

PROJECT COST MANAGEMENT

Memo

Cluster Alignment

1. Project Budget and Cost Management (24 credits)	<ul style="list-style-type: none">• 121905000-KM-05• 121905000-PM-04• 121905000-PM-07
--	---

Assignment Alignment

Project Budget and Cost Management (24 credits)	Assignment 9: 121905000-KM-05 Assignment 10: 121905000-PM-04 Assignment 11: 121905000-PM-07
---	---

Practical Question: PM-04-PS01: Plan Project Cost Management

Background: You have been appointed as the project manager for the renovation of the city library. This is a massive project with various activities including infrastructure repair, interior redesign, technology upgrades, and a new section dedicated to children.

Question:

1. Understanding Cost Management Planning (4 marks - IAC0101): Based on the background provided, draft an overview of the cost management planning processes and techniques you intend to employ for this renovation project. Describe at least two techniques in detail.

2. Process Description (5 marks - IAC0102): Outline the processes you will use to produce a project cost management plan. Provide specific examples aligned with the renovation tasks mentioned in the background.

3. Costing Methods (4 marks - IAC0103): Describe three different costing methods: top-down, bottom-up, and activity-based costing. For each method, provide an example of how it would impact the library renovation project's cost estimation. Additionally, briefly touch upon the concept of life cycle costing and its relevance to the project.

4. Impact Factors on Project Costs (4 marks - IAC0104): Identify four factors that could influence the project costs of the library renovation. Explain with specific examples how these factors can affect the costs. For instance, how might fluctuations in exchange rates influence the cost of imported materials?

5. Managing Income & Expenditure (3 marks - IAC0105): Explain the significance of effectively overseeing income and expenditure within the library renovation project. Offer examples illustrating the consequences of late payments and the potential implications of changes on the project's financial outcome. Discuss how this can align with the city's cash flow and emphasize the importance of payment schedules on the anticipated profit.

Instructions:

- Consolidate all your responses into a single document, ensuring it follows a professional format and is easy to navigate.
- Utilize appropriate project management terminology throughout your document.
- Remember to cite any sources or references used in your document.

Total Marks: 20 marks.

Grading Guideline for City Library Renovation Project Management Task

1. Understanding Cost Management Planning (4 marks - IAC0101)

- **Overview and Techniques:** Provides a clear overview of the cost management planning process specific to the library renovation project (2 marks).
- **Detailed Technique Description:** Detailed description of at least two cost management techniques and how they will be applied to this project (2 marks).

2. Process Description (5 marks - IAC0102)

- **Cost Management Process Outline:** Comprehensive outline of the processes to produce a project cost management plan (2.5 marks).
- **Renovation Project Alignment:** Specific examples provided that align with the renovation tasks mentioned in the background (2.5 marks).

3. Costing Methods (4 marks - IAC0103)

- **Method Descriptions:** Accurate descriptions of three different costing methods: top-down, bottom-up, and activity-based costing (1.5 marks).
- **Method Application Examples:** Provides examples of how each costing method impacts the library renovation project's cost estimation (1.5 marks).
- **Life Cycle Costing Relevance:** Brief explanation of life cycle costing and its relevance to the renovation project (1 mark).

4. Impact Factors on Project Costs (4 marks - IAC0104)

- **Identification of Factors:** Identification of four factors that could influence the project costs (1 mark).
- **Factor Impact Examples:** Explanation of how these factors can affect the costs, with specific renovation project examples (3 marks).

5. Managing Income & Expenditure (3 marks - IAC0105)

- **Significance of Overseeing Income and Expenditure:** Explanation of the importance of managing income and expenditure in the project (1 mark).
- **Consequence Examples:** Examples illustrating consequences of late payments and changes on the financial outcome (1 mark).
- **Alignment with City's Cash Flow and Payment Schedules:** Discussion on the importance of payment schedules and their impact on profit (1 mark).

Submission Requirements

- **Document Compilation and Format:** Ensuring all responses are compiled into a single, cohesive, and professionally formatted document (1 mark).
- **Terminology and Language:** Appropriate use of project management terminology throughout the document (1 mark).
- **Citations and References:** Proper citation of sources and references used (1 mark).

Total Marks: 20 marks.

Overall Assessment Criteria:

- **Quality and Depth of Content:** The thoroughness and accuracy in addressing each component of the task.
- **Relevance and Practical Application:** Demonstrates the application of cost management principles specifically tailored to the library renovation project.
- **Analytical and Critical Thinking:** Ability to analyze and apply various cost management techniques and understand their impact on the project.
- **Clarity and Organization:** The overall organization, clarity, and presentation of the document.

Statement of Work (SOW) City Library Renovation Project

1. Introduction: The City Library, established in 1975, serves as a community hub and knowledge center. With the changing needs of the community and wear over time, a renovation has become imperative. This renovation aims to modernize the library, ensure safety, and provide a more inclusive space for all residents.

2. Scope of Work:

2.1 Infrastructure Repair:

- Repair of all structural damages in the library building.
- Replacement of old plumbing and electrical systems.
- Waterproofing the basement storage area.

2.2 Interior Redesign:

- Modernization of the interior design to promote a conducive learning environment.
- Installation of ergonomic furniture and efficient lighting.
- Creation of flexible spaces to accommodate seminars and community events.

2.3 Technology Upgrades:

- Installation of high-speed Wi-Fi throughout the library.
- Setting up of computer stations with modern PCs and software.
- Introduction of self-checkout stations and digital catalog systems.

2.4 Children's Section Development:

- Dedicated space for children with appropriate furniture.
- Introduction of interactive learning tools and digital storyboards.
- Organizing spaces for storytelling sessions and other children-centric events.

3. Deliverables:

- A renovated library building compliant with modern safety standards.
- An efficient interior layout that caters to the diverse needs of the community.
- Updated technological infrastructure to support current and future digital needs.
- A vibrant and engaging section dedicated to children.

4. Timeline: The entire renovation project is expected to span eight months, beginning on 1st April 2023 and completing by 30th November 2023.

5. Budget: The total estimated budget for the renovation project is \$2.5 million. Detailed financial breakdowns will be provided upon request.

6. Payment Terms:

- 20% upon project initiation.
- 40% upon completion of infrastructure repair and interior redesign.
- 20% after the technology upgrades.
- The remaining 20% upon project completion and handover.

7. Project Stakeholders:

- City Council
- Library Management and Staff
- Local Community Groups
- Renovation Contractor
- IT Services Provider

8. Assumptions:

- There will be no disruptions to the scheduled timeline due to unforeseen circumstances.
- The budget allocation will be sufficient to cover all aspects of the renovation.
- All stakeholders will be available for regular updates and consultation.

9. Acceptance Criteria:

- The renovated structure adheres to safety and quality standards.
- Technology installations function without glitches and are user-friendly.
- The community expresses satisfaction with the new design and features.

Practical Question: PM-04-PS02: Develop a Project Cost Estimate

Background: You are the project manager for the renovation of the city library. This expansive project encompasses a variety of activities: infrastructure repair, interior redesign, technology upgrades, and the inception of a new section dedicated exclusively to children.

Question:

1. Detailed Cost Estimation (7 marks - IAC0201):

Given the four main activities identified for the city library renovation:

- a. Infrastructure repair
- b. Interior redesign
- c. Technology upgrades
- d. new children's section

Develop a detailed cost estimate for each activity. Consider all possible cost components, such as material, labor, and overheads. Provide a brief rationale for each cost element.

2. Cost Alternatives Analysis (6 marks - IAC0202):

Suppose you've been given an alternative to use eco-friendly materials for interior redesign which are slightly expensive but have long-term maintenance benefits. Evaluate the initial cost implication of this alternative versus the long-term savings and provide your recommendation.

3. Risk and Contingency Planning (7 marks - IAC0203):

Identify at least three potential risks associated with the library renovation project that could impact your cost estimates. For each risk, estimate a potential cost implication and propose a contingency plan.

