Advanced Higher Accounting

Formulae Sheet for Variance Analysis

This edition: October 2019, version 1.4

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Formulae Sheet for Variance Analysis

Total Material Cost Variance	(Standard Quantity for Production × Standard Price) − (Actual Quantity used × Actual Price)
Material Price Variance	(Standard Price − Actual Price for Unit) × Actual Quantity used
Material Usage Variance	(Standard Quantity for Production − Actual Quantity used) × Standard Price
Total Labour Cost Variance	(Standard Rate × Standard Hours for Production) − (Actual Rate × Actual Hours worked)
Labour Rate Variance	(Standard Rate − Actual Rate) × Actual Hours worked
Labour Efficiency Variance	(Standard Hours for Production − Actual Hours worked) × Standard Rate
Variable Overhead Cost Variance	(Standard Hours for Production × Variable Overhead Absorption Rate) − Actual Variable Overhead Cost
Variable Overhead Expenditure Variance	(Actual Hours worked × Variable Overhead Absorption Rate) − Actual Variable Overhead Cost
Variable Overhead Efficiency Variance	(Standard Hours for Production − Actual Hours worked) × Variable Overhead Absorption Rate
Fixed Overhead Cost Variance	1. (Standard Hours for Production × Fixed Overhead Absorption Rate) − Actual Fixed Overhead Cost 2. (Standard Units for Production × Fixed Overhead Absorption Rate) − Actual Fixed Overhead Cost
Fixed Overhead Expenditure Variance	Budgeted Fixed Overheads − Actual Fixed Overhead Cost
Fixed Overhead Volume Variance	1. Budgeted Fixed Overheads − (Standard Hours for Actual Production × Fixed Overhead Absorption Rate) 2. (Actual Activity − Normal Activity) × Fixed Overhead Absorption Rate
Total Sales Revenue Variance	(Actual Selling Price × Actual Quantity) − (Budgeted Selling Price × Budgeted Quantity)
Sales Price Variance	(Actual Selling Price − Budgeted Selling Price) × Actual Quantity
Sales Volume Variance	(Actual Quantity − Budgeted Quantity) × Budgeted Selling Price