



Essay Corp

MGT. 250

5 years

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1. The Earned value for this project is explained here

While using the 50-50 technique, $PV=EV$. So, the values are=

Task A= $EV_1=3,100$

Task B= $EV_2=4,000$

Task C= $EV_3=2,500$

Task D= $EV_4=4,000$

Task E= $EV_5=3,500$



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The cumulative EV for all tasks = $EV_1+EV_2+EV_3+EV_4+EV_5+EV_6=19,600$.

2. The earned value for the project is same using the 0-100 rule.

3. There is a discrepancy in the values, which are seen in after application of 50-50 and 0-100 rule. The difference is due to the following reason-

In the 0-100 technique, no EV is credited until a certain task is complete, so this approach is good for short discrete tasks. For the 50-50 rule, half value of the EV is credited once the tasks are started and other half on completion. This is generally done when the tasks are long, and have multiple reporting periods. This helps in

keeping a tab on the projects for managers. For this project, the 0-100 rule is the best. As it has also been stated that the project is complete, this rule is considered best for this project.

4. The formula to be used for Schedule Variance is as follows-

$$SV=EV-PV$$

Since, the project is on schedule, the SV (Schedule Variance) is zero. This means, as stated in the question; the project has been completed on time.

5. The SPI calculated as follows-

$$SPI=EV/PV$$

Since the project is on schedule, the value is one . It means that the project is on schedule.

6. The cost variance for the project is as follows-

$$CV= EV- AC$$

$$\text{Task A} = CV1=0$$

$$\text{Task B} = CV2=-500$$

Task C =CV3=250

Task D =CV4=500

Task E =CV5=-500

7. The CPI is calculated as follows-

$$\text{CPI} = \text{EV} / \text{AC}$$

Task A = CPI1=1

Task B = CPI2=0.88

Task C =CPI3=1.11

Task D =CPI4=1.14

Task E =CPI5=0.875

8. The can be calculated as follows

In first step,

$$\text{ETC} = (\text{BAC} - \text{EV}) / \text{CPI},$$

The BAC value here is 50,000,

$$ETC = 5000 - 19600 / 5.005 = 6.073$$

In second step,

$$EAC = AC + ETC = 17,356.073$$

9. The EAC tells that the project is about to be completed soon. It has been on schedule, which has been provided by CPI and SPI values. The project shall finish fast. The cost is according to the plan, as the actual cost is much lesser than projected values.

The project is having a steady pace, and it means that the company stands to profit from it.