Instructions:

- Compile all your answers into one document, ensuring that it's professionally formatted and easy to read.
- Use appropriate project management terminology throughout your answers.
- Make sure to cite any references or sources you use in your answers.

Total Marks: 20 marks

Grading Guideline for City Library Renovation Project Management Task

1. Detailed Cost Estimation (7 marks - IAC0201)

- **Accuracy and Comprehensiveness:** Develops a detailed cost estimate for each of the four main activities, addressing all cost components such as materials, labor, and overheads (4 marks).
- **Rationale for Cost Elements:** Provides a clear and logical rationale for each cost element, demonstrating understanding of the renovation requirements (3 marks).

2. Cost Alternatives Analysis (6 marks - IAC0202)

- **Evaluation of Alternatives:** Thoroughly evaluates the initial cost implications and long-term savings of using eco-friendly materials for interior redesign (3 marks).
- **Recommendation:** Provides a well-reasoned recommendation based on the cost-benefit analysis of the alternatives (3 marks).

3. Risk and Contingency Planning (7 marks - IAC0203)

- **Risk Identification:** Identifies at least three potential risks associated with the library renovation project (2 marks).
- **Cost Implication Estimation:** Estimates the potential cost implications for each identified risk (2.5 marks).
- **Contingency Planning:** Proposes a specific and practical contingency plan for each risk (2.5 marks).

Submission Requirements

- **Document Compilation and Format:** Ensures all responses are compiled into a single, professionally formatted, and easily readable document (1 mark).
- **Use of Terminology:** Appropriate and consistent use of project management terminology throughout the document (1 mark).
- **Citations and References:** Correct and consistent citation of any references or sources used (1 mark).

Total Marks: 20 marks.

Overall Assessment Criteria:

- **Quality and Depth of Analysis:** The thoroughness, accuracy, and depth in the cost estimations, alternative analysis, and risk management.
- **Practical Application and Relevance:** Demonstrates practical and relevant application of project management principles to the specific context of the library renovation project.
- **Analytical and Critical Thinking:** Exhibits strong analytical skills in evaluating cost alternatives and developing risk management strategies.
- **Clarity and Organization:** The document should be well-organized, clear, and easy to follow, with logical structuring of responses.

City Library Renovation - WBS

1. Project Initiation

- 1.1. Project charter development
- 1.2. Stakeholder identification and analysis
- 1.3. Initial risk assessment

2. Infrastructure Repair

- 2.1. Building assessment
 - 2.1.1. Structural evaluation
 - 2.1.2. Electrical system evaluation
 - 2.1.3. Plumbing system evaluation
- 2.2. Exterior repair
 - 2.2.1. Roof repair/replacement
 - 2.2.2. Wall repair and painting
 - 2.2.3. Parking lot resurfacing
- 2.3. Interior structural repair
 - 2.3.1. Wall repair
 - 2.3.2. Ceiling repair
 - 2.3.3. Floor replacement/repair

3. Interior Redesign

- 3.1. Space planning
 - 3.1.1. Reading areas
 - 3.1.2. Meeting rooms
 - 3.1.3. Staff areas
- 3.2. Furniture acquisition
 - 3.2.1. Chairs and tables
 - 3.2.2. Shelving units
 - 3.2.3. Desks and workstations
- 3.3. Lighting
 - 3.3.1. Natural light enhancements
 - 3.3.2. Artificial lighting upgrades

4. Technology Upgrades

- 4.1. Network infrastructure
 - 4.1.1. New routers and switches
 - 4.1.2. Wi-Fi coverage extension
- 4.2. Public computer stations
 - 4.2.1. New computers
 - 4.2.2. Software updates and installations
- 4.3. Security systems
 - 4.3.1. Surveillance cameras
 - 4.3.2. Access control systems

