

**Test Duration: 36 mins (+ 4 mins reading time)**

**Maximum Marks: 20 marks**

**Que 1 & 2** The following information was obtained from the records of a manufacturing unit using standard costing system:

	<b>Budgeted</b>	<b>Actual</b>
Production	8000 units	7750 units
Machine Hours	16000 hours	15800 hours
Fixed Overheads	₹ 8,40,000	₹ 7,84,000

**Que 1:** What is the fixed overhead volume variance?

- A. 56000 F
- B. 15750 A
- C. 29750 A
- D. 26250 A

**(2 marks)**

**Que 2:** What is the fixed overhead expenditure variance?

- A. 56000 F
- B. 15750 A
- C. 29750 A
- D. 26250 A

**(2 marks)**

**Que 3** A gang of workers normally consists of 30 skilled workers, 15 semi-skilled workers and 10 unskilled workers. They are paid at standard rate per hour as under:

Skilled	Semi-skilled	Unskilled
₹70	₹65	₹50

In a normal working week of 40 hours, the gang is expected to produce 2,000 units of output. During the week ended 31<sup>st</sup> March, 2024, the gang consisted of 40 skilled, 10 semi-skilled and 5 unskilled workers. The actual wages paid were at the rate of ₹75, ₹60 and ₹52 per hour respectively. Four hours were lost due to machine breakdown and 1,600 units were produced.

Calculate the following variances showing clearly adverse (A) or favourable (F)

- i. Labour Rate Variance
- ii. Labour Efficiency Variance
- iii. Labour Mix Variance
- iv. Labour Idle Time Variance

**(8 marks)**

**Que 4** Y Ltd. manufactures "Product M" which requires three types of raw materials - "A", "B" & "C". Following information related to 1st quarter of the F.Y. 2022-23 has been collected from its books of accounts. The standard material input required for 1,000 kg of finished product 'M' are as under:

Material	Quantity in kg	Std. Rate per kg
A	500	25
B	350	45
C	250	55
	1100	

During the period, the company produced 20,000 kg of product "M" for which the actual quantity of materials consumed and purchase prices are as under:

Material	Quantity in kg	Purchase Price per kg
A	11,000	23
B	7,500	48
C	4,500	60

You are required to calculate:

- i. Material Cost Variance
- ii. Material Price Variance for each raw material and Product 'M'
- iii. Material Usage Variance for each raw material and Product 'M'
- iv. Total Material Yield Variance

**(8 marks)**