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ENG 384 CLASS TEST

**Question:**

**Economists, engineering managers, project managers, and indeed any person involved in decision making must be able to analyze the financial outcome of his or her decision. Juxtapose this statements in three sentences**

Every person involved in the decision making of an engineering project has to consider the factors affecting the finances by their decisions.

* The project managers have to know the right choice of material needed to complete the project. The material must be economic and durable.
* The Economist deals with analysis of the financial outcome could lead to delay on allocating fund for the project.
* Engineering managers and human resources also consider the effect of the needs of the project workers as well as the consumers as against the finances of the project. Human resources management could adversely and directly affect the finances of the project.

The decision is based on analyzing and evaluating the activities involved in producing the outcome of the project. These activities have either a cost or a benefit. Financial analysis gives us the tools to perform this evaluation. Often the decision to make is to proceed or not to proceed with a project. In cases involving investment, we want to know if the project is economically viable in order to proceed. Financial analysis methods will give us this capability. Another use of financial analysis is for the purpose of securing financing or credit for implementation of a project. Investors want to know what benefits, if any, they can gain from investing in the project. The project manager has to be able to provide them with a credible financial analysis of the project and to identify & construct the time profile of the income and expenditures. The financial analysis tools will then provide a common measure to test the economic viability of the project or to compare the outcomes of the alternative decisions.