

GLOSSARY

Direct cost – cost required to accomplish the work.

In direct cost – cost related to control or duration of work

Crashing: Higher amounts of direct activity cost would be associated with smaller activity duration times, while longer duration time would involve comparatively lower direct cost. Such deliberate reduction of activity times by putting in extra effort is called Crashing.

Normal cost is the lowest possible direct cost required to complete an activity.

Normal time is the maximum time required to complete an activity at normal cost.

Crash time is the minimum possible time in which an activity can be completed using additional resources.

Crash cost is the direct cost i.e., anticipated in completing an activity within the crash time.

Budget is an estimate of cost planned to be spent to complete a particular activity.