Variances
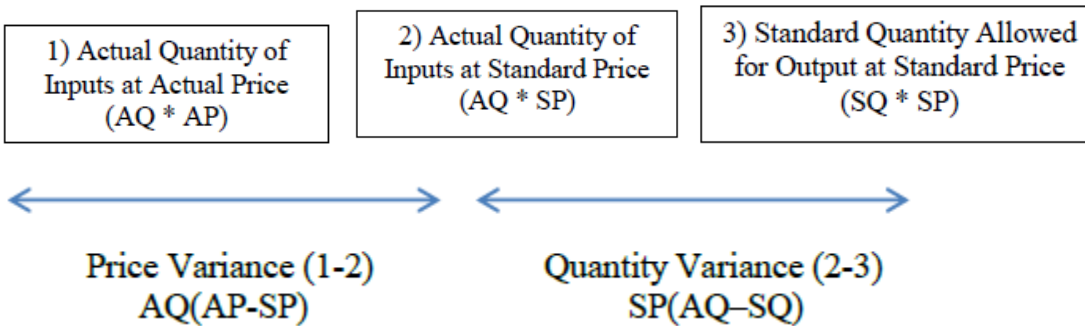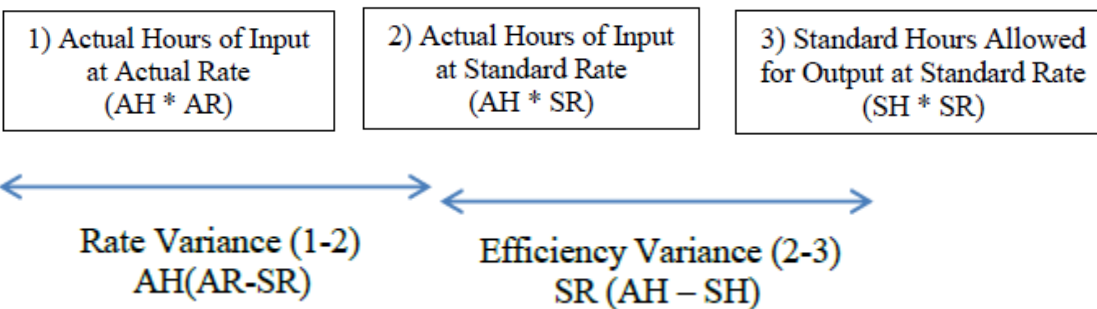
(-) Variances = Favorable
(+) Variances = Unfavorable
* For the total variance for each of the
four types, take the difference of the two
variances, and the answer will be F or U
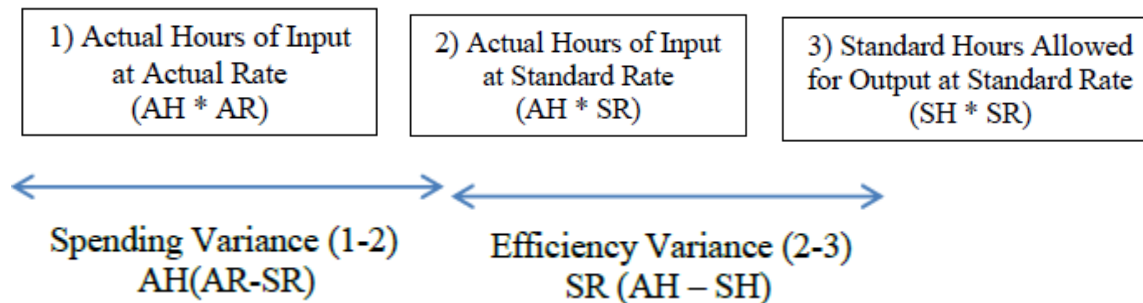depending on which is greater.

Direct materials variances

1) Actual Quantity of Inputs at Actual Price (AQ * AP)	2) Actual Quantity of Inputs at Standard Price (AQ * SP)	3) Standard Quantity Allowed for Output at Standard Price (SQ * SP)

Price Variance (1-2)
$AQ(AP-SP)$

Quantity Variance (2-3)
$SP(AQ-SQ)$

Direct labor variances

1) Actual Hours of Input at Actual Rate (AH * AR)	2) Actual Hours of Input at Standard Rate (AH * SR)	3) Standard Hours Allowed for Output at Standard Rate (SH * SR)

Rate Variance (1-2)
$AH(AR-SR)$

Efficiency Variance (2-3)
$SR (AH - SH)$

Variable overhead variances

1) Actual Hours of Input at Actual Rate (AH * AR)	2) Actual Hours of Input at Standard Rate (AH * SR)	3) Standard Hours Allowed for Output at Standard Rate (SH * SR)

Spending Variance (1-2)
$AH(AR-SR)$

Efficiency Variance (2-3)
$SR (AH - SH)$

Fixed overhead variances

Actual Fixed Overhead Cost	Flexible Budget Fixed Overhead Cost	Fixed Overhead Cost Applied to Work In Process (SH * SR)

Budget Variance (1-2)   Volume Variance (2-3)