

✔ Congratulations! You passed!

Grade received 100% To pass 75% or higher

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1. Fill in the blank: Creating a _____ establishes a cost estimate for your project budget and ensures that you calculate the correct expenses for a set period of time.

1 / 1 point

- ☐ contingency budget
- ☒ forecast
- ☐ cost of quality
- ☐ reserve analysis

✔ Correct

A forecast is a cost estimate or prediction that helps you calculate the correct expenses for a particular time period. You will frequently review your project budget, and it will evolve throughout the project life cycle.

2. As a project manager, you determine the cost for items such as software, tools, labor, and equipment. What budgeting term refers to these types of costs?

1 / 1 point

- ☐ Reserve analysis
- ☐ Contingency budget
- ☐ Cost of quality
- ☒ Resource cost rates

✔ Correct

Resource cost rates refer to the cost of resources like labor, tools, equipment, materials, and software. You will need to determine how much each of these resources will cost the company.

3. Which of the following strategies should you consider when creating your budget? Select all that apply.

1 / 1 point

- ☒ Baseline your budget

✔ Correct

A baseline budget is the estimate of costs you start with at the beginning of a project. When your project accrues actual costs, you use the baseline budget to determine if the project is under or over budget. It is also a good idea to document all costs and time-phase your budget.

- ☐ Disregard historical data

- ☒ Document all costs

✔ Correct

You should document all types of costs—both internal and external. Some additional strategies to implement include time-phased budgeting and setting a baseline budget.

- ☒ Time-phase your budget

✔ Correct

Time-phased budgeting allows you to allocate costs for project tasks over the projected timeline in which those expenses are planned to take place. By looking at your tasks against a timeline, you can track and compare planned versus actual costs over time. Also, make sure you baseline your budget and document all types of costs.

4. Which three of the following items are examples of direct costs for your project?

1 / 1 point

- ☒ Materials costs

✔ Correct

Since materials are necessary to complete your project, they are considered a direct cost.

- ☒ Wages and salaries of employees and contractors

✔ Correct

Employees and contractors are the people who do the work necessary to complete the project. Therefore, their wages and salaries are considered direct costs.

- ☐ Utilities

- ☒ Staff training

✔ Correct

Staff training is a direct cost because it is necessary in order to complete your project.

- ☐ General office equipment