Aurora University

Exam 2 Part 1 - Fall 2016

ACC 3210 - Cost Accounting

Name Kendall Bailcy

PROBLEM 1 (50 POINTS)

The actual information pertains to the month of August. As part of the budgeting process Dynamic Dave's Doughnut Dot Company developed the following static budget for August. Dynamic Dave's Doughnut Dot Company is in the process of preparing the flexible budget and understanding the results.

Dynamic Dave's Doughnut Dot Company

Variance Analysis

	Actual Results	Flex-budget Variances	Flexible Budget	Sales-Volume Static Variances	Static Budget
Units (dozens) sold	225,000		______		260,000
Sales	$840,000	$______	$ ______	$ ______	$ 949,000
Variable costs					
Direct materials	483,538	______	______	______	532,740
(68200 lbs @ 7.09/lb)					(78000 lbs @6.83/lb)
Direct labor	76,950	______	______	______	94,075
(10125 hrs @ 7.60/hr)					(13250 hrs @7.10)
Total variable costs	560,488	$ ______	$ ______	$ ______	626,815
Contribution margin	279,512	$ ______	$______	$ ______	$322,185
Fixed costs	148,000	$ ______	$______	$ ______	150,000
Operating income	$131,512	$______	$______	$______	$ 172,185

quired:

Complete the above variance analysis report; make sure to compute the static budget variance, flexible-budget variance and sales-volume variance.