Question 1

Place each activity against the correct category according to its classification in the cost hierarchy of activities.

Unit level activity			Unit level activity
Batch level activity urce Management			Batch level activity

Answer:

Product sustaining activity			Product sustaining activity
Facility sustaining activity lopment			Facility sustaining activity

Question 2

A company makes a product using two materials, X and Y.

The standard materials required for one unit of the product are:

	$
Material X 6kg @ $6 per kg	36
Material Y 4kg @ $8 per kg	32
Total	68

In the period just ended, the company produced 500 units of the product using the following materials:

Material X	2,950kg
Material Y	2,100kg

What is the materials yield variance?

Give your answer as a whole number.

Answer:

Question 3

A company makes a product using two materials, X and Y.

The standard materials required for one unit of the product are:

	$
Material X 6kg @ $6 per kg	36
Material Y 4kg @ $8 per kg	32
Total	68

In the period just ended, the company produced 500 units of the product using the following materials:

Material X	2,950kg
Material Y	2,100kg

What is the direct material mix variance for Material X, using the individual valuation basis?

Options:

A- $480F

B- $300F

C- $160A

D- $640A

Answer:

A

Question 4

Question Type: MultipleChoice

The fixed production overhead volume variance is:

Options:

A- $10,500 F

B- $3,500 A

C- $10,500 A

D- $7,000 A

Question 5

Question Type: **MultipleChoice**

Budgeted sales and production for Product X for this period are 12,000 units.

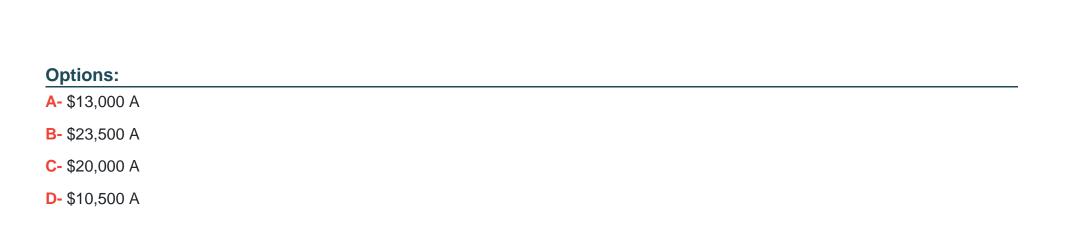The standard cost and selling price for a single unit of the product are:

Sales and production   11,500 units

Fixed production overheads $265,000

Direct labour   35,000 hours

The fixed production overhead expenditure variance is:

Options:

A- $13,000 A

B- $23,500 A

C- $20,000 A

D- $10,500 A

Answer:

A

Question 6

Question Type: **FillInTheBlank**

The standard production cost of making a product is as follows:

Production 17,000 units

Labour cost $350,000 for 25,000 hours

Fixed production overheads $156,000

What is the fixed production overhead efficiency variance?

Give your answer as a whole number.

Answer: