

## VARIANCE MATRIX

I have this

	Budget	Real
<b>Rooms sold</b>	51.000,00	52.000,00
		135,00
<b>ARR</b>	130,00 €	€
<b>Total revenue</b>	6.630.000 €	7.020.000 €

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I have to calculate

Pr 135 is ARR

Pb 130 is ARR

Vr 52,000 is Volume real room sold

Vb 51,000 Room sold budget

Also calculate

Absolute Variation = Total real revenue- budget

Relative variation = (real total rev – budget rev) / budget rev = % (\*100?)

2.

Apply formulas

Price Variance= (Pr-Pb)\*Vb

Volume Variance= (Vr-Vb)\*Pb

Price/volume Variance = (Pr-Pb)\*(Vr-Vb)

Total = Sum of the three = needs to be equal to absolute variation

3. Calculate

Price effect =Price variance from before/ Absolute Variation

Volume effect

Combined effect

TOTAL NEEDS TO BE 100%

4. Same now for Relative variation

Price effect from (step 3)/relative variation

TOTAL(sum) NEEDS TO THE SAME TO RELATIVE VARIATION