

Home assignment 8- Estimation

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- Cost information of a project activity are given as in below table:

Activity	Cost Distribution (\$)
A	Uniform (7000, 12000)
B	Triangular (2500, 4000, 6000)
C	Triangular (1000, 1500, 3000)
D	Normal(4000,500)
E	Triangular (500, 2000, 5500)
F	Exponential(mean=4000)

Calculate total cost contingency of the project with 90% level of confidence using:

- 1) PERT method (30 marks)
- 2) Monte Carlo simulation (of 1000 samples) directly using MS Excel formulas (40 marks)
- 3) Monte Carlo simulation (of 1000 samples) using MCSim add on to MS Excel (30 marks)

(Due: one week)