**PARSHWANATH CHARITABLE TRUST'S**
# A.P. SHAH INSTITUTE OF TECHNOLOGY
### Department of Computer Science and Engineering
### Data Science

CSE DATA SCIENCE

Semester: VIII     Subject: Project Management     Academic Year: 2024-2025

## Module 3

### Project Planning & Scheduling

**# Project cost estimation & budgeting:-**

- It is the process of approximating the total expenditure of the project.
- Accuracy of cost estimation depends on the accuracy of project scope. ∧& details
- Cost estimation & budgets are a work in progress, i.e. they will be changing.
- Cost estimat$^n$ can be categorized into different categories:
  - Labor cost
  - Equipment cost
  - Cost of supplies
  - Travel cost
  - Training cost
  - Overhead cost etc.

**# Characteristics:-**

① **Unbiased:-**
- A good cost estimate is unbiased.
- It should clearly define the purpose of the project, what it will acheive, what assumption are made, how long the estimate is valid & what is the project cost?

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② **Accuracy:-**
- Mgmt should assess the accuracy of cost estimates & budgets.
- Unexpected expenses may lead to stop the project.
- Overstated cost estimates may also have -ve consequences.

③ **Consideration:-**
- Every change in cost estimate should be documented thoroughly.
- Mgmt should also consider how changes affect the other phases of the project.

④ **Project Management Software:-**
- An effective & simple way to estimate costs & prepare a budget is to use Project Mgmt. Software.
- Most s/w's has features to identify the types, quantities & phasing of different types of labor.