

RESERVED

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HARMATTAN SEMESTER EXAMINATION 2011/2012 SESSION

COURSE: ESM 411 – Management of Building Projects TIME ALLOWED: 2 hours

INSTRUCTION: Answer Question 1 and 3 others. Not more than TWO from each section.

### Section A

1. In a desperate move to fund a business deal, Chief Banltole gave the instruction to sell his property at 4, More Street, Ileife to Mr Ojo for a period of 3 months. On the 4<sup>th</sup> month of no deal, Chief Banltole contacted Mr Jude who also made frantic unsuccessful attempts at selling the property for a period of 9 months. Since Mr Jude could not also sell, Chief Bankole resorted to obtain bank loan to finance his business and decided not to sell again. Soon after this, the two agents, one after the other approached chief Bankole with cheque for the anticipated sum and alleged a breach of contract for the refusal to collect the money. Each is contemplating an action against Chief Bankole.
  - i. Discuss the characteristics of the relationship created between Chief Banltole and each of the two agents (4 Marks).
  - ii. Discuss ways of validating the relationship between Chief bankole and Mr John. (4 Marks)
  - iii. Discuss the need for consideration in making an offer valid (4 Marks).
  - iv. Discuss the various ways by which a contractual relationship may be created (4 Marks).
  - v. How is specific performance different from injunction? (4 Marks)

(10 Marks)
2. (a) In line with the inability of the government to meet all the building needs of the citizens, discuss the various contemporary means by which these needs could be met in association with the private sector (10 Marks).  
(b). Mr Ola has approached your firm with a sale brief, Identify and discuss the activities that you will undertake to execute the agency brief (10 Marks).
3. a) Explain with practical examples the relevance of the following in building procurement
  - i) Contract document (4 Marks)
  - ii) Prime cost and provisional cost (4 Marks)
  - iii) Types of building contract. (4 Marks)

b) Land and buildings of organisations are essential resource of the organisation. Explain how corporate real estate can be managed to impact the organisation (8 Marks).

### Section B

- 4) a. Discuss the impacts of relevant professionals in conversion of use of a property. (8 Marks).  
b. Explain the process of interim valuation and its' relevance in building project (12 Marks).
- 5) a. Justify the need to plan a development scheme within the context of planning and development and availability of fund (10 Marks).  

b. Explain briefly the following;

  - i) Reasons for inclusion and exclusion in interim valuation. (2<sup>1</sup>/<sub>2</sub> Marks).
  - ii) Treatment of fluctuations in costs of labour and materials. (2<sup>1</sup>/<sub>2</sub> Marks)
  - iii) Kinds of preliminary items. (2<sup>1</sup>/<sub>2</sub> Marks)
  - iv) Differentiate between price fluctuation and price variation. (2<sup>1</sup>/<sub>2</sub> Marks)

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The following cost estimates are stated in the preliminary section of the bill of quantity of the new lecture theatre beside the EDM building.

Insurance against Injury .....	N 100,000.00
All risks insurance .....	N 130,000.00

**Temporary roads**

-Sums expended immediately after commencement of the contract for delivery, erection and installing.	N 2,000,000.00
-Sums expended towards the end of the contract for dismantling and removal	N 1,000,000.00
-Sums expended to maintain the road for the project period.	N 1,300,003.00

**Piling plant**

-Sums expended immediately after commencement of the contract for delivery, erection and installing.	N 500,000.00
-Sums expended towards the end of the contract for dismantling and removal	N 250,000.00
-Sums expended for using the equipment for 8 weeks.	N 4,500,000.00
Security .....	N 1,350,000.00
Water	
-Installation cost .....	N 750,000.00
-Monthly charges for the project period	N 150,000.00
Management and staff .....	N 5,000,000.00

**Site accommodation**

-Sum expended throughout the project period	N 3,500,000.00
- Sums expended immediately after commencement of the contract for delivery, erection and installing.	N 550,000.00
-Sums expended towards the end of the contract for dismantling and removal	N 100,000.00

**Small plants and tools**

-Outstanding sum for the project work	N 2,700,000.00
-Sums expended immediately after commencement of the contract for delivery, erection and installing.	N 100,000.00
-Sums expended towards the end of the contract for dismantling and removal	N 250,000.00

Prepare a preliminary item table based on the nature of cost.

(20 Marks)

