

## Course Book

08/2017

### Chapter 1 Activity 2 (answer)

The fixed costs in the answer table are incorrect and should be:

17,000 units: £100,000

25,000 units: £105,000

### Chapter 2 Activity 5 (answer)

The question states to use January X7 as the base, but the answer uses January X8 as the base. The correct answer should therefore be:

Jan: 105.01, Feb: 107.41, March 107.82, April: 103.41

### Chapter 4 Illustration 2

The top row of the labour rate variance should use 3,080 hours, and should read '3,080 hours should have cost (3,080 hours x £5 per hour) = £15,400. The variance should therefore be £2,100 A, which should also be reflected in the reconciliation table at the bottom of the illustration.

### Chapter 4 Section 2.4 – Fixed overhead capacity variance (p.96)

The formula stated to calculate the variance is incorrect and should read as

Budgeted hours worked                      x

Actual hours worked                          (x)

Difference valued at standard OAR per hour

### Chapter 5 Illustration 3

The total materials variance should be £960 adverse, which makes the material usage variance £1,500 adverse.

### Chapter 10 Illustration 4

The bottom row in the final table should read £0.