

Candidate Number:

Room No.:

Seat No.:

<p style="text-align: center;">Section II Short Essay Questions</p>

The HKIA/ARB Professional Assessment 2008

Paper 2

Building Contracts & Professional Practice, Professional Conduct & Conditions of Agreement and Scale of Charges

9 December 2008

9:00 am – 1:00 pm (4 hours, whole paper)

11:30 am – 1:00 pm (Section II only)

Venue

Room 102 and 402

The Hong Kong Examinations and Assessment Authority

17 Tseuk Luk Street

San Po Kong, Kowloon

Section II (50 marks) :

Short Essay Questions (pages 1 – 3)

Part A Answer **ONE** of the TWO questions (Total 20 marks)

Part B Answer **TWO** of the THREE questions (15 marks each, total 30 marks)

Time allowed : 1 hour 30 minutes

Notes :

1. 3 answer books are provided for you.
2. Mark the section and question numbers you attempt on the answer book.
3. Remember to write your candidate number and room/seat number on the answer book and question paper. DO NOT write your name on the question paper and answer books.
4. *In all cases, the term "Building Contract" shall mean the "Agreement and Schedule of Conditions of Building Contract" and "Standard Form of Building Contract" unless stated otherwise. The characters and circumstances in each question are independent of and should not be correlated to those in other questions.*

Section II (Part A)

Answer ONE question from Question 1 and Question 2.

Question 1 (20 marks)

A Client writes to you and makes inquiry about appointing you as the Architect for his new project.

- 1(a) You are requested to provide a service proposal to the Board of Directors of the Client's company. (10 marks)
- (i) Explain what can be included in the proposal so as to enhance your chance of being appointed.
 - (ii) Explain what cannot be included in the proposal.
- 1(b) The Client also requests you to provide preliminary design of the project forming part of your proposal. (10 marks)
- (i) Explain the restrictions and consequence in providing preliminary design under relevant HKIA guidelines.
 - (ii) Propose and explain practical means so as to allow you to provide preliminary design.

Question 2 (20 marks)

- 2(a) Architect's fees can be calculated on different basis. Explain what may affect the Architect and Client in deciding the professional fee to be calculated on: (12 marks)
- (i) time basis.
 - (ii) percentage basis.
 - (iii) lump sum basis.
- 2(b) An Architect has been commissioned for a project in providing normal services. The Architect's fee has been calculated on a percentage basis. The Client decided to suspend the project after the submission of general building plan. Explain what is the Client's commitment of fees payable to the Architect. (8 marks)

Section II (Part B)

Answer any TWO (2) questions from Question 1, Question 2 and Question 3.

Question 1 (15 marks)

- 1(a) Discuss the purpose of Clause 19 of the Standard Form of Contract to request the Contractor to maintain insurance policy despite Clause 18 has already stipulated that the Contractor to indemnifies the Employer against claims for personal injury and damage etc. during the construction period. (6 marks)

(Title of clauses for candidate's information)

Clause 18 : *Injury to Persons and Property and Employer's Indemnity.*

Clause 19 : *Insurance against Injury to Personal and Property.*

- 1(b) Outline the main differences between Clauses 20A and 20B and the logic to have two different sub-clauses applicable to new projects and alteration works on existing building. (6 marks)

(Title of clauses for candidate's information)

Clause 20 : *Insurance of the Works against Fire, etc.*

- 1(c) Under what circumstances or for what nature of contract work you may consider to delete Clause 20 from the Contract provision. (3 marks)

(Title of clauses for candidate's information)

Clause 20 : *Insurance of the Works against Fire, etc.*

Question 2 (15 marks)

There is a rumor that the Contractor undertaking a project under your supervision is insolvent. Your Client also heard of this and worried that the Contractor may go bankrupt. He intends not to honour payment certified by you recently to safeguard his interest.

Under such circumstance please outline the following:-

- 2(a) Your immediate action to the rumor (under contract and professional practice); (5 marks)
- 2(b) Your advice to Client regarding his intention of withholding payment to the Contractor; and (5 marks)
- 2(c) The problems that the Employer may encounter due to his default to pay to Contractor. (5 marks)

Question 3 (15 marks)

- 3(a) There are 2 ways to evaluate the amount to be stated in the Interim Certificates under HKIA Standard Form of Contract. One is by estimating periodically the value of contract work properly executed. The other is by pre-agreed stage payment. State the advantages and disadvantages of each of the ways over the other. (6 marks)
- 3(b) A curtain wall panel has been included in previous Interim valuations. It was broken recently by default of the Contractor. Explain how it affects the Architect's current Interim valuation. (3 marks)
- 3(c) For a number of times after the Architect has issued Interim Certificates, the Employer inform the Architect that the certified amounts are much higher than the values of work executed. The Employer also supplies his own versions of valuation. (6 marks)
 - (i) State and explain the actions that could be taken if the certified amounts are fair?
 - (ii) State and explain the remedial actions that could be taken if one of the certified amount is really far too high?

END OF PAPER