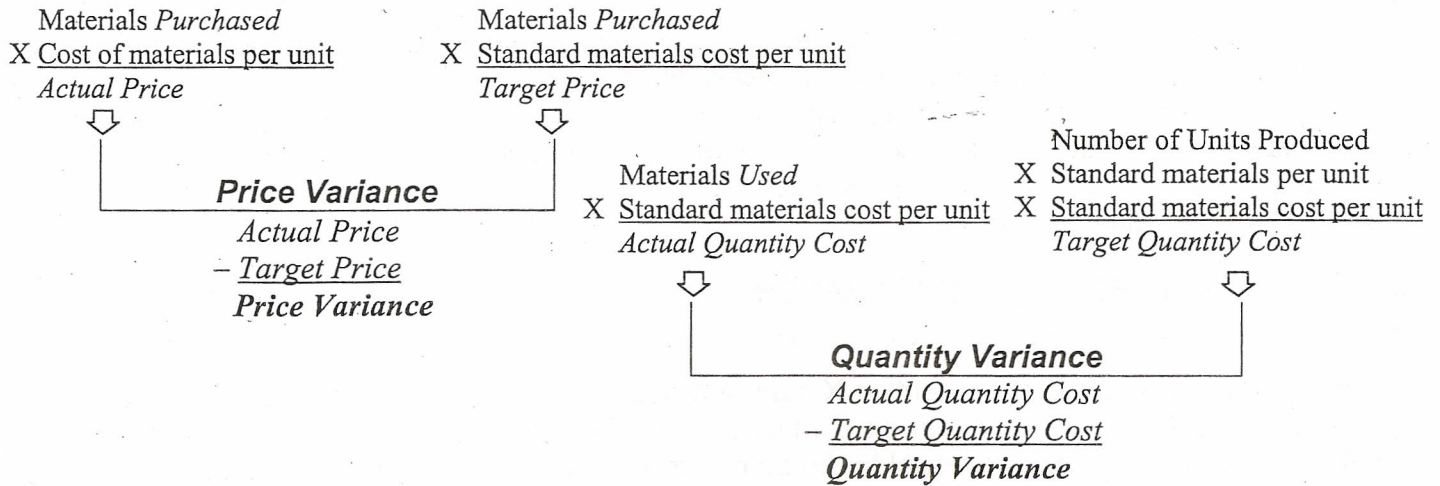
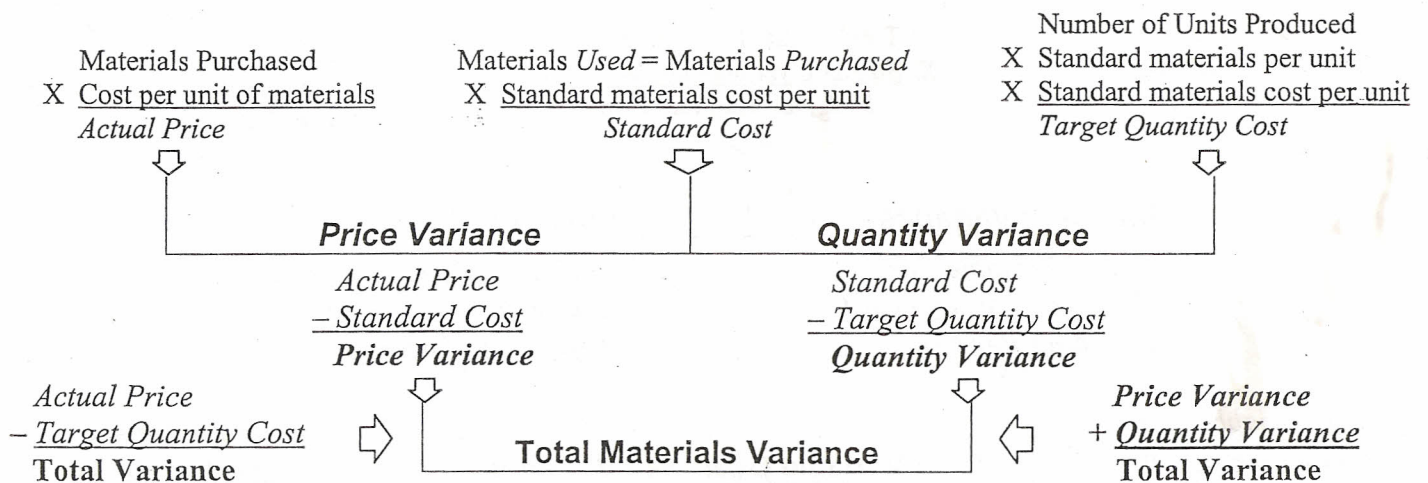


## Materials Variances:

The two materials variances face a challenge that no other variance does: INVENTORY. For companies who use systems that hold inventories across multiple periods this creates a situation where the two materials variances can not be combined for reasonable use (There is no *Total Variance*).



For JIT (Just-In-Time) inventories, the materials purchased are equal to the materials used. In this event, there is only one calculation in the middle, and the total variance can be calculated reasonably:



## Labor Variances:

