

The University of Melbourne

Semester 2 Assessment, 2006

Faculty of Architecture, Building and Planning

Subject Number: 702- 483

Subject Title: Advanced Quantity Surveying

Student Number

Reading Time: 15 minutes

Writing Time: 2 hours

This paper has : 4 pages

**Identical Examination Papers: 702-683 Advanced Quantity Surveying
(Masters)**

Authorised Materials:

The following items are authorised:

Electronic calculator.

Instructions to Invigilators:

Students should be issued with a university script book.

Instructions to Students:

Answer all questions.

Total marks possible are 100 marks

Paper to be held by Baillieu Library

Question 1 - Building Procurement

(15 marks)

It is possible for both contractors and clients to abuse the competitive tender process. Describe some of the issues involved with ensuring probity in tendering. Give examples of good and bad tendering practices to illustrate your answer.

Question 2 – Tax Depreciation

(15 Marks)

Briefly describe each of the following terms:

- Diminishing Value
- Building Allowances
- Depreciating Assets
- Effective Life
- Income Producing Buildings

Question 3 – Prequalification

(20 Marks)

Prequalification is based on classifying contractors based on past performance. In addition, prequalification is a process that limits the number of contractors available to tender for construction projects. What is wrong with choosing contractors using prequalified tendering? In your answer, comment on the costs and benefits of the prequalification process.

Question 4 - Value Management

(20 Marks)

Multi-choice-Please choose the best answer (Please Circle).

(Please Circle)

- i) Value management was invented:
- A During WWII as part of the American war effort
 - B By an academic researching ways to save money
 - C As a search for alternative components for manufactured products
 - D None of the above

- ii) According to the inventor Lawrence Miles, *Functions*:
- A Are the principal way to describe a process
 - B Allow the owner to analyse cost savings
 - C Provide an alternative approach to improving efficiency
 - D Must be described by one verb and one noun
- iii) Value management can be defined as:
- A Systematic effort directed at analysing the functional requirement of systems
 - B Achieving essential functions at the lowest cost
 - C The essential need for performance, reliability, quality and maintainability
 - D All of the above
- iv) Value management is also know as :
- A Value Analysis
 - B Value Engineering
 - C Value Cost Management
 - D A and B but not C
- v) Value management is successful because it focuses on delivering the product or service at the best price by incorporating those value characteristics deemed most important by the customer :
- A Focuses on delivering the product or service at the best price
 - B incorporates the value characteristics deemed most important by the customer
 - C Is based on a proven methodology designed to save money
 - D A and B but not C
- vi) Value management can be defined mathematically as:
- A $\text{Function} + \text{Quality}/\text{Cost}$
 - B $\text{Function} - \text{Cost} = \text{Quality}$
 - C $\text{Function} + \text{Cost} / \text{Quality}$
 - D None of the above
- vii) Value management provides the greatest potential for cost savings:
- A At the early stages of a project
 - B At one third of the design phase
 - C When used as a contractor's change order
 - D All of the above

- viii) Value Engineering enables a company to:
- A Reduce time to market
 - B Use resources more effectively
 - C Increase employee involvement & contribution
 - D All of the above
- ix) The first stage of Value management is:
- A The job plan
 - B Brainstorming
 - C The Analysis phase
 - D The Investigation phase
- x) FAST can be defined as:
- A Function Analysis Systems Technique
 - B Function Analysis Saving Technique
 - C Function Analysis Systems Tool
 - D None of the above

Question 5 – Essay

(30 Marks)

Comment on any TWO of the following statements:

1. Risk Management is a process of budgeting for the cost of anticipated project risks. It can be an expensive process and, consequently, it does not have much application in the construction industry!
2. Earned Value Analysis is used for defense projects but is not useful for the construction of buildings!
3. Mega-projects develop a life of their own once the detailed design begins at which point the process of cost control becomes irrelevant!
4. The use of information technology in the construction industry only relates to email.
5. What are the key determinants of housing demand in Australia?
6. Training exists to reduce the effects of skills shortages

End of paper

Total marks possible = 100 Marks