

### Ch. 10 Practice Quiz

1. The following materials standards have been established for a particular raw material used in the company's sole product:

Standard quantity per unit of output	0.1 pound
Standard price	\$18.20 per pound

The following data pertain to operations for the last month:

Actual materials purchased	5,700 pounds
Actual cost of materials purchased	\$100,320
Actual materials used in production	5,600 pounds
Actual output	55,800 units

What is the materials price variance for the month?

- A) \$1,820 U
- B) \$1,760 U
- C) \$3,420 F
- D) \$352 U

Answer: C Level: Easy LO: 1

2. A quantity of a particular raw material was purchased for \$43,250. The standard cost of the material was \$2.00 per kilogram and there was an unfavorable materials price variance of \$3,250. How many kilograms were purchased?
- A) 20,000
  - B) 21,625
  - C) 23,250
  - D) 24,875

Answer: A Level: Hard LO: 1 Source: CIMA, adapted

3. The following information pertains to Bates Company's direct labor for March:

Standard direct labor-hours	21,000
Actual direct labor-hours	20,000
Favorable direct labor rate variance	\$8,400
Standard direct labor rate per hour	\$6.30

What was Bates' total actual direct labor cost for March?

- A) \$117,600
- B) \$118,000
- C) \$134,000
- D) \$134,400

Answer: A Level: Hard LO: 2 Source: CPA, adapted

The Maxwell Company has a standard costing system in which variable manufacturing overhead is assigned to production on the basis of machine hours. The following data are available for July:

Actual variable manufacturing overhead cost incurred: \$22,620

Actual machine hours worked: 1,600

Variable overhead spending variance: \$3,420 unfavorable

Total variable overhead variance: \$4,620 unfavorable

4. The standard number of machine hours allowed for July production is:

A) 1,500 hours

B) 1,600 hours

C) 1,700 hours

D) 2,270 hours

Answer: A Level: Hard LO: 3

Vermeillen Corporation uses a standard costing system in which variable manufacturing overhead is assigned to production on the basis of the number of machine setups. The following data pertain to one month's operations:

Variable manufacturing overhead cost incurred: \$70,000

Total variable overhead variance: \$4,550 favorable

Standard machine setups allowed for actual production: 3,550

Actual machine setups incurred: 3,500

5. The standard variable overhead rate per machine setup is:

A) \$20.00

B) \$21.30

C) \$18.44

D) \$21.00

Answer: D Level: Hard LO: 3

**Use the following to answer questions 6-7:**

The Dresden Company uses standard costing for the single product the company makes and sells. The following data are for the month of April:

Actual cost of direct material purchased and used: \$62,400

Material price variance: \$4,800 unfavorable

Total materials variance: \$14,400 unfavorable

Standard cost per pound of material: \$6

Standard cost per direct labor hour: \$8

Actual direct labor hours: 3,800 hours

Labor efficiency variance: \$1,600 favorable

Standard number of direct labor hour per unit of product: 2

Total labor variance: \$680 unfavorable

6. The total number of units produced during April was:

- A) 8,000
- B) 12,000
- C) 2,000
- D) 3,800

Answer: C Level: Hard LO: 1

7. The actual direct labor rate per hour was:

- A) \$16.00
- B) \$6.50
- C) \$8.00
- D) \$8.60

Answer: D Level: Hard LO: 2