PARSHWANATH CHARITABLE TRUST'S



A.P. SHAH INSTITUTE OF TECHNOLOGY

Department of Computer Science and Engineering
Data Science



Semester: VIII

Subject: Project Management

Academic Year: 2024-2025

Hey Components of Cost Estimation:

There are two types of costs addressed
by the cost estimation process.

Direct Costs: These are the costs

These are single

Direct Costs: These are the costs

associated with a single
area, such ou a department
or particular project itself
or particular project itself
ex. fixed labor, materials t
equipment.

Indirect Costs: - They are not associated with a specific cost of with a specific cost of are related to different projects simultaneously.

Projects simultaneously.

ex. cost incurred such as utilities, security of quality atilities, security of quality control.

4 Project Cost Estimation techniques:

1) Analogow Estimating:
it uses historical data from similar

projects as a basis for the cost estimate

projects as a basis for the cost estimate

estimate can be adjusted for known

differences betinthe projects.

Subject Incharge: Prof. Diapli Gat

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3 Parametric Estimating:-

- Also known as statistical modeling - it uses historical data of key cost drivers to calculate estimate for diff? parameters such as cost & dyration.

If there is any possible fratuluture situation or event, in which we 3 Reserve Analysis:need to allocate some cost, & then how much cost should be allocated is reserve analysis. it comes under account for cost

uncertainty

@ Cost of Quality:-

- Included money spent during the project to avoid failures & money spent during & after the project due to failures.

5 Top-Down Analysis: - Assumes overall budget is determined

at the beginning of the project including cost of each work task or job.

5) Bottom - Up Analysis:

- Cost is estimated at each activity level and then agaregated to summer to and then aggregated to symmarize the Subject Incharge: Prof. Diapli Gat Page No:____ Department of CSF-Data Sci. Department of CSE-Data Science | APSIT