5. Children's Section Development

- 5.1. Space planning
 - 5.1.1. Reading nooks
 - 5.1.2. Activity areas
 - 5.1.3. Multimedia zones
- 5.2. Furniture and amenities
 - 5.2.1. Kid-friendly chairs and tables
 - 5.2.2. Storage for children's books and toys
- 5.3. Artwork and decoration
 - 5.3.1. Wall murals
 - 5.3.2. Thematic decorations

6. Project Closure

- 6.1. Final inspections and approvals
- 6.2. Stakeholder sign-off
- 6.3. Project documentation and handover

Practical Question: PM-04-PS03: Develop a Project Budget

Background: Continuing from the city library renovation project, where you have been appointed as the project manager, you are now at the stage where a detailed project budget needs to be developed. You have just received the WBS, cost estimates, and the project schedule. The finance team has indicated that they require a detailed budget to be submitted, keeping in mind the library's financial constraints and timelines.

Question:

1. **Budget Compilation (7 marks - IAC0301)**
 - a. **Report Compilation (4 marks):** Using the data provided in the WBS, compile a preliminary budget report for each of the tasks under the main headings such as 'Infrastructure Repair', 'Interior Redesign', and so forth. Your report should detail the estimated cost for each task, the associated risks, and the required financial provisions. Ensure that your report is in a clear, professionally acceptable format.
 - b. **Budget Summary (3 marks):** Provide a summarized budget table that captures the total cost for each main heading in the WBS. Include a grand total at the end, indicating the overall budget required for the entire project.
2. **Time-Phased Budget (5 marks - IAC0302)**
 - a. **Budget Timeline (3 marks):** Given the project schedule, break down your budget over the project's duration. Indicate how much funding will be required for each month or quarter (as per project requirements) till completion.
 - b. **Cost Baseline (2 marks):** Graphically represent the accumulated cost over time, creating a cost baseline that showcases how the costs are expected to be incurred over the project's duration.
3. **Budgeting Alignment (8 marks - IAC0303)**
 - a. **WBS Alignment (3 marks):** Demonstrate how your budget directly aligns with the provided WBS. Highlight at least three major costs associated with three different tasks in the WBS, showing how they fit into the overall budget structure.
 - b. **Chart of Accounts Integration (3 marks):** Explain how you have integrated or plan to integrate the library's chart of accounts within your budget, ensuring financial tracking and cost control.
 - c. **Schedule Integration (2 marks):** Describe how the budget aligns with the project schedule. Provide at least two examples where specific costs correlate with certain scheduled tasks or milestones.

Instructions:

- Compile all your answers into one document, ensuring that it's professionally formatted and easy to read.
- Use appropriate project management and financial terminology throughout your answers.
- Incorporate the given WBS and any other relevant project documents in your budgeting process.
- Make sure to cite any references or sources you use in your answers.

Total Marks: 20 marks.

Grading Guideline for City Library Renovation Project Budget Development Task

1. Budget Compilation (7 marks - IAC0301)

- **Report Compilation (4 marks):**
 - Detailed and accurate representation of preliminary budget for each task under main headings like 'Infrastructure Repair', 'Interior Redesign', etc. (2 marks).
 - Inclusion of estimated costs, associated risks, and required financial provisions for each task (1 mark).
 - Clarity and professionalism in report formatting (1 mark).
- **Budget Summary (3 marks):**
 - Accurate summarization of the total cost for each main heading in the WBS (1.5 marks).
 - Inclusion of a grand total, indicating the overall budget required for the entire project (1.5 marks).

2. Time-Phased Budget (5 marks - IAC0302)

- **Budget Timeline (3 marks):**
 - Breakdown of the budget over the project's duration, in alignment with the project schedule (2 marks).
 - Clear indication of funding requirements for each month or quarter (1 mark).
- **Cost Baseline (2 marks):**
 - Accurate graphical representation of the accumulated cost over time, creating an effective cost baseline (2 marks).

