**BA 352: OCA 10 Key**

You are the project manager on a $2M (BAC), ten month project. You are four months into the project and have completed $700,000 (EV) of the work at an actual cost of $600,000 (AC).

1) At this point in time, calculate the PV and what does it mean?

PV = $2M\*4/10 = $800,000. Four months in to the project, we should have completed $800k worth of work.

2) Calculate the SV and SPI. Is the project ahead of schedule, on time, or behind schedule?

SV = EV – PV = $700,000 - $800,000 = -$100,000

SPI = EV/PV = 7/8 = 88%

We are behind schedule. Should have $800k worth of work done, only have $700k done.

3) Calculate the CV and CPI. Is the project under budget or over budget?

CV = EV – AC = $700,000 - $600,000

CPI = EV/AC = 7/6 = 114%

Good news, we are under budget, completing $700k worth of work for only $600k.

4) Given the results to parts 2) and 3), should you consider crashing the project (and why)?

Absolutely! We are behind schedule but under budget so have extra funds available to crash and catch up.

5) At the current rates, how much will it cost to complete the remaining work? Calculate the ETC using the EAC.

EAC = BAC/CPI = $2M/114% = $1.75M. If, and this is a huge if, we continue to work under cost, we might finish $250k under budget. Of course, if we crash it, no way this will happen.

ETC = EAC – AC = $1.75M - $600k = $1.15M still to spend on the project under big if above.

6) At the current rates, how many months will the project take to complete? (Don’t think there’s an acronym for this, but there should be.)

10 months/88% = 11.4 months. At current rate of 88% schedule efficiency, we will finish about one and a half (1.4) months late.