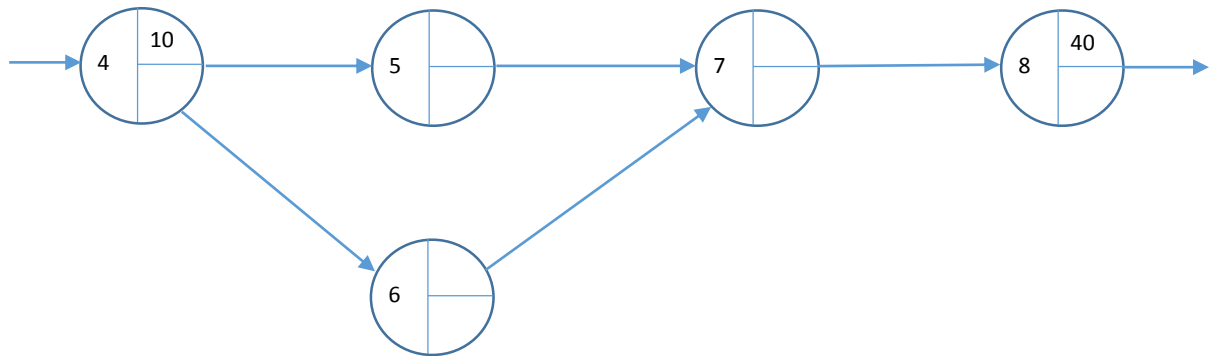


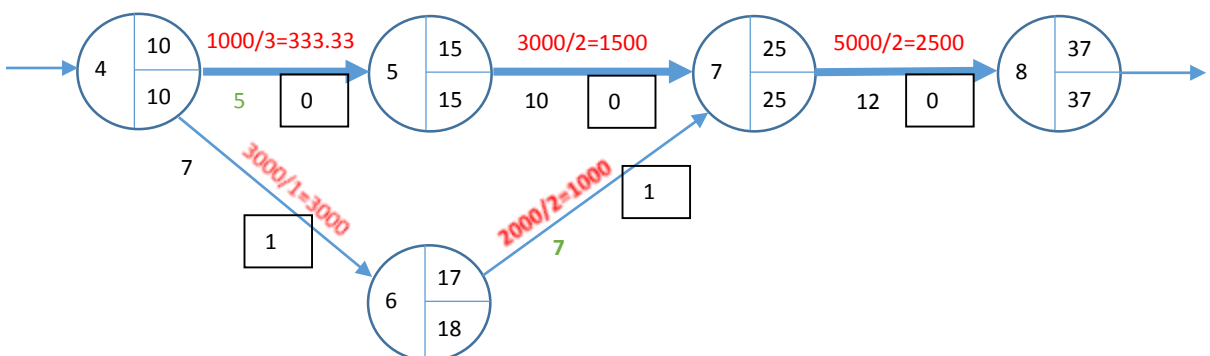
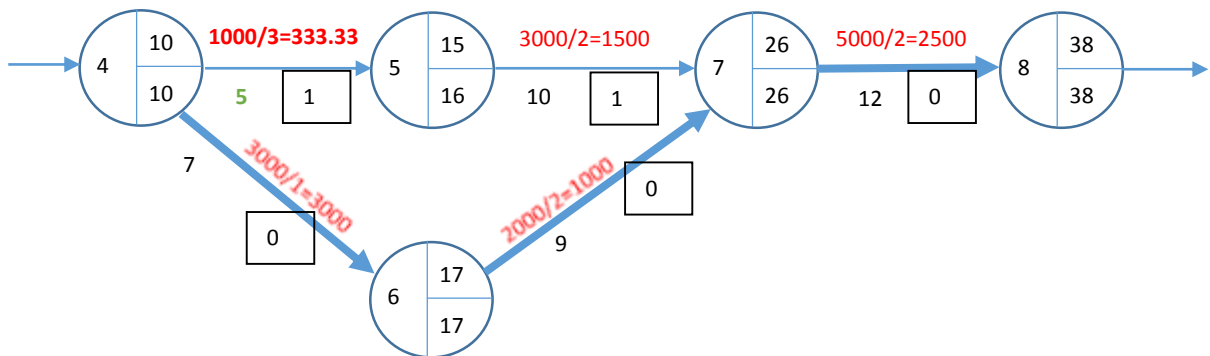