3. Budgeting Alignment (8 marks - IAC0303)

- **WBS Alignment (3 marks):**
 - Demonstrating how the budget aligns directly with the provided WBS (1.5 marks).
 - Highlighting major costs associated with different tasks in the WBS and their integration into the overall budget (1.5 marks).
- **Chart of Accounts Integration (3 marks):**
 - Explanation of the integration of the library's chart of accounts within the budget for financial tracking and cost control (3 marks).
- **Schedule Integration (2 marks):**
 - Description of how the budget aligns with the project schedule (1 mark).
 - Providing examples where specific costs correlate with scheduled tasks or milestones (1 mark).

Submission Requirements

- **Document Compilation and Format:** Ensuring all responses are compiled into a single, professionally formatted, and easily readable document (1 mark).
- **Terminology and Language:** Appropriate use of project management and financial terminology throughout the document (1 mark).
- **Incorporation of Project Documents:** Effective incorporation of the WBS and other relevant project documents in the budgeting process (1 mark).
- **Citations and References:** Proper citation of any references or sources used (1 mark).

Total Marks: 20 marks.

Overall Assessment Criteria:

- **Quality and Accuracy:** The thoroughness, accuracy, and comprehensiveness of the budget development, including detailed estimates and summaries.
- **Alignment and Integration:** Demonstrates effective alignment and integration of the budget with the WBS, project schedule, and financial tracking systems.
- **Analytical and Critical Thinking:** Exhibits strong analytical skills in budget compilation and alignment with project components.
- **Clarity and Organization:** The overall clarity, organization, and presentation of the document.

City Library Renovation Project Schedule Breakdown

1. Project Initiation and Planning: 1st - 15th January

Project kick-off meeting: 2nd January
Finalize project team: 4th January.
Initial site visit and assessment: 6th January
Stakeholder meeting: 8th January
Develop project plan: 10th - 15th January.

2. Infrastructure Repair: 16th January - 28th February

Structural assessment: 16th - 20th January
Roof repair: 23rd January - 2nd February
Wall repairs and reinforcements: 25th January - 7th February
Foundation and flooring repairs: 3rd - 17th February
Final inspection of infrastructure repairs: 20th - 23rd February

3. Interior Redesign: 1st March - 30th April

Demolition of old interior structures: 1st - 10th March.
Design finalization: 12th March
Installation of new interior structures: 15th March - 15th April
Painting and finishing: 18th - 28th April
Inspection and snag list completion: 29th - 30th April

4. Technology Upgrades: 1st May - 15th June

Assessment of current technology: 1st - 3rd May
Procurement of new technology: 4th - 10th May
Installation of new tech systems: 15th May - 10th June
Training library staff on new systems: 11th - 15th June

5. New Children's Section: 16th June - 31st July

Design finalization for children's section: 16th - 19th June
Construction and setup: 20th June - 20th July
Interior decor and setup: 21st - 30th July
Safety inspections: 31st July

6. Project Closure: 1st August - 15th August

Final project inspection: 1st - 3rd August
Stakeholder feedback and sign-off: 5th August
Project documentation and handover: 6th - 10th August
Project closure meeting: 15th August

Note: All questions in this assignment are based on the Hypothetical Project used in Assignment 10.

Practical Question: PM-07-PS01: Control a Project Schedule

Background: You are currently managing the renovation of the city library. The project is in its fourth month, and while the infrastructure repair and interior redesign phases went smoothly, there have been unexpected delays during the technology upgrades phase. A key technology provider is behind schedule, and there's a risk that this could impact the setup of the new children's section, which is next in line.

