



the  
UNIVERSITY  
of  
GREENWICH

**EXAMINATION PAPER:**                    **ACADEMIC SESSION 2005/ 2006**

**Campus:**                                    **Avery Hill**

**School:**                                     **Architecture and Construction**

**Department:**                           **Building Economics & Management**

**Programmes:**                           **BSc (Hons) Quantity Surveying**  
**BSc (Hons) Building Surveying with Project Management**  
**BSc (Hons) Design & Construction Management**

**Course Code:**                           **BUIL 0099**

**Course Title:**                           **CONSTRUCTION ECONOMICS 1**

**Level:**                                     **3**

**Duration:**                                **3 hours**

**Date:**                                      **Monday 8<sup>th</sup> May 2006, start 2 pm**

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#### **INSTRUCTIONS TO CANDIDATES & FOR INVIGILATORS**

**Answer FOUR questions.**

**All questions carry equal marks.**

**Candidates must comply with the “Instructions to Candidates” printed on the examination answer book.**

1. 'Value Management is the search for unnecessary cost.'

Discuss this statement in relation to the Construction Industry

2. Explain how and why Governments may use their construction industry as a regulator of the economy

3. 'Giving advice to clients on capital allowances for construction projects should just be left to the accountancy profession'.

Within the context of the U.K. construction industry, critically evaluate this statement exploring the key issues and identifying whether there is a justifiable role for other client advisers.

4. Examine how macroeconomic policy affects the house-building industry in the context of National Income equilibrium.

5. (i) Explain how the optimum development of a building site can be determined.

**(7 marks)**

- (ii) Discuss the effects of changing interest rates on optimum development.

**(18 marks)**

6. (i) Examine the reasons why house prices vary across Great Britain.

**(7 marks)**

- (ii) Explain the impact of these variations on residential land values and regional rates of house-building.

**(18 marks)**