (Standard Hours- Actual Hours)
(Difference in OH recovery based on *Standard Number of Hours and Actual hours*)

VARIABLE OVERHEAD VARIANCES

VOH TOTAL VARIANCE
Standard Variable Overheads - Actual Variable Overheads
(Difference between *Standard OHS charged & Actual OHS incurred*

VOH EXPENDITURE VARIANCE
AH x (SR-AR)
(Difference between *Standard Rate & Actual Rate* for ACTUAL HOURS (*in short this is Rate Variance*)

VOH EFFICIENCY VARIANCE
SRR x (SH-AH)
(Difference between *Standard & Actual Hours* at STANDARD RATE

ALL SALES & PROFIT VARIANCES ARE EXACTLY SAME AS LIKE MATERIAL VARIANCES

STANDARD COSTING FORMULAE (MARKET SHARE)

MARKET SIZE VARIANCE

Std Profit/unit [Budgeted Share (%)(**Budgeted Market Size - Actual Market Size**)]

It is the difference in **budgeted profits** arising due to difference in ***Actual Market Sizes & Budget Market Size*** at a Constant Budgeted Share in (percent)

MARKET SHARE (%) VARIANCE

Std Profit/unit [Actual Market Size (**Budgeted Market Share - Actual Market Share**)]

It is the difference in **budgeted profits** arising due to difference in **Actual & budgeted Market Shares** (in %) in Actual Market Size