Standard Costing

(Crossword Puzzle #2)

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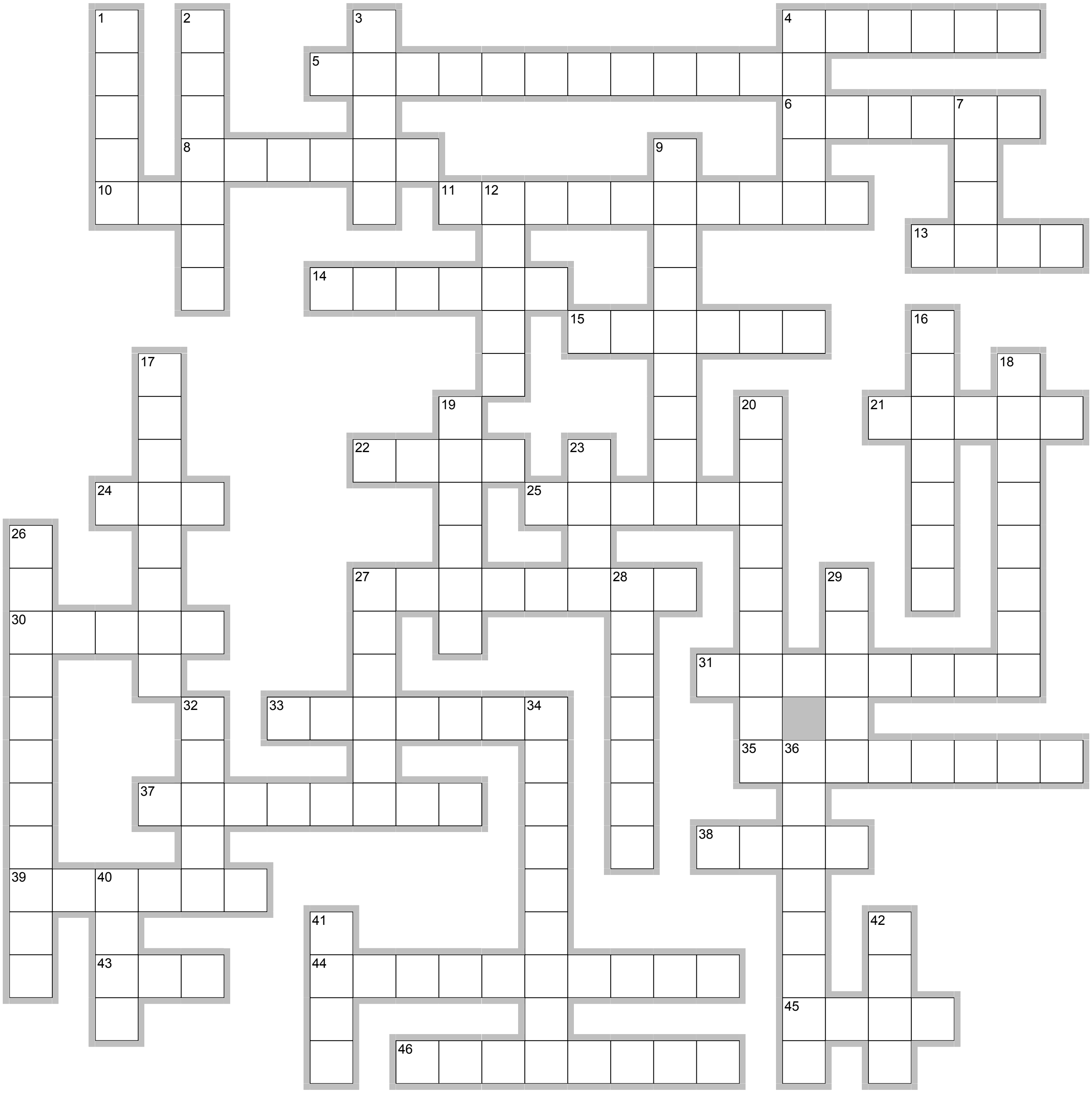
Crossword Puzzle (Standard Costing #2)



Across (Standard Costing #2)

4. A budget that does not flex for changes in volume is a _________ budget.

5. The flexible-budget variance in the two-way analysis of manufacturing overhead is sometimes referred to as the ____________________ variance.

6. This fixed overhead variance results from the good output being different from the output used to develop the standard rate for absorbing the fixed overhead costs.

8. A company produced 140,000 units of output having a standard of 0.5 direct labor hours per unit. The standard cost for labor is $10.00 per hour. During the recent accounting period 68,000 actual direct labor hours were used and the actual pay rate was $11.00 per hour. The direct labor efficiency variance was __________ thousand dollars favorable.

10. A company produced 1,000 units of output having a standard of three pounds of direct materials at $2 per pound. The company used 3,100 pounds and paid $1.95 per pound for the direct materials. The usage variance was _________ hundred dollars.

11. The department likely to be responsible for the direct materials price variance.

13. To avoid seasonal fluctuations, the manufacturing overhead standard cost is usually a predetermined rate based on the denominator/budget activity expected for the upcoming __________.

14. The standard quantity of direct materials and direct labor is based on the __________ quantity of good output.

15. Selling and administrative overhead expenses are not considered to be product costs. Rather, these overheads are treated as expenses of the accounting ____________.

21. The __________ overhead variance is the difference between the actual overhead costs incurred and the standard overhead costs applied to the actual output.

