|  |
| --- |
| Topper Toys has developed a new toy called the Brainbuster. The company has a standard cost system to help control costs and has established the following standards for the Brainbuster toy: |

|  |
| --- |
| Direct materials: 7 diodes per toy at $0.32 per diode |
| Direct labor: 1.2 hours per toy at $7.30 per hour |

|  |
| --- |
| During August, the company produced 4,800 Brainbuster toys. Production data on the toy for August follow: |

|  |
| --- |
| Direct materials: 70,000 diodes were purchased at a cost of $0.29 per diode. 28,000 of these diodes were still in inventory at the end of the month. |
| Direct labor: 6,260 direct labor-hours were worked at a cost of $48,828. |

|  |  |
| --- | --- |
| **Required:** | |
| **1.** | Compute the following variances for August **(Input all amounts as positive values. Do not round your per unit rates, round other intermediate calculations and your final answer to nearest whole dollar.  Leave no cells blank - be certain to enter "0" wherever required. Indicate the effect of each variance by selecting "F" for favorable, "U" for unfavorable, and "None" for no effect (i.e., zero variance). Omit the "$" sign in your response)**: |

|  |  |
| --- | --- |
| **a.** | Direct materials price and quantity variances. |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Material price variance | $ |  |
| Material quantity variance | $ |  |
|  | | |

|  |  |
| --- | --- |
| **b.** | Direct labor rate and efficiency variances. |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Labor rate variance | $ |  |
| Labor efficiency variance | $ |  |