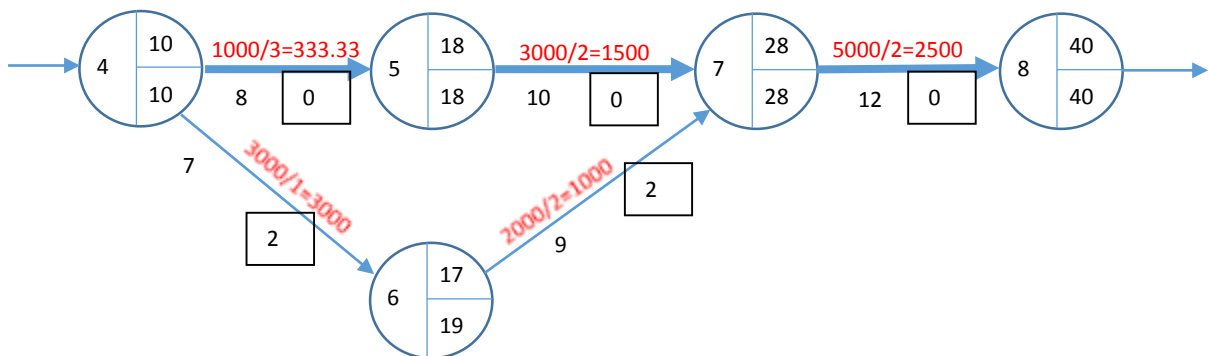
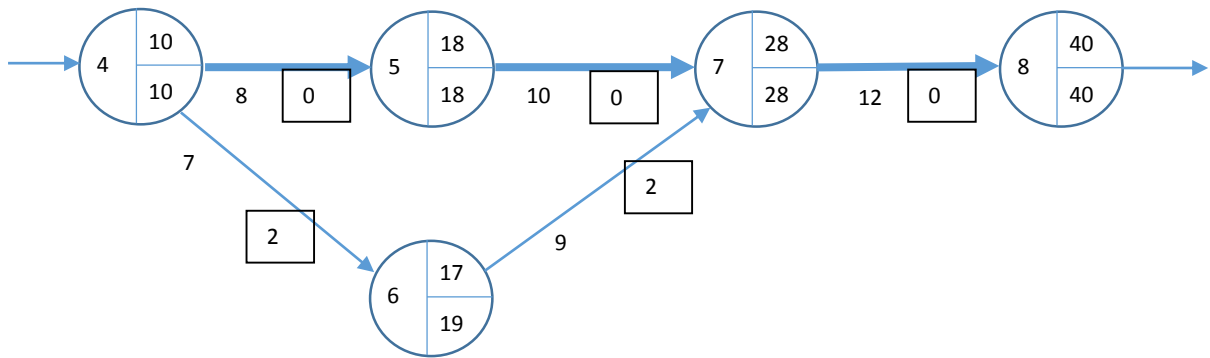
EXERCISE 1

