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DIVISION OF INFORMATION TECHNOLOGY, ENGINEERING & THE ENVIRONMENT
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SCHOOL OF NATURAL & BUILT ENVIRONMENTS

Subject Area:	BUIL	Catalogue Number:	4012
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Construction Management 3

Examination Day: Friday	Examination Date: 1 July 2005
Examination Time: 9.00 am	Length of Exam: 3 hours

Examination Venue:	Ridley Centre
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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

Examiner : Virginia Mehrtens tel 8302 2041	Exam reviewed by Stefan Hornlund
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Section A (You must answer both Questions 1 and 2) 60% total for Section A

Question 1 (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 construction projects and describe how some different procurement strategies deal with them. Use examples and diagrams as appropriate to illustrate your answer.

Question 2 (30 %)

The two main sets of external influences on a commercial organisation are market pressures and public policy.

(1) In theory, if the conditions of perfect competition exist in the market, then society benefits from wider consumer choice and greater efficiency in the allocation and use of resources. The required conditions for perfect competition include:

- Many suppliers
- Free entry
- Mobility of resources
- Perfect knowledge

Select two of the conditions listed above, and with reference to the construction industry in South Australia:

(a) Describe what is meant by each selected condition and explain how it may affect the level of competitiveness in the market. Include in your answer practical examples of each selected condition as present in the current market in South Australia. (2 x 8 = 16%)

(b) Evaluate and explain to what extent you consider each selected condition applies in the market in South Australia. (2 x 3 = 6%)

(2) If public policy is an intervention in the competitive market, **describe two examples** of public policy which currently affect the construction industry, and explain how and why they operate to affect the conditions of a theoretically perfectly competitive market. (2 x 4 = 8%)

Section B (Choose any two questions from this section.) 40% total Section B

Question 3 (20%)

Could someone be a manager but not a leader? Alternatively, could someone be a leader but not a manager? Could someone be both a leader and a manager? Explain, with reference to the construction industry.

Question 4 (20%)

1. Explain the concept of strategic management and the notion of competitive advantage. (6%)
2. Identify an organisation which you think has a competitive advantage in the construction industry, and describe the nature of its advantage. (6%)
3. Explain the role of marketing in a competitive market. (8%)

Question 5 (20%)

1. Explain the concepts of *Quality Assurance* and *Total Quality Management* and discuss why they would be implemented in a construction company. (8%)
2. Develop and explain at least three elements of an approach to implementing Total Quality Management for a medium sized privately owned construction organisation. (12%)

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