**Assignment 5: Earned Value Management**

**Total Points (20)**

You are managing a project where you have been allocated a total of $ $356,500 to deliver this project. You will need 5 people to work on this project on a 40 hour schedule per week. The expected duration of the project is 32 weeks. You realize that you just completed the 15th week and the team has only completed 52% of the work. You have spent a total of $265,000 so far.

a) Calculate the following: (16 points)

1. BAC

Ans: Since total allocated amount for project is $356,500.

BAC = $356,500

2. PV

Ans: PV = Planned % completed \* BAC

= 15/32 \* 356,500

PV = $167109.375

3. EV

Ans: EV = Actual % Completed \* BAC

= 52/100 \* 356,500

EV = $185380

4. AC

Ans: Actual cost is the total amount spent so far i.e. $265000

AC = $265000

5. SV

Ans: SV = EV – PV

= 185380 – 167109.375

= $18270.625

6. CV

Ans: CV = EV – AC

= 185380 - 265000

= $ - 79620

7. SPI

Ans: SPI = EV/PV

= 185380/167109.375

= 1.1093

8. CPI

Ans: CPI = EV/AC

= 185380/265000

= 0.6995

b) What is your opinion about the project’s performance in terms of schedule and budget? (4 points)

Ans: Opinion on Budget : Since the CPI = 0.6995, this means for every $1 spent we earn 69.95 cent i.e project is costing more than planned.

Opinion on Project Performance: Since SPI = 1.1093, that is project is progressing at 110.93% as originally planned, project will take less time than planned.