Dr. Babasaheb Ambedkar Open University
Term End Examination January – 2018

Course	:	**DACA**	**Date**	:	**23/01/2018**
Subject Code	:	**DACA-04**	**Time**	:	**3:00pm to 6:00pm**
Subject Name	:	**Variance Analysis**	**Duration**	:	**3 Hours**
			Max. Marks	:	**70**

Q-1 The standard cost of a certain chemical mixture for Niku Ltd is: **(14)**

35% Material A at Rs. 25 per kg.
65% Material B at Rs. 36 per kg.
A standard loss of 5% is expected in production.
During a period there is used:
125 kg. of Material A at Rs. 27 per kg. and
275 kg of material B at Rs. 34 per kg.
The actual output was 365 kgs. Calculate:
(a) Material Cost variances (b) Material price variance
(c) Material Mix variance (d) Material yield variance

OR

Adarsh Ltd. has adopted standard costing furnishes the following information:

Standard:	
Materials for 70 kg. finished products	100 kg.
Price of materials	Rs. 1 per kg
Actual:	
Output	2,10,000 kg
Materials used	2,80,000 kg
Cost of materials	Rs. 2,52,000

Calculate:
(a) Material usage variance (b) Material price variance (c) Material cost variance

Q-2 Rajvraj Ltd. operates a budgetary control and standard costing system. From the following data calculate: **(14)**
(i) Sales variances (ii) sales volume variances (iii) Sales price variance

Product	**Sid. Cost of sales per unit**	**Std. selling price per unit**	**Budget**		**Actual**	
			Units to be sold	**Sales value**	**Units sold**	**Sales Volume**
A	10.00	12.00	100	1,200	100	1,100
B	9.40	12.00	50	600	50	600
C	7.50	9.00	100	900	200	1,700
D	4.00	6.00	75	450	50	300
		Total	**325**	**3,150**	**400**	**3,700**

OR

The following information is available from the records of Mahavir Ltd:

	Budget	**Actual**
Fixed overhead June (Rs)	10,000	12,000
Production in June (units)	2,000	2,100
Standard time per unit (hours)	10	-
Actual hours worked in June	-	22,000

Compute:

(i) Fixed overheads cost variances (ii) Expenditure variances
(iii) Volume variance (iv) Capacity variance
(v) Efficiency variance

Q-3 In Shantinath Ltd. there are 200 workers and the standard rate of wage per hour is Rs. 2 standard working hour per week is 42. During the 4 weeks of February, 2017 the factory worked for 4 weeks. The standard task per hour is 60 units. During February, 2017 wages were paid to 182 workers at Rs. 2 per hour, to 10 workers at Rs. 2.10 and to 8 workers at Rs. 1.75 per hour. Actual production was 10,200 units. The factory did not work for 2 hours due to breakdown of power. **(14)**

Work out the labour variances.

OR

The data from the Budget and Actual data of a factory for January 2017, for super Ltd. are as follows:

Budget production 300 units
Budgeted variable overheads Rs.6,000
Standard time for production of one unit ; 20 hours
Actual production during the month : 250 units
Actual hours during the month 7,000 hours
Actual variable overheads Rs. 6,300
Calculate variable overhead variances from the above data.

Q-4 Following information is obtained from the cost accounts of Nagraj Ltd. Calculate fixed' overhead variances on the basis of this information. **(14)**

	Standard	**Actual**
Hours during a month	3,000 hours	3,270 hours
Days in each month	25 days	27 days
Monthly fixed overhead	Rs. 1,500	Rs. 1,600
Monthly production	2,000 units	2,200 units

OR

Following is the information about sales by sharp Ltd in April, 2001.

	Qut. (units)	**Std. price Rs.**	**Amount Rs.**	**Qut. (units)**	**Act. Price Rs.**	**Amount Rs.**
A	1,000	12	12,000	1,200	13	15,600
B	600	15	9,000	400	14	5,600
	1,600		**21,000**	**1,600**		**21,200**

Compute sales variances.

Q-5 **Write short Note (Any two)** **(14)**

1. Explain on material variances
2. Explain on Labour variances
3. Explain on sales variances
4. Explain on overhead variances