Quiz 3: Engineering project budgets   Score: _____

1. A project budget should only include costs that are known, for example the cost of an item of equipment. An estimated cost, such as electricity consumption, should not be included in a budget because its value is uncertain. Uncertainty in costs will lead to an inaccurate budget.

(A) True

(B) False

2. A high-level budget takes into account detailed costs of all project tasks. Only when these costs are known can the budget be completed and the project get underway.

(A) True

(B) False

3. It is essential that every person working on a large engineering project is consulted during the preparation of the project budget.

(A) True

(B) False

4. Which of the following is NOT a function of an engineering project budget?

(A) Estimate the total cost a project before its starts.

(B) Ensure the best technical solutions to problems are found.

(C) Monitor and control costs as the project proceeds.

(D) Evaluate the financial success of the project.

5. Which of the following is a useful software tool for creating and monitoring a budget?

(A) word processor

(B) CAD

(C) e-mail

(D) spreadsheet

6. Which of the following is NOT usually a reason for including a contingency in an engineering project budget?

(A) large-scale changes to the requirements of a project made by the customer

(B) delays caused by adverse weather conditions

(C) increases in the cost of materials

(D) unforeseen problems such as a shortage of labour