

Guiding Questions

1. Why is cost management important?
2. How is a WBS used to aggregate costs? How does this relate to the cost baseline?
3. Have you prepared for the test at the end of this week?

Introduction

This week you examine the benefits of cost management processes. Once you complete this week, you write your first test (Test 1). This test will help you assess your knowledge of material from weeks 2 through 7 inclusive.

How to Proceed

1. Review the key definitions.
2. Watch the video and answer the questions.
3. Examine the sample budgets.
4. Write Test 1.

Performance Indicators

1. Define *project cost management*.
2. Identify the key benefit of estimating costs.
3. Explain the purpose of a cost management plan.
4. Describe several tools and techniques to estimate costs.
5. Identify the key benefit of determining a budget.
6. Create a budget and a time-phased budget for a simple project.
7. Identify the key benefit of controlling costs.

Resources

1. Key Definitions and Reading List
2. Video 12: Cost Management Basics
3. Video 12 Cost Management Basics Companion Document
4. Sample Budgets
5. Test 1 (in LEARN Quizzes)

Assessments

Test 1