Question:

1. Performance Measurement and Monitoring (6 marks - IAC0101):

Based on the current situation described:

- a. Using your understanding of scheduling tools and techniques, describe how you would measure the current performance of the project against its planned progress. Which tools or metrics would you specifically utilize? (3 marks)
- b. Based on the current performance measurements, draft a brief report highlighting the deviations from the planned schedule and potential corrective actions you propose to get back on track. (3 marks)

2. Change Control Procedures (7 marks - IAC0102 & AK0102):

- a. Describe the integrated change control procedures you have in place for this project. Highlight how these procedures ensure that any changes to the project baseline are managed effectively. (3 marks)
- b. Given the delay with the technology provider, outline the steps you would take in line with your change control procedures to address this issue and ensure it doesn't impact the overall project schedule. (4 marks)

3. Risk Management (7 marks - IAC0103 & AK0103):

- a. Identify three potential risks associated with the delay in the technology upgrades phase and explain their potential impact on the overall project. (3 marks)
- b. For each risk identified, explain the specific change control procedure you would employ to manage and mitigate that risk. (3 marks)
- c. Describe how regularly assessing risks can be beneficial for controlling the project schedule. (1 mark)

Instructions:

- Compile all your answers into one comprehensive document.
- Ensure that your document is professionally formatted and easy to read.
- Use appropriate project management terminology throughout your answers.
- Reference any tools, techniques, or methodologies you mention, ensuring citations are in a recognized format.

Total Marks: 20 marks.

Grading Guideline for City Library Renovation Project Management Task

1. Performance Measurement and Monitoring (6 marks - IAC0101)

- **Scheduling Tools and Techniques (3 marks):**
 - Description of how the project's current performance is measured against planned progress using specific scheduling tools or metrics (1.5 marks).
 - Specific tools or metrics utilized should be relevant and appropriately applied to the project scenario (1.5 marks).
- **Performance Report (3 marks):**
 - Drafting a report highlighting deviations from the planned schedule and potential corrective actions (1.5 marks).
 - Clarity and relevance of the proposed corrective actions to get the project back on track (1.5 marks).

2. Change Control Procedures (7 marks - IAC0102 & AK0102)

- **Change Control Description (3 marks):**
 - Detailed description of the integrated change control procedures in place for the project (1.5 marks).
 - Explanation of how these procedures ensure effective management of changes to the project baseline (1.5 marks).
- **Addressing Technology Provider Delay (4 marks):**
 - Outlining the steps in line with change control procedures to address the delay issue (2 marks).
 - Ensuring that the proposed steps are effective in preventing impact on the overall project schedule (2 marks).

3. Risk Management (7 marks - IAC0103 & AK0103)

- **Risk Identification (3 marks):**
 - Identification of three potential risks associated with the delay in technology upgrades and their potential impact on the overall project (1.5 marks).
 - Explanation should be specific and relevant to the project scenario (1.5 marks).
- **Change Control for Risk Mitigation (3 marks):**
 - Specific change control procedures for each identified risk (1.5 marks).
 - Explanation of how these procedures would effectively manage and mitigate the risks (1.5 marks).
- **Benefits of Regular Risk Assessment (1 mark):**
 - Description of how regular risk assessment can benefit project schedule control (1 mark).

Submission Requirements

- **Document Compilation and Format:** Ensuring all responses are compiled into a single, comprehensive, and professionally formatted document (1 mark).
- **Terminology and Language:** Appropriate use of project management terminology throughout the document (1 mark).
- **Citations and References:** Proper citation of any tools, techniques, or methodologies mentioned, using a recognized format (1 mark).

Total Marks: 20 marks.

Overall Assessment Criteria:

- **Quality and Relevance:** The thoroughness, accuracy, and relevance of the analysis in performance measurement, change control, and risk management.
- **Practical Application and Problem-Solving:** Demonstrates practical application of project management principles in addressing the current project challenges.
- **Analytical and Critical Thinking:** Exhibits strong analytical skills and critical thinking in proposing solutions and risk mitigation strategies.
- **Clarity and Organization:** The overall organization, clarity, and presentation of the document.

Practical Question: PM-07-PS02: Control Project Costs

Background: You continue to manage the renovation of the city library. As the project progresses, you notice discrepancies in the expected versus the actual costs incurred, especially in the technology upgrades phase. Some unexpected charges from the technology provider have surfaced, and there's a risk that these unplanned costs might affect the budget set aside for the new children's section.

