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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER I
SESSION 2017/2018**

COURSE NAME : CONSTRUCTION ECONOMICS
COURSE CODE : BPD 42802
PROGRAMME CODE : BPC
EXAMINATION DATE : DECEMBER 2017/JANUARY 2018
DURATION : 2 HOURS
INSTRUCTION : ANSWER ALL QUESTIONS

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THIS QUESTION PAPER CONSISTS OF THREE (3) PAGES

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Q1 Project feasibility analysis is a multi-step for construction planning phase. As the analysis progresses, the developer will gradually acquire more information that could help determine whether or not to proceed further.

(a) Discuss **FOUR (4)** activities in feasibility analysis.

(20 marks)

(b) Explain the most important activity from your answer in **Q1(a)**.

(5 marks)

Q2 For the purpose of project management and control, it is not sufficient to consider only the past record of costs and revenues incurred in a project. Good managers should focus upon future revenues, future costs and technical problems. For this purpose, traditional financial accounting schemes are not adequate to reflect the dynamic nature of a project.

(a) Describe the importance of cost control to the clients in construction industry based on the statement.

(10 marks)

(b) Discuss **THREE (3)** stages in cost planning to achieve their objectives.

(15 marks)

Q3 There are a number of techniques which the project manager can use to ensure knowledge and lessons learned from previous project are not lost, moreover it can be shared for the advantage of future projects, which provides a broad scope for discussion.

Compare the techniques that can be used by project manager.

(25 marks)

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Q4 A project manager for terrace house project is trying to value the same building based upon “comparable properties” sold in recent years. There have been eight property sales of buildings of comparable size in the surrounding area shown in **Table Q4**.

Table Q4: Comparable Properties Data

House	Sale Price (RM)	Size (Sq. Ft)	Gross Rent (RM/month)
1	200,000	1,400	500
2	180,000	1,400	550
3	220,000	1,400	600
4	250,000	1,400	550
5	150,000	1,400	500
6	120,000	1,400	500
7	230,000	1,400	650
8	190,000	1,400	550

- (a) State **FIVE (5)** assumptions that are used in valuing a building based upon comparable housing buildings. (5 marks)
- (b) Calculate the value of the building, based upon price/square foot. (10 marks)
- (c) Calculate the value of the building, based upon price/gross rent. (10 marks)

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-END OF QUESTIONS-