

## Question 2 Continued...

The standard raw material recipe which was revised in order to meet the arois given below.

Material	Standard price per kg	Revised recipe per batch of soap
Vegetable fat	Rs. 175	9.0kg
Natural aromatic base	Rs. 4,000	0.3kg
Chemical compound	Rs. 950	0.7kg

The purchasing manager was able to purchase the items at the standard price. The actual utilization for production was as follows.

Material	Quantity utilized
Vegetable fat	71,500kg
Natural aromatic base	3,200kg
Chemical compound	6,300kg
<b>Total</b>	<b>81,000kg</b>

(c) **Assess** the performance of the production manager for the month of March, in light of material mix variance and material yield variance. (12 marks)

(d) **Explain** how **Process Benchmarking** could be used within YPP, in order to improve operational efficiencies.

