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Assignment 6.3

A project has a budget at completion of $120,000, a current planned value of $23,000, an earned value of $20,000, and an actual cost of $25,000. These values provide a large amount of information in regards to the progress of a project and the performance of the project team members. Using these values, a lot of information can be derived, including answers to the following questions:

1. **What are the cost variances, schedule variance, cost performance index (CPI), and scheduled performance index (SPI) for the project?**

Based on the provided figures, this project has a cost variance of -$5,000, a schedule variance of -$3,000, and a scheduled performance index of .8695. Cost variance was computed by taking the earned value and subtracting the actual cost. Schedule variance was computed by taking the earned value and subtracting the planned value. The scheduled performance index is a ratio of earned value divided by the planned value.

1. **How is the project doing? Is it ahead of schedule or behind schedule? Is it under budget or over budget?**

This project is not doing very well. So far it is over budget and behind schedule. The project has spent $3000 more than planned to complete only 86% of the planned work. If the trajectory of this project continues, it is highly unlikely the project will finish on time, if at all.

1. **Use the CPI to calculate the estimate at completion (EAC) for this project. Is the project performing better or worse than planned?**

The estimate at completion value is the approximate cost of the completed project if the work proceeds at the current rate of speed and cost. The EAC for this project is $138,010.35, a cost overrun of $18,010.35. This project is performing substantially worse than originally planned.

1. **Use the schedule performance index (SPI) to estimate how long it will take to finish this project.**

If this project continues at the same pace, it should take 13.05% longer to complete than was originally estimated.

Sources

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