

Course Description

Cost Accounting: Module 05 – Flexible Budgets and Overhead Analysis

Description:

This basic-level online tutorial covers flexible budgets and overhead analysis and how they are used by management to control operations.

Learning Objectives:

Upon completion of this course, the learner will be able to:

- Understand why organizations use budgets
- Understand the type of budgets organizations use
- Explain the limitations of static budgets
- Explain the benefits of flexible budgets
- Explain how management uses flexible budgets
- Identify the types of variable and fixed and overhead variances
- Calculate variable and fixed overhead variances

Estimated Course Duration: 1 hour (1 CPE)

Delivery Method: Online Self-Study

Field of Study: Accounting

Program Level: Overview

Advance Preparation/Prerequisites: None

NASBA Publication/Revision Date: TBA

Course Outline:

Budgets

Annual Profit Plan

- Master Budget
- Sales Budget
- Production/Inventory Budgets

Production Budgeting Process

- Static Budgets
 - Disadvantages of Static Budgets
- Flexible Budgets
 - Input Based Budget
 - Output Based Budget

Fixed Overhead Rate

Variable Overhead Components

- Spending Variance
 - Computing the Spending Variance
- Efficiency Variance
 - Computing the Efficiency Variance

Fixed Overhead

- Spending Variance
- Volume Variance

Utilization Capacity



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