

CVL 774		CONSTRUCTION AND CONTRACT MANAGEMENT	MINOR EXAMINATION	
Time allowed 2 hours.	08:00 - 10:00		Maximum Marks	50
Venue	LH 526 & 527		Date	03.05.2023

WISH YOU THE VERY BEST

ANSWER ALL QUESTIONS. EVALUATION WOULD BE DONE ON THE BASIS OF STEPS USED IN THE SOLUTION. ASSUME MISSING DATA SUITABLY IF REQUIRED.

1. What are the various components which are important for preparing the working capital schedule? (5 Marks)
2. Discuss the difference between traditional specification and performance specification of a contract? (5 Marks)
3. What are the common bidding models used to explain the bidding phenomenon in a construction project? (5 Marks)
4. Analysis of the bidding behavior of a typical competitor X against Y, reveals that the ratio of X's bid price (B) to Y's cost (C) in 10 previous bids can be plotted as shown in the following Table.

No. of bids	2	4	1	2	1
B/C Ratio	1.04	1.08	1.12	1.16	1.20

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- a) Based on that behavior, what is the mark-up value the X uses on an average? (2 Marks)
 - b) What is the probability of winning against X if Y uses a mark-up of 14 percent? (3 Marks)
 - c) In a new project with an estimated cost of INR 1,000,000, what will be the optimum mark-up percentage that Y should use, if it is foreseen that four typical competitors similar as X would be in the field? Use Gates' model. (5 Marks)
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5. What is the doctrine of frustration of contract? How does it affect the enforceability of a contract? Explain with examples. (5 Marks)

6. What are the ethical considerations in contract administration? Discuss the importance of professional ethics in contract management. (5 Marks)
7. In the testing of a pumping unit of a water supply project, it is provided in the contract that the power supply for testing and commissioning is to be given by client. The contractor wrote a letter on 15th May 2012 to client to provide the same by 22nd May as he intended to start testing phase from that day. The contractor was ready for testing, but the client could not arrange for the power supply by that time. The contractor waited for a few days after which he started the testing by renting a DG set. The contractor claimed for the amount of rent and diesel for DG set along with the information of days for waiting for power supply. The client acknowledges receipt of the letter but does not reply to the claim. (State the assumptions considered clearly) (5 Marks)
- If the client accepts the claim, what according to you, the contractor is eligible to get, if the contract for the project follows FIDIC yellow book.
 - If the client dismisses the claim, does the matter define the dispute.
8. Answer the following questions (5*2= 10 Marks)
- A promises to carry B's goods free of charge and B allows A to carry the same. Here 'B' does not offer any consideration to 'A'. Is this a valid contract? Define your answer with proper explanation?
 - What is the difference between arbitration and conciliation? Provide examples of situations where one process may be more appropriate than the other.
 - What is the Six-tenth factor preliminary estimate?
 - "In case of high project risk, the use of Gates's model is more appropriate than Friedman's.", explain the statement is right or wrong and why?
 - What is the role of the Engineer in the FIDIC contracts?