

Exercise E25-6
page 1177

(a) & (b)

Total Labor Variance

Std:	40,000 hrs.	x	\$12.00	=	\$480,000	
Act:	40,800 hrs.	x	\$12.10	=	<u>493,680</u>	
	TOTAL LABOR VARIANCE			-	<u>\$ 13,680</u>	U

Labor Price (Rate) Variance

Std:	\$12.00					
Act:	<u>12.10</u>					
	- \$.10	x	40,800 hrs.	=	\$ 4,080	U

Labor Quantity (Time) Variance

Std:	40,000 hrs.					
Act:	<u>40,800 hrs.</u>					
	- 800 hrs.	x	\$12.00 (S)	=	<u>9,600</u>	U
	TOTAL LABOR VARIANCE				<u>\$13,680</u>	U

Exercise E25-7
page 1177

Total Materials Variance

Std:	(230 x 8 lbs)	x	\$2.50	=	\$4,600	
Act:	1,900 lbs	x	\$2.60	=	4,940	
					\$ 340	
TOTAL MATERIALS VARIANCE				-		U

Materials Price Variance

Std:	\$2.50					
Act:	2.60					
	\$.10					
	-	x	1,900	(A) =	\$190	U

Materials Quantity Variance

Std:	1,840					
Act:	1,900					
	60					
	-	x	\$2.50	(S) =	150	U
TOTAL MATERIALS VARIANCE					\$340	U

Exercise E25-7
page 1177

Total Labor Variance

Std:	(230 x 3 hrs.)	x	\$12.00	=	\$8,280	
Act:	700 hrs.	x	\$11.60	=	8,120	
TOTAL LABOR VARIANCE					<u>\$ 160</u>	F

Labor Price (Rate) Variance

Std:	\$12.00					
Act:	<u>11.60</u>					
	\$.40	x	700 hrs.	=	\$280	F

Labor Quantity (Time) Variance

Std:	690 hrs.					
Act:	<u>700 hrs.</u>					
	- 10 hrs.	x	\$12.00 (S)	=	<u>120</u>	U

TOTAL LABOR VARIANCE					<u>\$160</u>	F
-----------------------------	--	--	--	--	---------------------	----------

Exercise E25-7 (amplified)

Journalize the entries to record the materials and labor variances.

<u>Date</u>	<u>Account Titles</u>	<u>Debit</u>	<u>Credit</u>
	Raw Materials (Inventory)	4,750	
	Materials Price Variance	190	
	Accounts Payable		4,940
	Work In Process (Inv)	4,600	
	Materials Quan Variance	150	
	Raw Materials (Inventory)		4,750
	Factory Labor	8,400	
	Labor Price Variance		280
	Wages Payable		8,120
	Work in Process (Inventory)	8,280	
	Labor Quantity Variance	120	
	Factory Labor		8,400

Exercise E25-8
pages 1178

Total Materials Variance

Std:	1,200	x	\$130	=	\$156,000	
Act:	1,225	x	\$128	=	158,600	
				-	<u>\$ 800</u>	U
TOTAL MATERIALS VARIANCE						

Materials Price Variance

Std:	\$130						
Act:	<u>128</u>						
	\$ 2	x	1,225	(A)	=	\$ 2,450	F

Materials Quantity Variance

Std:	1,200						
Act:	<u>1,225</u>						
	- 25	x	\$130	(S)	=	<u>3,250</u>	U
TOTAL MATERIALS VARIANCE						<u>\$ 800</u>	U

Exercise E25-8 (continued)

Total Labor Variance

Std:	4,300 hrs.	x	\$12.00	=	\$51,600	
Act:	4,200 hrs.	x	\$13.00	=	<u>54,600</u>	
TOTAL LABOR VARIANCE					<u>\$ 3,000</u>	U

Labor Price (Rate) Variance

Std:	\$12.00					
Act:	<u>13.00</u>					
-	\$ 1.00	x	4,200 hrs.	=	\$ 4,200	U

Labor Quantity (Time) Variance

Std:	4,300 hrs.					
Act:	<u>4,200 hrs.</u>					
	100 hrs.	x	\$12.00 (S)	=	<u>1,200</u>	F
TOTAL LABOR VARIANCE					<u>\$3,000</u>	U

Exercise E25-17

pages 1180

<u>Date</u>	<u>Account Titles</u>	<u>Debit</u>	<u>Credit</u>
1.	Raw Materials (Inventory)	77,400	
	Materials Price Variance	3,600	
	Accounts Payable		81,000
2.	Work In Process (Inv)	75,680	
	Materials Quan Variance	1,720	
	Raw Materials (Inventory)		77,400
3.	Factory Labor	83,600	
	Labor Price Variance		10,640
	Wages Payable		72,960
4.	Work in Process (Inv)	84,700	
	Labor Quantity Variance		1,100
	Factory Labor		83,600
5.	Work in Process (Inv)	84,700	
	Manufacturing Overhead		84,700

Brief Exercise BE25-4
page 1175

Total Materials Variance

Std:	3,000	x	\$5.00	=	\$15,000	
Act:	3,200	x	\$5.05	=	16,160	
				-	<u>\$ 1,160</u>	U
TOTAL MATERIALS VARIANCE						

Materials Price Variance

Std:	\$5.00					
Act:	<u>5.05</u>					
	- \$.05	x	3,200 (A)	=	\$ 160	U

Materials Quantity Variance

Std:	3,000					
Act:	<u>3,200</u>					
	- 200	x	\$5.00 (S)	=	<u>1,000</u>	U
TOTAL MATERIALS VARIANCE					<u>\$1,160</u>	U

Brief Exercise BE26-5
page 1175

Total Labor Variance

Std:	2,000 hrs.	x	\$10.00	=	\$20,000	
Act:	2,100 hrs.	x	\$10.50	=	<u>22,050</u>	
	TOTAL LABOR VARIANCE			-	<u>\$ 2,050</u>	U

Labor Price (Rate) Variance

Std:	\$10.00					
Act:	<u>10.50</u>					
	- \$.50	x	2,100 hrs.	=	\$1,050	U

Labor Quantity (Time) Variance

Std:	2,000 hrs.					
Act:	<u>2,100 hrs.</u>					
	- 100 hrs.	x	\$10.00 (S)	=	<u>1,000</u>	U
	TOTAL LABOR VARIANCE				<u>\$2,050</u>	F

Brief Exercise BE25-8
page 1175

<u>Date</u>	<u>Account Titles</u>	<u>Debit</u>	<u>Credit</u>
a.	Raw Materials (Inventory)	12,000	
	Materials Price Variance		900
	Accounts Payable		11,100
b.	Work In Process (Inv)	11,600	
	Materials Quan Variance		600
	Raw Materials (Inventory)		11,000

Brief Exercise BE25-9
page 1175

<u>Date</u>	<u>Account Titles</u>	<u>Debit</u>	<u>Credit</u>
a.	Factory Labor	25,200	
	Labor Price Variance		1,200
	Wages Payable		24,000
b.	Work in Process (Inv)	26,040	
	Labor Quantity Variance		840
	Factory Labor		25,200