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Preble Company manufactures one product. Its variable manufacturing overhead is applied to production based on direct labor-hours and its standard cost card per unit is as follows:

LO1, LO2, LO4,
LO5, LO6

Direct material: 5 pounds at \$8.00 per pound.....	\$40.00
Direct labor: 2 hours at \$14 per hour	28.00
Variable overhead: 2 hours at \$5 per hour.....	10.00
Total standard variable cost per unit.....	<u>\$78.00</u>

The company also established the following cost formulas for its selling expenses:

	Fixed Cost per Month	Variable Cost per Unit Sold
Advertising.....	\$200,000	
Sales salaries and commissions	\$100,000	\$12.00
Shipping expenses		\$3.00

The planning budget for March was based on producing and selling 25,000 units. However, during March the company actually produced and sold 30,000 units and incurred the following costs:

- Purchased 160,000 pounds of raw materials at a cost of \$7.50 per pound. All of this material was used in production.
- Direct-laborers worked 55,000 hours at a rate of \$15.00 per hour.
- Total variable manufacturing overhead for the month was \$280,500.
- Total advertising, sales salaries and commissions, and shipping expenses were \$210,000, \$455,000, and \$115,000, respectively.

Required:

- What raw materials cost would be included in the company's flexible budget for March?
- What is the materials quantity variance for March?
- What is the materials price variance for March?
- If Preble had purchased 170,000 pounds of materials at \$7.50 per pound and used 160,000 pounds in production, what would be the materials quantity variance for March?
- If Preble had purchased 170,000 pounds of materials at \$7.50 per pound and used 160,000 pounds in production, what would be the materials price variance for March?
- What direct labor cost would be included in the company's flexible budget for March?
- What is the direct labor efficiency variance for March?
- What is the direct labor rate variance for March?
- What variable manufacturing overhead cost would be included in the company's flexible budget for March?
- What is the variable overhead efficiency variance for March?
- What is the variable overhead rate variance for March?
- What amounts of advertising, sales salaries and commissions, and shipping expenses would be included in the company's flexible budget for March?
- What is the spending variance related to advertising?
- What is the spending variance related to sales salaries and commissions?
- What is the spending variance related to shipping expenses?