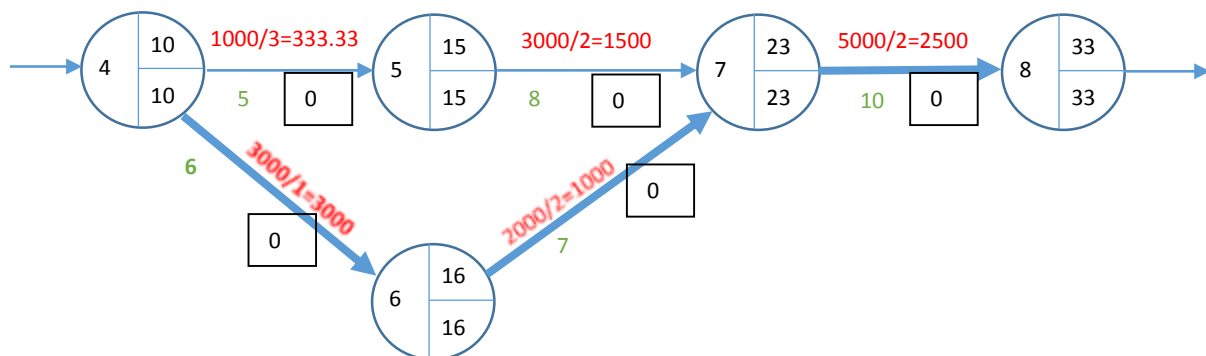
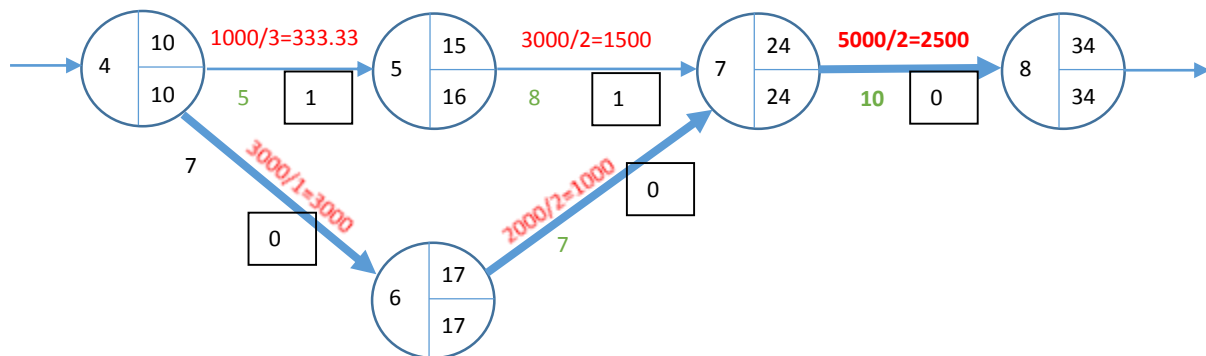
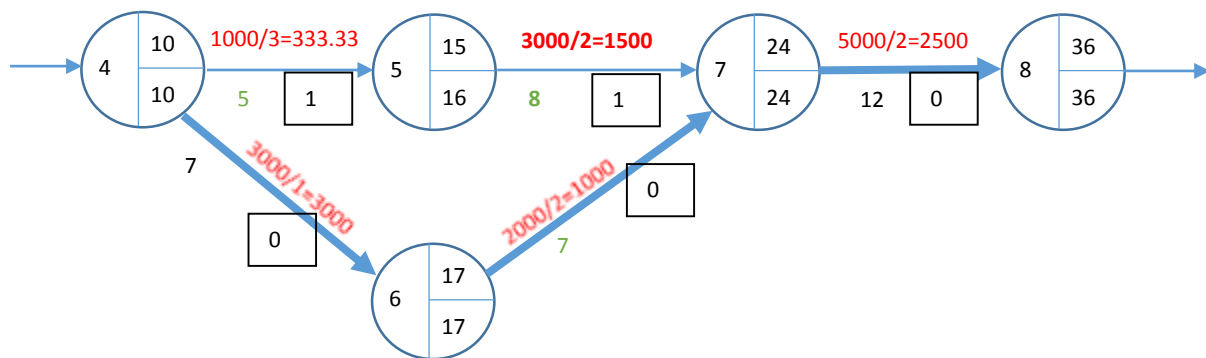
Node 4 for this arrow diagram starts at week 10. According to the table attached, the represented works finish the day 40. Analyse the cost increase of these works as long as time is reduced using the crash time and cost time. Indirect costs are estimated in £200/week.



	Normal time	Normal cost	Crash time	Crash cost
4-5	8 weeks	£8,000	5 weeks	£9,000
4-6	7 weeks	£5,000	6 weeks	£8,000
5-7	10 weeks	£22,000	8 weeks	£25,000
6-7	9 weeks	£12,000	7 weeks	£14,000
7-8	12 weeks	£15,000	10 weeks	£20,000

SOLUTIONS





Days	4-5	4-6	5-7	6-7	7-8	Total	Total cumulative	Indirect cost	TPC
40							£62000.00		
39	333.33					£333.33	£62333.33	-200	£62133.33
38	333.33					£333.33	£62666.67	-200	£62266.67
37	333.33	1000				£1333.33	£64000.00	-200	£63400.00
36		1000	1500			£2500	£68500.00	-200	£65700.00
35			1500	2500		£4000	£70500.00	-200	£69500.00
34				2500		£2500	£72500.00	-200	£71300.00
33					3000	£3000	£75500.00	-200	£74100.00