Seat No.: _____ *Enrolment No._____*

GUJARAT TECHNOLOGICAL UNIVERSITY

M. E. Sem. – IInd - Examination – June/July- 2011

Subject code:1721403

Subject Name: Construction Contract Management

Date:27/06/2011 **Time: 10:30 am – 01:00 pm**

Total Marks: 70

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1	**(a)**	Enlist various types of construction contracts used by construction industry. Discuss advantages and disadvantages of Percentage Rate Contract.	**07**
	(b)	Write the contract clause for 'Price Escalation' and explain its importance. Explain the importance of site inspection by contractor before submission of tender to the client.	**07**
Q.2	**(a)**	Discuss at length: Duties and liabilities of a Contractor.	**07**
	(b)	Differentiate between E.M.D and Retention Money. Draft the contract clause for 'Liquidated Damages'.	**07**
		OR	
	(b)	Differentiate between Item Rate Contract and Percentage Rate Contract. Draft the contract clause for 'Material Advance'.	**07**
Q.3	**(a)**	Explain in detail advantages and disadvantages of Open Specifications. Briefly give the rules of writing specifications for a tender of construction project.	**07**
	(b)	Define 'Extras' and 'Variations'. Discuss whether it is permissible or not in construction projects. What procedure a contractor must adopt prior to execution of the 'Extras' and 'Variations'?	**07**
		OR	
Q.3	**(a)**	Differentiate between Agreement and Contract. Discuss the essential elements of a valid contract.	**07**
	(b)	Write short note on: Discharge of a contract.	**07**
Q.4	**(a)**	Give the answer of following with proper justification:	**07**

[1] Can the client omit a profitable item from contractor's scope of work which is necessary as per the whole concept of the project conceived? Will the contractor be entitled to loss of profit and recovery of overheads in such cases or something else also?

[2] Can the client's engineer go back from the rate approved earlier whether provisional or final? If it is done so, what is remedy available to the contractor?

[3] Where at the end of defect liability period the engineer of client prepares a defects list but due to an oversight omits certain defects and a second list is prepared after the defects on the first list have been completed, will the contractor be obliged to make them good?

[4] Can contractor claim loss of profit if the bill of quantities is reduced at the end of completion of project? (P.T.O)

[5] What are the delaying events where the contractor is entitled for extension of time as well as for the costs?

[6] Can the main contractor sub-let the part of the work to sub-contractor without prior permission of the client?

[7] Where a contractor's programme is shorter than the contract period, can he claim extra costs if the client's engineer issues drawings too late such that contractor is unable to complete the project as per his programme?

(b) Discuss the key reasons for occurrence of disputes and claims in construction industry. **07**

OR

Q.4 **(a)** What are the advantages of arbitration over traditional litigation? Explain powers and duties of arbitral tribunal. **07**

(b) Differentiate between 'Arbitration Clause' and 'Reference'. Discuss the valid excuses for a contractor for non-performance of a contract. **07**

Q.5 **(a)** Discuss the limitations and modifications suggested in Arbitration & Conciliation Ordinance 1996. Define: Global Tender. **07**

(b) Write short note on 'Duties of a Conciliator'. **07**

OR

Q.5 **(a)** Discuss the risks involved in construction industry. Discuss principal contractor insurance coverage done in construction projects. **07**

(b) Compare Arbitration act 1940 with Arbitration & Conciliation Ordinance 1996 on following issues: **07**

Time limit, Interim award, Interest for delayed payment, Form & contents of arbitral award, settlement by other methods, setting aside of arbitral award.

Define: Unbalanced Tender.

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