

## Liverpool John Moores University

Title: COST AND FINANCIAL CONTROL  
Status: Definitive  
Code: **6164UG** (102691)  
Version Start Date: 01-08-2011

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

Team	Leader
James Hartwell	Y

**Academic Level:** FHEQ6  
**Credit Value:** 12.00  
**Total Delivered Hours:** 24.00  
**Total Learning Hours:** 120  
**Private Study:** 96

### Delivery Options

Course typically offered: Summer

Component	Contact Hours
Lecture	12.000
Tutorial	12.000

**Grading Basis:** 40 %

### Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Portfolio	AS1	Financial assignment	30.0	
Report	AS2	Cost and financial report	70.0	

### 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 Analyse how cost control is applied to construction projects and organisations.
- 2 Evaluate the ways in which costs are 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 Evaluate the effect of delay in the payment process and the impact of this on 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:

PORTFOLIO	2	3
REPORT	1	4

## 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 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

Lectures and computer lab workshops.

## References

<b>Course Material</b>	Book
<b>Author</b>	Jaggar, D. & Ross, A.D.
<b>Publishing Year</b>	2002
<b>Title</b>	Building Design Cost Management
<b>Subtitle</b>	

<b>Edition</b>	
<b>Publisher</b>	Blackwells
<b>ISBN</b>	9780632058051

<b>Course Material</b>	Book
<b>Author</b>	Kirkham, R.
<b>Publishing Year</b>	2007
<b>Title</b>	Cost Planning of Buildings
<b>Subtitle</b>	
<b>Edition</b>	
<b>Publisher</b>	Blackwells
<b>ISBN</b>	9781405130707

<b>Course Material</b>	Book
<b>Author</b>	Walker, I. & Wilkie, R.
<b>Publishing Year</b>	2003
<b>Title</b>	Commercial Management in Construction
<b>Subtitle</b>	
<b>Edition</b>	
<b>Publisher</b>	Blackwells
<b>ISBN</b>	9780632058273

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## 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.