

**The University of Melbourne
Semester Two
2003**

Faculty of Architecture, Building and Planning

Subject Number: 702 413/655

Subject Title: Project Administration AND Project Administration(Masters)

Reading Time: 15 minutes

Exam Duration: 3 hours

This paper has 7 pages

Authorised Materials:

The following items are authorised:
Electronic calculator

Instructions to Invigilators:

The exam paper may NOT be removed from the Examination Hall.

Instructions to Students:

Answer all ten (10) questions.
All questions are of equal value.

**702-413, 702-655 PROJECT ADMINISTRATION
EXAMINATION - 2003**

Question 1

- a) Explain the *general* purposes for which security may be provided under a traditional building and construction contract.
- b) Discuss the *specific* risks for which each party may be required to provide security.
- c) Distinguish between the *types* of security which either party may be required to provide.

Question 2

- a) Explain the need for a contract administrator in a traditional building and construction contract.
- b) Describe the role of the contract administrator, distinguishing between its two major aspects.
- c) Cite three examples of contract administrator's actions exercised in each aspect of the role.

Question 3

- a) Explain the meaning of the term "termination" in a traditional building and construction contract.
- b) Discuss the major grounds on which these provisions of the contract may be invoked by the parties to the contract.

Question 4

- a) Discuss the purposes for which provisional sums may be used in a traditional building and construction contract.
- b) Outline the procedure by which such sums are adjusted under an MW - 1 contract.

Question 5

- a) Discuss the factors that should be taken into account when deciding whether a contract administrator's instruction constitutes a variation.
- b) Describe any limitations on the contract administrator's power to order variations at various stages of the contract.

Question 6

Discuss the factors that should be taken into account when dealing with a contractor's application for an extension of time for delay at a time when multiple causes of delay existed.

Question 7

- a) Explain the reasons for the use of progress payment provisions in a traditional building and construction contract.
- b) List the major steps in the progress payment process.
- c) Discuss the significance *and consequences* of the final payment provisions in such a contract, contrasting these where appropriate with the progress payment provisions.
- d) List the major steps in the final payment process.

Question 8

- a) Explain the *purpose* of liquidated damages/liquidated and ascertained damages in a traditional building and construction contract.
- b) Describe how the *level* of these damages is calculated.
- c) Describe *when* these damages are applicable and how their *quantum* is calculated.

Question 9

- a) Name two documents used by contractors to control and manage the information flow between parties.
- b) Describe the purposes for which they may be used and the possible consequences of not controlling them.

Question 10

Discuss the issues that a contractor needs to address in order to optimise the management of its cashflow.

END OF EXAMINATION