

THE PAPUA NEW GUINEA UNIVERSITY OF TECHNOLOGY  
THE SCHOOL OF ARCHITECTURE & CONSTRUCTION MANAGEMENT  
FIRST SEMESTER EXAMINATION  
FIFTH YEAR BACHELORS IN BUILDING  
BL 541 – BUILDING ECONOMICS

Room: DRM (Discussion Room)

Date: Tuesday 28<sup>th</sup> May 2024

Duration: 3 hours

Time 8.20 to 11.20am

**Information to Candidate**

1. You have 10 minutes to read the paper. Do not begin writing during this period.
2. Fill in the Attendance Slip with your name and student I.D. number now.
3. There are two (2) parts to this exam. **Section A is compulsory, Section B is optional.**
4. ALL ANSWERS MUST BE WRITTEN IN THE ANSWER BOOK (S) PROVIDED.
5. Each Question must be answered starting on a New Page.
6. Notes, Textbooks and Electronic devices are **NOT ALLOWED** in the Exam Room.

**WRITE YOUR NAME AND ID NUMBER CLEARLY ON THE FRONT PAGE. DO IT NOW.**

**TOTAL MARKS = 100 MARKS**

**SECTION A – COMPULSORY QUESTIONS** *(answer all questions) (80Marks)*

Question #1 (15 marks)

Identify and explain three (3) common issues that the concept of time value for money (TVM) help with.

Question #2 (15 marks)

Describe the components of a contract cost.

Question #3 (20 marks)

Identify the (4) methods of investment appraisal and describe only two of those applications.

Question #4 (15 marks)

Identify three (3) methods of valuation and discuss them briefly.

Question #5 (15 marks)

What is the significance of a developers' budget?

**SECTION B – OPTIONAL QUESTIONS** *(choose any two (2) to attempt) (20Marks)*

Question #6 (10 marks)

Describe the concept of life cycle costing (LCC).

Question #7 (10 marks)

Explain the theme investment appraisal.

Question #8 (10 marks)

Identify a tool used in LCC and describe it briefly.

Question #9 (10 marks)

Identify two (2) methods of approximate estimating and describe them briefly.

End of Exam