22. The standard variable manufacturing overhead rate is $4 per machine hour. The standard number of machine hours for each unit of output is 2 hours. The company produced 10,500 units of output and used 22,000 machine hours. The actual amount of variable overhead incurred by the company was $93,000. The amount of the variable overhead efficiency variance was________ thousand dollars and it was unfavorable.

Across (Standard Costing #2)

24. A company's product has a standard direct materials cost of $6 (3 pounds of direct materials at a standard cost of $2 per pound) per unit of output. During the accounting period the company manufactured 1,000 units of output and used 3,100 pounds of direct materials. The standard cost of the direct materials for the 1,000 units of output was ________ thousand dollars.

25. A manufacturer's product cost consists of direct materials, _________ labor, and manufacturing overhead.

27. Manufacturing ______________ costs are indirect product costs.

30. The volume variance is associated with the manufacturing overhead whose cost behavior is _____________.

31. The three-way analysis of manufacturing overhead can become a four-way analysis by breaking the spending variance into a fixed spending variance and a _____________ spending variance.

33. In the lower of cost or market rule (which has been replaced by the lower of cost or net realizable value), "market" referred to the cost to ____________, whether by purchase or production.

35. The difference between the actual manufacturing overhead and the flexible budget for manufacturing overhead is the ________________ variance.

37. A significant direct materials price variance should be ______________ (allocated in a relevant proportion) to inventories and to the cost of goods sold.

38. Assume the overhead is applied on machine hours. If the standard machine hours for the good output equals the standard hours in the denominator activity used for establishing the standard cost rate for applying overhead, the amount of the volume variance will be ______________.

39. A word used instead of manufacturing overhead.

43. The standard manufacturing overhead rate is $10 per machine hour and the standard number of machine hours for each unit of output is 2 hours. The company's plan called for the production of 10,000 units, but it actually produced 10,500 units of output. The total overhead applied or absorbed by the output was two hundred and _______ thousand dollars.

44. A labor variance resulting from using a greater or lesser quantity of direct labor hours than the standard hours allowed for the output.

Across (Standard Costing #2)

45. An unfavorable direct materials usage variance that is not significant in amount can be charged entirely to the cost of goods __________.

46. The direct materials usage variance and the direct labor efficiency variance are ______________ variances as opposed to price variances.

Down (Standard Costing #2)

1. A company produced 140,000 units of output having a standard of 0.5 direct labor hours per unit. The standard cost for labor is $10.00 per hour. During the recent accounting period 68,000 actual direct labor hours were used and the actual pay rate was $11.00 per hour. The direct labor rate variance was sixty-___________ thousand dollars unfavorable.

2. Manufacturing overhead is commonly referred to as ___________ overhead.

3. A company produced 140,000 units of output having a standard of 0.5 direct labor hours per unit. The standard cost for labor is $10.00 per hour. During the recent accounting period 68,000 actual direct labor hours were used and the actual pay rate was $11.00 per hour. The total direct labor variance is _________-eight thousand dollars unfavorable.

4. A company produced 140,000 units of output having a standard of 0.5 direct labor hours per unit. The standard cost for labor is $10.00 per hour. During the recent accounting period 68,000 actual direct labor hours were used and the actual pay rate was $11.00 per hour. The standard direct labor cost for the output is _________ hundred thousand dollars.

7. A favorable volume variance occurs when the fixed overhead applied to the output is _________ (more, less) than the budgeted amount of fixed overhead.

9. A variance is said to be _________________ when the actual costs of an input are less than the standard costs of the inputs allowed for the output.

12. This direct materials variance occurs when the actual quantity of direct materials is different from the quantity allowed for the output.

16. Standard costing can be used in both job costing and ____________ costing.

17. A favorable direct labor rate variance that is significant in amount should be prorated to WIP inventory, ___________ goods inventory, and cost of goods sold.

18. The difference between the standard cost and the actual cost of an input or output.

19. The two-way analysis of manufacturing overhead consists of the production volume variance and the flexible-____________ variance.

20. A significant purchase price variance that was isolated at the time that the direct materials were purchased should be partially assigned to the direct _____________ inventory when reporting the inventory amounts on the balance sheet.

Down (Standard Costing #2)

23. The standard variable manufacturing overhead rate is $4 per machine hour. The standard number of machine hours for each unit of output is 2 hours. The company produced 10,500 units of output and used 22,000 machine hours. The actual amount of variable overhead incurred by the company was $93,000. The amount of the variable overhead spending variance was________ thousand dollars and it was unfavorable.

26. A debit to a variance account indicates that the variance is ____________________.

27. In variance analysis, the standard quantity of an input is based on the actual quantity of the __________.

28. The standard manufacturing overhead cost is said to be assigned or ____________ to the good output.

29. A direct materials variance that occurs when the actual cost of a unit of input is different from its standard cost.

32. The __________-way analysis of manufacturing overhead consists of the production volume variance, the efficiency variance, and the spending variance based on the flexible budget for the actual quantity of inputs such as machine hours.

34. Variances are consistent with the business philosophy of management by ______________.

36. If the direct materials inventory is carried at standard cost, the price variance was recorded at the time of _____________.

40. The labor variance resulting from the direct labor being paid an hourly pay rate that is greater or lesser than the standard pay per hour.

41. A credit to a variance account indicates that the actual cost was ________ than the standard cost.

42. The _______ of materials (BOM) is a listing of the quantity of each of the materials needed to produce one unit of output.

Solutions (Standard Costing #2)