Question:

1. Understanding Cost Control (5 marks - IAC0201):

- a. Describe the fundamental concepts and theory behind project cost control. (2 marks)
- b. Explain two techniques or practices you would implement to control costs for the library renovation project, especially given the unexpected charges from the technology provider. (3 marks)

2. Evaluating Cost Management Policies (6 marks - IAC0202 & AK0201):

- a. Present an evaluation of the current cost management policies in place for the project. Use cost control metrics to highlight areas of the policy that are effective. (3 marks)
- b. Identify two gaps in the current cost management procedures and propose corrective measures to address these gaps, ensuring they adhere to governance criteria. (3 marks)

3. Analysis and Reporting (9 marks - IAC0203, AK0203, AK0204):

- a. Based on the discrepancy in expected versus actual costs, perform a variance analysis and draft a short report on your findings. Highlight the main reasons for the variance. (3 marks)
- b. Conduct a trends analysis on the project's cost performance over the last three months. Using financial information writing formats, illustrate how these trends might affect future spending if left unaddressed. (3 marks)
- c. Draft an earned value performance report for the technology upgrades phase. Ensure your report showcases your analytical competence and understanding of the data. (3 marks)

Instructions:

- Compile all your answers into one comprehensive document.
- Ensure that your document is well-organized, professionally formatted, and easy to read.
- Use appropriate project management terminology throughout your answers.
- Reference any tools, methodologies, or techniques you discuss, ensuring citations are in a recognized format.

Total Marks: 20 marks.

Grading Guideline for City Library Renovation Project Cost Control Task

1. Understanding Cost Control (5 marks - IAC0201)

- **Fundamental Concepts and Theory (2 marks):**
 - Clear and accurate description of the fundamental concepts and theory behind project cost control (2 marks).
- **Cost Control Techniques/Practices (3 marks):**
 - Explanation of two specific techniques or practices to control costs in the library renovation project, particularly addressing the unexpected charges (1.5 marks).
 - Relevance and applicability of the described techniques to the project scenario (1.5 marks).

2. Evaluating Cost Management Policies (6 marks - IAC0202 & AK0201)

- **Policy Evaluation (3 marks):**
 - Comprehensive evaluation of the current cost management policies using cost control metrics (1.5 marks).
 - Highlighting areas of the policy that are effective and align with project goals (1.5 marks).
- **Identifying Gaps and Corrective Measures (3 marks):**
 - Identification of two gaps in the current cost management procedures (1.5 marks).
 - Proposal of corrective measures that adhere to governance criteria and address these gaps effectively (1.5 marks).

3. Analysis and Reporting (9 marks - IAC0203, AK0203, AK0204)

- **Variance Analysis Report (3 marks):**
 - Conducting a variance analysis and drafting a report on the findings, with clear reasons for the variance (3 marks).
- **Trends Analysis (3 marks):**
 - Analysis of cost performance trends over the last three months using financial information writing formats (1.5 marks).
 - Illustration of how these trends might affect future spending if unaddressed (1.5 marks).
- **Earned Value Performance Report (3 marks):**
 - Drafting an earned value performance report for the technology upgrades phase that showcases analytical competence and understanding (3 marks).

Submission Requirements

- **Document Compilation and Format:** Ensuring all responses are compiled into a single, comprehensive, and professionally formatted document (1 mark).
- **Terminology and Language:** Appropriate use of project management terminology throughout the document (1 mark).
- **Citations and References:** Proper citation of any tools, methodologies, or techniques discussed, using a recognized format (1 mark).

Total Marks: 20 marks.

Overall Assessment Criteria:

- **Quality and Relevance:** The thoroughness, accuracy, and relevance of the analysis in understanding cost control, evaluating policies, and reporting on cost performance.
- **Practical Application and Problem-Solving:** Demonstrates practical application of project management principles in addressing cost discrepancies and improving cost management.
- **Analytical and Critical Thinking:** Exhibits strong analytical skills in variance and trends analysis and in drafting reports.
- **Clarity and Organization:** The overall organization, clarity, and presentation of the document.