

Breakdown of variances

	$P^A N^A Q^A$	Price/Rate Variances	$P^B N^A Q^A$	Quantity/Efficiency Variances	$P^B N^B Q^A$
<i>Direct Materials:</i>					
acrylic fabric	256,422	20,428	276,850	(5,548)	271,302
acrylic eyes	125,637	0	125,637	(1,926)	123,711
plastic joints	246,002	25,181	271,183	(43,294)	227,889
polyster filling	450,856	48,183	499,039	(74,189)	424,851
woven label	16,422	0	16,422	(145)	16,278
designer box	69,488	6,317	75,805	2,328	78,133
accessories	66,013	(26,946)	39,067	0	39,067
Total Direct Materials	1,230,840	73,164	1,304,004	(122,773)	1,181,231
<i>Direct Labor:</i>					
sewing	1,545,854	(32,166)	1,513,688	(211,464)	1,302,224
stuffing and cutting	850,636	(17,700)	832,936	(51,602)	781,334
assembly	989,011	(20,579)	968,432	(187,098)	781,334
dressing and packaging	282,805	(5,885)	276,920	(16,475)	260,445
Total Direct Labor	3,668,305	(76,329)	3,591,976	(466,638)	3,125,338
Variable Overheads	1,725,665	(327,488)	1,398,177	(181,639)	1,216,538
Total Variable Costs	6,624,810	(330,654)	6,294,156	(771,050)	5,523,106

↑ Total Flexible Budget Variance = (1,101,704) ↓

Purchasing - David Hall

Production - Bill Wilford

Bonus Calculations

	Bonus Base	Rate	Bonus
David Hall (Purchasing Dept)			
Materials price variances:			
acrylic fabric	20,428		
acrylic eyes	0		
plastic joints	25,181		
polyster filling	48,183		
woven label	0		
designer box	6,317		
accessories	(26,946)		
	\$ 73,164	20%	\$ 14,633

Rita Smith (Marketing Dept)			
Actual Net revenue:			
Actual Revenue	14,446,487		
Variable Selling Expenses	(1,859,594)		
Fixed Selling Expenses	(5,023,192)		
	7,563,701		
Budgeted Net revenue:			
Budgeted Revenue	13,006,000		
Variable Selling Expenses	(1,218,280)		
Fixed Selling Expenses	(4,463,000)		
	7,324,720		
	\$ 238,981	10%	\$ 23,898

Bill Wilford (Production Dept)			
Production efficiency variances:			
<i>Direct materials:</i>			
acrylic fabric	(5,548)		
acrylic eyes	(1,926)		
plastic joints	(43,294)		
polyster filling	(74,189)		
woven label	(145)		
designer box	2,328		
accessories	0		
<i>Direct Labor:</i>	(466,638)		
<i>Variable Overhead:</i>	(181,639)		
Production rate/spending variances:			
Direct Labor Rate:	(76,329)		
Variable Overhead Spending:	(327,488)		
Fixed Overhead Spending:	3,023		
	\$ (1,171,844)	3%	\$ -

Summary

	Bonus Base	Rate	Bonus
David Hall (Purchasing Dept)	\$ 73,164	20%	\$ 14,633
Rita Smith (Marketing Dept)	\$ 238,981	10%	\$ 23,898
Bill Wilford (Production Dept)	\$ (1,171,844)	3%	\$ -