

**UNIVERSITY OF SOUTH AUSTRALIA  
SCHOOL OF NATURAL AND BUILT ENVIRONMENTS**

**PROGRAM: Bachelor of Construction Management & Economics**

**COURSE: CONSTRUCTION MANAGEMENT 3  
(08185) BUIL 4012**

**EXAMINATION: Semester 1, 2004**

**DURATION: 3 Hours of Exam time preceded by 10 minutes of Reading time, a total of 3 Hrs 10 Mins.**

For ENTEXT students 10 minutes of Reading time plus 3.5 Hours of Exam time, a total of 3 Hrs 40 Mins.

**EXAMINER: Virginia Mehrtens, Tel 8302 2041**

**REVIEWER: Stefan Hornlund**

**INSTRUCTIONS TO CANDIDATES:**

- This exam is worth 30% of the total course marks
- You must answer Questions 1 and 2 in Section A and any two Questions from Section B. **(Four questions total.)**
- The value of each question is noted adjacent to the question.
- Any reference materials are allowed. Calculator is allowed.
- State any assumptions made

<b>Section A (You must answer both Questions 1 and 2.) 60% total Section A</b>
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**Question 1 (30%)**

1. Describe some of the key characteristics of the economic environment as it relates to the construction industry. Consider characteristics both external and internal to the industry. (10%)
2. Discuss how these characteristics may influence the strategic management and organisational structure of construction organisations. Use examples and diagrams as appropriate to illustrate your answer. (20%)

**Question 2 (30 %)**

There is a view that *projects will always be subject to many uncertainties and risks that can be reduced or increased by the use of the correct or inappropriate project procurement strategy.*

Identify some of the key uncertainties or risks which may be inherent in projects and describe how different procurement strategies deal with them. Use examples and diagrams as appropriate to illustrate your answer.

<b>Section B (Choose any <u>two</u> questions from this section.) 40% total Section B</b>
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**Question 3 (20%)**

Formulate and describe a marketing strategy which you would recommend to the company described below and which has recently determined the objective of increasing company turnover.

Planet Constructions:

- is a privately owned company
- has been operating for 15 years originally as a general contractor
- has a turnover of approximately \$15 million, which has been stable for approx. 5 years
- employs 12 people
- operates only in Adelaide
- generally undertakes lump sum contracts for private sector clients won through a competitive tender process from a selected tender list.

*State any assumptions.*

**Question 4 (20%)**

1. If the pursuit of total quality is seen as a never-ending journey of continuous improvement, describe the implications for construction organisations. (10%)
2. Develop and explain at least three elements of a continuous improvement approach for a medium sized privately owned construction organisation. (10%)

**Question 5 (20%)**

Consider the proposition that leadership is one thing that managers do, and that management is one thing that leaders do. Discuss this proposition and indicate whether you agree, explaining your reasons.

**Question 6 (20%)**

1. Discuss how management in construction organisations may decrease the uncertainty in decision making. (10%)
2. Describe at least one technique which may be used to assist decision-making, and describe how it might be applied to a specific decision. (10%)

END OF QUESTIONS