

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

Room: L2
Date: Monday 7th June 2021
Duration: 3 hours
Time 12.50 to 4.00 pm

Information to Candidate

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

Question #1

Identify and explain three (3) issues that has given rise to the concept of time value for money (TVM). (15 marks)

Question #2

Describe the components of a contract cost. (15 marks)

Question #3

Identify four (4) methods of investment appraisal and describe their applications. (20 marks)

Question #4

Identify three (3) methods of valuation and discuss them briefly. (15 marks)

Question #5

What is the significance of a developers' budget? (5 marks)

SECTION B – OPTIONAL QUESTIONS *(choose any three (3) to attempt)*

Question #6

Describe the concept of life cycle costing (LCC). (10 marks)

Question #7

Explain the theme investment appraisal. (10 marks)

Question #8

Identify a tool used in LCC and describe it briefly. (10 marks)

Question #9

Identify two (2) methods of approximate estimating and describe them briefly. (10 marks)

Question #10

Identify two (2) aspects of the cost associated with land and describe them briefly. (10 marks)

Question #11

What is the impact of approximate estimating on a construction cost? (10 marks)

End of Exam