**7.**

Expedient Company maintains warehouses that stock items carried by its e-retailer clients. When one of Expedient’s clients receives an order from an online customer, the order is forwarded to Expedient. The item is then pulled from the warehouse, packed, and shipped to the customer. Expedient uses a predetermined variable overhead rate based on direct labor-hours. According to the company’s records, 0.04 direct labor-hours are required to fulfill an order for one item and the variable overhead rate is $3.25 per direct-labor hour. During December, Expedient shipped 120,000 orders using 4,600 direct labor-hours. The company incurred a total of $14,720 in variable overhead costs.

What is the variable overhead rate variance during December?

What is the variable overhead efficiency variance during December?