

THE PAPUA NEW GUINEA UNIVERSITY OF TECHNOLOGY  
FACULTY OF BUILT ENVIRONMENT  
SCHOOL OF ARCHITECTURE AND CONSTRUCTION MANAGEMENT  
FIRST SEMESTER EXAMINATION  
MASTER IN CONSTRUCTION MANAGEMENT – YEAR 1  
CM 514 – CONSTRUCTION COST AND VALUE MANAGEMENT

Room: Discussion Room  
Date: Friday 31<sup>st</sup> May 2024  
DURATION: 3 Hours  
Time: 8:20 – 11:30 am

Instructions to Candidates

1. You have 10 minutes to read the paper.  
Do not begin writing during this time.
2. Fill in the Attendance Slip with your name and student I.D. number now
3. **There are four Questions** and you are to **answer all questions**.
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 and Textbooks are not allowed in the Test Room.

WRITE YOUR NAME AND IDENTIFICATION NUMBER CLEARLY ON THE FRONT PAGE. DO IT NOW!

TOTAL MARKS = 120 MARKS

**Question One: [30 marks]**

Explain the importance of project needs assessment, concept development and planning and its implications on construction projects.

**Question Two: [20 marks]**

Explain the significance of cost estimation and the cost estimating process of a construction project.

**Question Three: [30 marks]**

- (a) Explain the process, issues and approaches in developing Project Budgeting (20 marks)
- (b) State an example to illustrate to the effect of crashing the project on Project Budget (10 marks)

**Question Four: [40 marks]**

- (a) Explain the significance of cashflow management of a construction project. (10 marks)
- (b) Explain the any three guidelines with examples, project managers can use to improve cash flow. (30 marks)

End of Paper