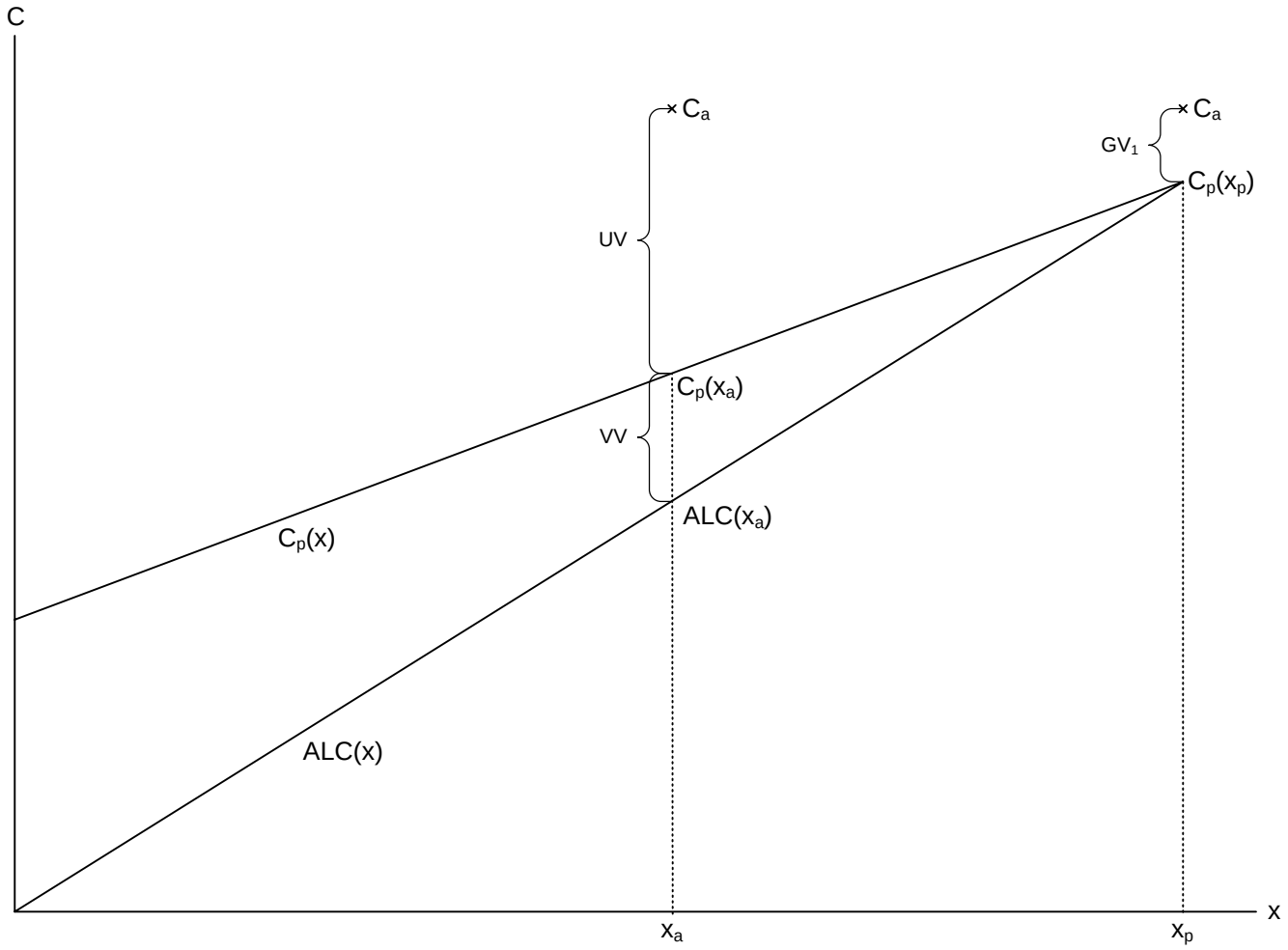
Flexible Budget Cost Accounting on a Full Cost Basis



C	=	Cost	
x	=	Quantity	
$C_p(x)$	=	$Cf_p + cv_p \cdot x$	Standard cost function
Cf_p	=	Fixed standard cost	
cv_p	=	Variable standard cost per unit	
x_p	=	Planned output	
$C_p(x_p)$	=	Planned cost	
x_a	=	Actual output	
C_a	=	Actual cost	
GV_1	=	$C_a - C_p(x_p)$	Gross variance 1
ATC	=	$C_p(x_a)$	Attainable standard cost
UV	=	$C_a - C_p(x_a)$	Usage variance
ALC(x)	=	$\frac{C_p(x_p)}{x_p} \cdot x$	Allocated cost function
VV	=	$ATC - ALC(x_a)$	Volume variance
VV	=	$Cf_p - \frac{Cf_p}{x_p} \cdot x_a$	Idle capacity cost
GV_2	=	$UV + VV$	Gross variance 2

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