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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER I
SESSION 2019/2020**

COURSE NAME : CONSTRUCTION ECONOMICS
COURSE CODE : BPD 42802
PROGRAMME CODE : BPC
EXAMINATION DATE : DECEMBER 2019 / JANUARY 2020
DURATION : 2 HOURS
INSTRUCTION : ANSWER ALL QUESTIONS

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

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Q1 A common mistake in the development of design schedules is the failure to include adequate contingency plan in the project schedule.

Discuss steps project manager would use to ensure adequate contingency plan is incorporated into a design schedule.

(25 marks)

Q2 Cost plans evolve through the life of the project, developing in detail and accuracy as more information becomes available about the nature of the design, and then actual prices are provided by suppliers. There are two types of cost in project planning; development cost and construction cost.

Compare the development cost and construction cost in project planning.

(25 marks)

Q3 Given a double storey terrace house project information built in Parit Raja area as the following.

- Sold price = RM420,000
- Unit of development = 53
- Cost of building = RM110,000
- Interest loan = 7%
- Project duration = 1 year
- Development area = 10 acre

Propose a cash flow with Net Present Value (NPV) analysis to identify the feasibility of the project. Use the suitable assumption if needed.

(25 marks)

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- Q4** Kluang Local Council has planned a project to upgrade their community hall. As a community committee for the project, two alternative proposals have been suggested as shown in **Table Q4**.

Table Q4: Data of Alternative Proposal

Scheme A	(RM)
Cost of building	200,000
Site cost	40,000
Annual running cost	6,000
Replacement cost at every 20 years	24,000
Replacement cost at every 30 years	32,000
Scheme B	(RM)
Cost of building	260,000
Site cost	40,000
Annual running cost	4,800
Replacement cost at every 20 years	16,000
Replacement cost at every 30 years	20,000

Calculate the Life Cycle Cost (LCC) of the two proposals (Scheme A and B) with the assumption of both projects will have an equal life of 60 years, discount rate is 5% and Annual Sinking Fund (ASF) is 2.5%.

(25 marks)

-END OF QUESTIONS-

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