Fixed Manufacturing Overhead Variances

(For Standard Costing)

Example: A company applies its fixed manufacturing overhead costs such as factory rent and factory supervisors on the basis of direct labor hours or machine hours. During a recent time period there were actual fixed manufacturing overhead costs of $_____ compared to the fixed manufacturing overhead budget of $_____. During the period there were _____ units of output and each unit had a standard of _____ direct labor hours or _____ machine hours. The fixed manufacturing overhead standard is based on a standard rate of $_____ per direct labor hour or $_____ per machine hour.

Actual Amount of Fixed Manufacturing Overhead Incurred

Budget for Fixed Manufacturing Overhead

The output of _____ units of product will have the following ***Standard Cost of Fixed Manufacturing Overhead Applied to the Products:***

Standard Hours for Output	X	**Standard Cost per Hour**
	X	$

$ _____

$ _____

$ _____

Fixed Mfg O/H Budget Variance = **$** _____ Favorable or Unfav

Fixed Mfg O/H Volume Variance = **$** _____ Favorable or Unfav

Total Fixed Manufacturing Overhead Variance = $ _____ Favorable or Unfavorable

See **Filled-In Form G17** for an illustration.

Learn more about standard costing at www.AccountingCoach.com.