## Project Budgeting Using QM

In this tutorial, we will cover project budgeting using POM QM.

Fred Ridgeway has been given the responsibility of managing a training and development program. He knows the immediate predecessors, time to complete each activity, and the cost for each activity. The information is given in the table below:

Activity	Predecessor	Time	Total Cost (\$)
А	-	8	8000
В	-	4	12000
С	А	3	6000
D	В	5	15000
Е	C,D	3	9000
F	C,D	5	10000
G	F	3	6000

To calculate his monthly budget, open POM QM for Windows, select **Project Management (PERT/CPM)**.

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Then from the File menu, select New  $\rightarrow$  4 Cost Budgeting.

A **Create data set for Project management (PERT/CPM)/Cost Budgeting** window will appear. Enter 7 for the **Number of Activities**, and be sure immediate predecessor list is checked. Also, leave A, B, C, D, E, ... selected for **Row names**. This is the default setting.

Create data set for Project Management (PERT/CPI	M)/Cost Budgeting
Title: (untitled)	Modify default title
Number of Activities	<b>Row names</b> Column names Overview
<ul> <li>Table Structure</li> <li>Immediate predecessor list</li> <li>Start/end node numbers</li> </ul>	<ul> <li>Activity 1, Activity 2, Activity 3,</li> <li>a, b, c, d, e,</li> <li>A, B, C, D, E,</li> <li>1, 2, 3, 4, 5,</li> <li>January, February, March, April,</li> <li>Click here to set start month</li> <li>Other</li> </ul>
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## Click **OK**. A table will display.

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Immediate predecessor	list				Cost Budgel	ina				-	Enter the value for a for start node. This must be an integer.	
C Start/end node numbers	3				, see, badgo							
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Activity	Activity time	Activity Cost	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor	Predecessor			
			1	2	3	4	5	6	7			
Α	0	0								1		
В	0	0								1		
С	0	0								1		
D	0	0								1		
E	0	0										
F	0	0										
G	0	0										

Now enter the information from the table at the beginning of this tutorial and be sure that you only enter one predecessor in each column.

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Network type     Immediate predecessor     Start/end node numbers	list s				Method Cost Budge	ting				Instruction Enter the value for g for early start. Almost any character is permissible			
						(untitled)							
Activity	Activity time	Activity Cost	Predecessor 1	Predecessor 2	Predecessor 3	Predecessor 4	Predecessor 5	Predecessor 6	Predecessor 7	sor 7			
A	8	8000											
В	4	12000											
C	3	6000	A										
D	5	15000	В										
E	3	9000	С	D									
F	5	10000	С	D									
G	3	6000	F										

After you have correctly entered the data, click **Solve**. Then from the **Window** dropdown menu, select **2 Early Start Budget**. The results are given below for each of the 19 periods in the project.

📀 Early Start Budget																				
	(untitled) Solution																			
	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	
A	1000	1000	1000	1000	1000	1000	1000	1000												
В	3000	3000	3000	3000																
С									2000	2000	2000									
D					3000	3000	3000	3000	3000											
E												3000	3000	3000						
F												2000	2000	2000	2000	2000				
G																	2000	2000	2000	
Total in Period	4000	4000	4000	4000	4000	4000	4000	4000	5000	2000	2000	5000	5000	5000	2000	2000	2000	2000	2000	
Cumulative from start	4000	8000	12000	16000	20000	24000	28000	32000	37000	39000	41000	46000	51000	56000	58000	60000	62000	64000	66000	

Here are the results in a regular table for easier viewing (amounts shown are in the thousands).

	WEEK																		
Αςτινιτγ	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
A	1	1	1	1	1	1	1	1											
В	3	3	3	3															
С									2	2	2								
D					3	3	3	3	3										
E												3	3	3					
F												2	2	2	2	2			
G																	2	2	2
Total in Period	4	4	4	4	4	4	4	4	5	2	2	5	5	5	2	2	2	2	2
Cumulative from start	4	8	12	16	20	24	28	32	37	39	41	46	51	56	58	60	62	64	66

This concludes the tutorial on project budgeting using POM QM for Windows.