

Nyman Painting Contractors specializes in providing painting services to support residential remodeling projects. Nyman bids jobs based on the following cost assumptions:

1 gallon of paint will cover 450 square feet of interior wall space.

300 square feet can be painted in 1 hour.

1 gallon of paint costs \$25.

1 hour of direct labor costs \$17.

The Sanchez residence was recently repainted. The job consisted of 18,000 square feet of interior wall space. Nyman received a \$1 per gallon discount, and a total of \$984 was expended for paint. Nyman paid \$1,107 for direct labor. The painters took exactly 61.5 hours to paint the residence.

- (a) Calculate variances for direct material and direct labor.
- (b) Prepare journal entries to record the acquisition and utilization of materials and labor (variances are recorded into the accounts).