

University project help



**ASSIGN
BUSTER**

Exchange rates, transportation and trade costs all need to be accounted for in the bid. These added costs make cost control (in other controllable areas of the project) vital. Without tight cost control, the company will not be able to compete with bids of domestic firms. 3. Why is cost estimation such an important component of project planning? Discuss how it links together with the Work Breakdown Structure and project schedule? Cost estimation, if done correctly, enables a firm to determine if the project will be profitable, if the company can afford the project and in general if the project is worth pursuing.

It also provides the company with a cost range for bidding (in the case of a customer-oriented project). With respect to Work Breakdown Structure and project schedule, cost estimation is important because it leads to budgeting of monetary and other resources (both material and human). These allocations must coordinate with the Work Breakdown Structure and project schedules prepared by management to figure out if the required resources will be available as needed. 4. Imagine you were developing a software package for your company's intranet.

Give examples of the various types of costs (labor, materials, equipment and facilities, subcontractors, etc.) and how they would apply to your project. Potential costs of creating software package include costs of labor, materials, subcontractors, equipment and facilities and travel. Software engineers, developers, computer technicians, trainers (for end users) and technical writers would incur labor costs. Material costs may come from printing and creating installation CDs/ disks, additional mainframe hardware, memory or accessories, and any printing and paper requirements for user manuals.

Developers and contractors may require extra space or equipment.

Subcontractors may be used to consult on design and implementation.

Subcontractors may require costs associated with travel if the firm is not local. 5 Give reasons both in favor of and against the use of personal time charge as a cost estimate for a project activity. Using a personal time charge can create a more accurate assessment of time by including a reasonable amount of downtime in estimates of work time.

By using the personal time charge, a company can better compensate for its labor resources, so all time (productive or not) spent on a particular job is a use of human/intellectual resources. However, from a customer's perspective this charge may appear unwarranted. The personal time charge allows time for unproductive breaks. Customers will most likely be reluctant to pay for unproductive time - resulting in payment disputes. 6. Think of an example of parametric estimating in your personal experience, such as the use of a cost multiplier based on a similar, past cost.

Did parametric estimating work or not. Discuss the reasons why. This is a personal example question and should only be applied to students with some project experience. 7. Put yourself in the position of a project customer.

Would you accept the cost adjustments associated with learning curve effects or not? Under what circumstances would learning curve costs be appropriately budgeted into a project? As a customer, I would not accept fees when the repetitive work (that accounts for the learning curve) is a routine job for the supplier.

The reason for this is that I would be paying for learning effects that others would reap the benefit from. Also, learning effects associated with new employees would be unreasonable to include in project billing. On the other hand, if the repetitive work/learning curve effects were project or customer specific, then budgeting the costs into the project would be appropriate. 8. Consider the common problems with project cost estimation and recall a project with which you have been involved. Which of these common problems did you encounter most often? Why?