Tutorial Notes

Class: B.Com (Hons.) Semester III (CC7)

Subject: Management Principles & application.

Topic: PERT meaning, advantages and disadvantages.

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Meaning of PERT

Program (Project) Evaluation and Review Technique (PERT) in an activity to understand the planning, arranging, scheduling, coordinating, and governing of a project. This program helps to understand the technique of a study taken to complete a project, identify the least and minimum time is taken to complete the whole project. PERT was developed in the 1950s, with the aim to the cost and time of a project.

In PERT, the project is segregated into events and activities. After discovering a proper sequence, the network is built. It is then the time for each task is calculated, and a path is regulated

Advantages of PERT

- **Planning for Large Project-** It is used in scheduling large project by the project manager

- **Visibility of Critical Path-** It is used to show the critical path in a clear way. The critical path those paths were activities cannot be paused under any conditions.

- **Analysis of Activity-** This will provide the management with the progress report and the completion of the project including the budget.

- **Coordination Ability-** This helps in improving the communication within different departments of the company.

- **The What-if Analysis–** This analysis benefits the company to recognize the risk linked with any projects.

Disadvantages of PERT

- **Time Focused Method-** PERT is a time-bound method, so finishing project or activities on time is of high importance. If it does not happen than a problem can arise

- **Subjective Analysis-** Here, the project activities are recognized according to the available data. However, it is difficult in PEERT projects as it is applicable for the only new project are which is not repetitive in nature, therefore, the collection of information to be subjective in nature.

- **Prediction Inaccuracy-** PERT does not have any past records for a framework of a project, so prediction comes into play. The project will be ruined if the prediction is not accurate.

- **Expensive-** Too expensive in terms of time consumed, research, prediction, and resources utilized.