

Exercise – Week 7

Project Cost Management

In a group of 4-5

Task 1 – Earn Value Management

Given the following information for a one-year project, answer the following questions.

PV \$22,000
EV \$20,000
AC \$25,000
BAC \$120,000

- What is the cost variance, schedule variance, cost performance index (CPI), and schedule performance index (SPI) for the project?
- How is the project doing? Is it ahead of schedule or behind schedule? Is it under budget or over budget?
- Use the CPI to calculate the estimate at completion (EAC) for this project. Is the project performing better or worse than planned?
- Use the SPI to estimate how long it will take to finish this project.
- Sketch the earned value chart for this project.