

Direct Materials Usage Variance

(For Standard Costing)

© AccountingCoach.com - Form G16

This form assumes that the unit of measure is a pound (lb.). However, it could be gallons, liters, board feet, etc.

Example: A company has one raw material with a standard cost of \$_____ per pound. The standard for manufacturing each unit of output/product is _____ lbs of material. The material's actual cost was _____ per lb. (However, the actual cost per lb. is not used in the calculation of the usage variance.) During the current period _____ units of output were manufactured. The actual lbs. of materials used to produce the _____ units of output amounted to _____ lbs.

The output of _____
units of product
will have the following

Standard Cost of Direct Materials

Assigned to the Products:

Actual lbs. Used X Standard Cost per lb.

Actual lbs. Used	X	Standard cost per lb.
<input type="text"/>	X	<input type="text"/>
		\$ <input type="text"/>

Standard lbs. for Output	X	Standard cost per lb.
<input type="text"/>	X	<input type="text"/>
		\$ <input type="text"/>

Materials Usage Variance = \$ Favorable or Unfavorable

See **Filled-In Form G16** for an illustration.

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