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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER II
SESSION 2018/2019**

COURSE NAME : CONSTRUCTION LAW
COURSE CODE : BPD 20302
PROGRAMME CODE : BPC
EXAMINATION DATE : JUNE / JULY 2019
DURATION : 2 HOURS
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF **THREE (3)** PAGES

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TERBUKA

- Q1** (a) Explain the effect and obligation of employer and contractor of the following key dates in a construction contract:
- (i) Execution date
 - (ii) Date of site possession
 - (iii) Expiry of defects liability period
- (9 marks)
- (b) **Table Q1** indicates the details of a project to construct an office building for a government institution.

Table Q1: Project details

Commencement date	1 st March 2016
Completion date	31 st December 2016
Extension of time	EOT no. 1 (up to 31 st May 2017)
Date of Certificate of Completion of Making Good Defects	15 th June 2019
Contract Sum	RM 48,800,800.00
Preliminaries	RM 1,581,000.00
Provisional Sum	RM 13,175,000.00

Calculate:

- (i) Maximum value of advanced payment that can be claimed by the contractor. (5 marks)
- (ii) Value of Liquidated Ascertained Damages (LAD) if the project completed on 8th June 2017, and the basic lending rate (BLR) is 4.90%. (6 marks)
- (iii) Validity period of performance bond. (5 marks)

Q2 Of all torts encountered in the construction industry, the tort of negligence features most prominently.

Interpret the principles of the law of torts of the following negligence cases:

- (a) Valerie Pratt vs George J. Hill Associated (10 marks)
- (b) Kris Angsana Sdn. Bhd. vs Eu Sim Chuan @ Eu Sam Yan & Anor (15 marks)

- Q3** Arbitration is a method of resolving a dispute. It denotes the placing of a dispute before a third party to obtain a fair or equitable decision, based on discretion rather than on fixed rules.
- (a) Describe **FIVE (5)** situations in which arbitration is suitable as an effective dispute resolution mechanism. (15 marks)
- (b) Compare the procedures between ‘Documents Only’ Arbitration’ and ‘Written Representation plus Short Oral Hearing’. (10 marks)
- Q4** (a) Clause 39.3(a) of PWD 203A Standard Form of Contract stipulates that Certificate of Practical Completion (CPC) will only be issued to the contractor if his entire work reached practical completion.
- Discuss **TWO (2)** effects of issuance of the CPC. (4 marks)
- (b) Most standard forms of conditions of contract contain clauses under which the period allowed for the contractor to undertake and complete the works can be extended and/or the contractor can be required to accelerate the works.
- Illustrate a diagram of the relationships between extension of time (EOT) and liquidated ascertained damages (LAD) provisions in construction projects. (6 marks)
- (c) According to Clause 24.2 of PWD 203A Standard Form of Contract, ‘variation’ means ‘a change in the Contract Document which necessitates the alteration or modification of the design, quality or quantity of the Works as described by or referred to therein and affects the Contract Sum,..’. There are a number of reasons for employers to be the source of variations to the contract.
- Explain with example, **THREE (3)** reasons for the employer to initiate variations. (15 marks)

-END OF QUESTIONS-