

**ASSESSMENT # 10**

**Total Marks: 30**

- 1.** A variance is the difference between a budgeted, planned, or standard cost and the actual amount incurred/sold. Variances can be computed for both costs and revenues. Identify and explain the types of variance analysis tools, which can be used in a production department of a manufacturing company, which specialises in spare parts for cars. (10)
- 2.** How can the variance analysis identified above help the production department meet its objectives? (10)
- 3.** What can be the major causes of unfavourable variances and favourable variances against the budget in a sales department of a fashion organisation? (10)