

Appendix 2

The following information applies to one of the bakery products which uses only 1 type of raw material and is hand made using only skilled labour.

The bakery budgeted to make 300 units.

Standard costs per unit are:

Material 325 grams at a cost of £4.00 per kg

Skilled labour 0.5 hours at a cost of £7.90 per hour

At the end of the production period, **ACTUAL** production data were compiled and shown as follows:

Actual units produced = 280

Material 105kg at TOTAL cost of £399

Skilled Labour 147 hours at a TOTAL cost of £1176.00