

Costs & Revenues Workbook - changes for 2011 reprint

TREATMENT OF FLEXED BUDGETS

We understand from AAT that the assessors have decided to treat fixed overheads in a different way so as to achieve a consistent approach with other Learning and Assessment Areas. Previously the actual figure for fixed overheads was shown in both the 'Flexed budget' and 'Actual' columns – with no variance being revealed. The revised approach for Costs and Revenues shows the budgeted fixed overhead in the 'Flexed budget' column, which now compares with the 'Actual' column to determine the amount (if any) of the overhead variance. The changes in the *Costs & Revenue Workbook* text are as follows:

Page 132 8.4

The last two lines of the answer now read:

Overheads	7,500	7,300	200	F
TOTAL	19,850	20,150	300	A

The Tutorial Note has been deleted.

Page 132 8.5

The last two lines of the answer now read:

Overheads	350	330	20	F
Operating profit	100	50	50	A

The Tutorial Note has been deleted.

Page 133 8.6

The last two lines of the answer now read:

Overheads	280	300	20	A
Operating profit	193	165	28	A

The Tutorial Note has been deleted.

Page 182 Task 2.4

The last two lines of the answer now read:

Overheads:	6,700	7,100	400	A
Operating profit:	3,776	2,300	1,476	A

Page 186 Task 2.4

The last two lines of the answer now read:

Overheads:	980	1,228	248	A
Operating profit :	820	1,362	542	F

TREATMENT OF SUNDAY PAY ON A PAYROLL TIMESHEET

The sample assessment material provided by AAT for the Costs & Revenues treatment of Payroll calculations for Sunday pay (Task 1.3) states: 'For any hours worked on a Sunday - paid at double-time (basic pay plus an overtime premium equal to basic pay)'. The AAT Solution, however, shows that the total pay for Sunday is allocated in full to overtime premium with no amount shown for basic pay. We have now been provided with the following wording by the AAT to deal with this discrepancy:

'... the computer based assessment (CBA) will mark as correct both approaches – i.e. splitting or otherwise the overtime between basic pay and overtime premium on a Sunday.'

The Osborne Books Costs & Revenues Workbook takes the view that the overtime pay should be split equally between basic pay and overtime premium for hours worked on a Sunday. This affects the following tasks:

Activity 3.6 (page 28)

Practice Assessment 1 Task 1.3 (page 152)

Practice Assessment 2 Task 1.3 (page 166)