

Liverpool John Moores University

Title: COST AND FINANCIAL CONTROL
Status: Definitive
Code: **6040UG** (102129)
Version Start Date: 01-08-2011

Owning School/Faculty: Built Environment
Teaching School/Faculty: Built Environment

Team	Leader
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Academic Level: FHEQ6 **Credit Value:** 12.00 **Total Delivered Hours:** 26.00
Total Learning Hours: 120 **Private Study:** 94

Delivery Options

Course typically offered: Semester 1

Component	Contact Hours
Lecture	12.000
Tutorial	12.000

Grading Basis: 40 %

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Exam	AS1	unseen	70.0	2.00
Portfolio	AS2	assignment	30.0	

Aims

*To develop an understanding of cost and value in construction and their relationship with the estimating and financial control functions within contracting organisations.
To understand the impact of the timing of receipts and payments on the financing arrangements of the organisation.
To develop competence in the use of techniques for the financial control of construction projects and contracting firms.*

Learning Outcomes

After completing the module the student should be able to:

- 1 Understand how cost control is applied to construction projects and organisations.
- 2 Appreciate the way in which cost is controlled during construction and how this relates to the valuation of work in progress.
- 3 Prepare forecasts and reconciliations of cost and value for contractors, to monitor actual physical and financial progress against planned.
- 4 Understand the effect of delay in the payment process and the impact of this on the capital lock-up on projects and the financing requirements of construction firms.

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

EXAM	1	4
PORTFOLIO	2	3

Outline Syllabus

Classification of cost, relationship with the estimating and buying functions, cost generation, recording and control.

The concept of value, conditions of payment in standard forms of contract.

The relationship between cost and value, cost: value reconciliation, valuation of stocks and work in progress, accounting standards, SSAP9, timing of receipts and payments, financing arrangements.

Techniques for the financial control of construction projects and contracting firms.

Forecasting techniques; Approximate methods, S-curves and formulae, computer software packages, using the programme.

Cost control and reconciliation with value pre and post-contract.

Learning Activities

Learning outcomes will be tested via a number of project simulations.

References

Course Material	Book
Author	Canter, M.R.
Publishing Year	0
Title	Resource Management for Construction
Subtitle	
Edition	

Publisher	Macmillan
ISBN	

Course Material	Book
Author	Harris & McCaffer
Publishing Year	0
Title	Modern Construction Management
Subtitle	
Edition	
Publisher	Granada
ISBN	

Course Material	Book
Author	Cooke, B
Publishing Year	0
Title	Cost and Financial Control for Construction Firms
Subtitle	
Edition	
Publisher	Macmillan(out of print)
ISBN	

Course Material	Book
Author	Upson
Publishing Year	0
Title	Financial Management for Contractors
Subtitle	
Edition	
Publisher	
ISBN	

Course Material	Book
Author	Griffiths A.
Publishing Year	1999
Title	A Systems Approach to Construction Management
Subtitle	
Edition	
Publisher	McMillan
ISBN	

Course Material	Book
Author	Langford D., Fellows R., Newcombe B.
Publishing Year	1985
Title	Construction Management in Practice
Subtitle	
Edition	
Publisher	Longmans
ISBN	

Notes

This module develops an appreciation of cost and value control. It considers the use of estimating outputs as a means of establishing targets for control. The arousal business simulation package is used to develop a practical understanding of the approaches to be taken.