



|    | A                                       | B                          | C                        | D                     | E                     | F | G                     | H                     |
|----|---|----------------------------|--------------------------|-----------------------|-----------------------|---|-----------------------|-----------------------|
| 9  |   |                            |                          |                       |                       |   |                       |                       |
| 10 | <b>Variable overheads</b>               | <b>Budgeted Var OHDS</b>   | <b>Actual Var OHDS</b>   |                       |                       |   |                       |                       |
| 11 | Machinery maintenance                   | \$275,000                  | \$305,937                |                       |                       |   |                       |                       |
| 12 | Indirect materials                      | \$460,000                  | \$470,810                |                       |                       |   |                       |                       |
| 13 | Indirect Labour                         | \$780,000                  | \$888,576                |                       |                       |   |                       |                       |
| 14 | Waste removal/cleanup                   | \$72,000                   | \$102,528                |                       |                       |   |                       |                       |
| 15 | Other utility costs                     | \$42,000                   | \$52,332                 |                       |                       |   |                       |                       |
| 16 | <b>Total variable OHDS</b>              | <b>\$1,629,000</b>         | <b>\$1,820,183</b>       | <b>\$506.29</b>       |                       |   | <b>\$478.41</b>       |                       |
| 17 | <b>Std DLH/Unit</b>                     |                            |                          |                       | 49.50                 |   |                       | 49.50                 |
| 18 | Applied variable overhead/unit          |                            |                          |                       | <b>\$25,061.54</b>    |   |                       | <b>\$25,061.54</b>    |
| 19 | Total applied variable overhead         |                            |                          | <b>\$1,629,000.00</b> | <b>\$1,629,000.00</b> |   | <b>\$1,754,307.69</b> | <b>\$1,754,307.69</b> |
| 20 | Actual DLH                              |                            |                          |                       |                       |   |                       | 3405.00               |
| 21 | Actual DLH/Unit                         |                            |                          |                       |                       |   |                       | \$48.64               |
| 22 | Actual Applied overhead (on Actual DLH) |                            |                          |                       |                       |   |                       | \$23,271.43           |
| 23 | Total overheads applied (on Actual DLH) |                            |                          |                       |                       |   | <b>\$1,629,000.00</b> | <b>\$1,629,000.00</b> |
| 24 | <b>Fixed overheads</b>                  |                            |                          |                       |                       |   |                       |                       |
| 25 | <b>Budgeted DLH:</b>                    | <b>Budgeted Fixed OHDS</b> | <b>Actual Fixed OHDS</b> |                       |                       |   |                       |                       |
| 26 | Production Facility Rent                | \$520,000                  | \$763,620                |                       |                       |   |                       |                       |
| 27 | Management Salaries                     | \$650,000                  | \$896,675                |                       |                       |   |                       |                       |
| 28 | Production supervisors                  | \$600,000                  | \$774,300                |                       |                       |   |                       |                       |
| 29 | Depreciation                            | \$350,000                  | \$467,250                |                       |                       |   |                       |                       |
| 30 | Insurance                               | \$65,000                   | \$94,295                 |                       |                       |   |                       |                       |
| 31 | General Maintenance                     | \$28,000                   | \$31,897                 |                       |                       |   |                       |                       |
| 32 | <b>Total fixed OHD rate</b>             | <b>\$2,213,000</b>         | <b>\$3,028,037</b>       | <b>\$687.80</b>       |                       |   | <b>\$649.93</b>       |                       |
| 33 |   |                            |                          |                       |                       |   |                       |                       |

|    | A                            | B           | C           | D              | E           | F | G              | H           |
|----|------------------------------|-------------|-------------|----------------|-------------|---|----------------|-------------|
| 32 | Total fixed OHD rate         | \$2,213,000 | \$3,028,037 | \$687.80       |             |   | \$649.93       |             |
| 33 | DLH/Unit                     |             |             |                | 49.50       |   |                | 49.50       |
| 34 | Applied fixed overhead/unit  |             |             |                | \$34,046.15 |   |                | \$32,171.37 |
| 35 | Total fixed overhead applied |             |             | \$2,213,000.00 | \$2,213,000 |   | \$2,251,995.59 | \$2,251,996 |

37 **Variable OHD Flexible Budget Variance VOHD Budget Variance**

38 VOHD Budget Variance = ACTUAL COSTS INCURRED - FLEXIBLE BUDGET AMOUNT

43 **Variable OHD EFFICIENCY VARIANCE**

44 VOHDEV = (Actual qty of var. ohd cost allocation base - Flexi budget allowed for output) x Budgeted VOHD Rate

49 **Flexible budget variance (Variable OHDs)**

50 Flexible budget variance Variable OHD Spending Variance + Variable OHD Efficiency variance

54 **Steps:**

55 1. Choose the period