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| **Question 8**  |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| Rapache Clothiers is a small company that manufactures tall-men's suits. The company has used a standard cost system. In May 2008, 11,200 suits were produced.The following standard and actual cost data applied to the month of May when normal capacity was 14,000 direct labor hours. All materials purchased were used.

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| **Cost Element** |   | **Standard (per unit)** |   | **Actual** |
| Direct materials |   | 8 yards at $4.30 per yard |   | $371,050 for 90,500 yards     ($4.10 per yard) |
|   |   |   |   |   |
| Direct labor |   | 1.2 hours at $13.50 per hour |   | $201,630 for 14,300 hours     ($14.10 per hour)  |
|   |   |   |   |   |
| Overhead |   | 1.2 hours at $6.00 per hour |   | $49,000 fixed overhead |
|   |   | (fixed $3.50; variable $2.50) |   | $37,000 variable overhead |

Overhead is applied on the basis of direct labor hours. At normal capacity, budgeted fixed overhead costs were $49,000, and budgeted variable overhead was $35,000.

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| Compute the total, price, and quantity variances for (1) materials and (2) labor.

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| Total materials variance | $ |  |
| Materials price variance | $ |  |
| Materials quantity variance | $ |  |
| Total labor variance | $ |  |
| Labor price variance | $ |  |
| Labor quantity variance | $ |  |

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| Compute the total overhead variance $

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