

**Candidate Number:**

**Room No.:**

**Seat No.:**

**Section II**  
**Short Essay**  
**Questions**

**HKIA/ARB Professional Assessment 2007**

**Paper 2 –**

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

**11 December 2007**

**9:00 am – 1:00 pm (4 hours)**

Venue

Room 102 and 402

The Hong Kong Examinations and Assessment Authority

17 Tseuk Luk Street

San Po Kong

Kowloon

**THIS SECTION IS COMPULSORY**

Section II (Part A)    Short Essay Questions (pages 1)  
Answer ONE of the two questions (Total 20 marks)

Section II (Part B)    Short Essay Questions (pages 2 to 3)  
Answer THREE of the FOUR questions (10 marks each, total 30 marks)

**Time allowed:        1 hour 30 minutes**

Notes:

1. 4 answer books is 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)

### Question 1 (20 marks)

- 1.1 HKIA members usually work as a team to provide professional services. A member shall understand the ability of every team member he employs or superintends. Please explain why this is necessary. (10 marks)
- 1.2 An HKIA member "A" is employed by the architectural firm of another member "B".
- A. What liability does "A" owe to "B" on the duties he undertakes? (3 marks)
- B. What liability does "B" owe to "A" on professional development? (3 marks)
- C. In preparing a proposal of the firm, "A" has been contravening the "Guidelines to HKIA Members on Participation in Invited Submission for Architectural Consultancy Proposal". What liability does "B" have on the contravention? (4 marks)

### Question 2 (20 marks)

2. A client comes to your office and makes enquiry on a new project to be commissioned to your firm.
- A. Your firm is fully committed to other existing projects and only limited resources are available. Would you take up the job? Please explain your decision. (6 marks)
- B. Your client's project is in Beijing. Your firm has no branch office in Beijing. Would you take up the job? Please explain your decision. (6 marks)
- C. Your client's project is to construct a new hospital. No one in your firm has experience on a project of this nature. Would you take up the job? Please explain your action. (8 marks)

**Section II (Part B)**

**Answer any THREE (3) questions from Question 1, Question 2, Question 3 and Question 4.**

**Question 1 (10 marks)**

1. Upon possession of site, the Main Contractor was required to proceed with the works regularly and diligently. Nonetheless, the project has been delayed as the Contractor did not proceed with parts of the work. The Contractor is not entitled to any Extension of Time for the delay.
- a. Describe two actions under the Standard Form of Building Contract that the Architect can take to put the work back to normal progress. (4 marks)
  - b. The Employer is upset by the delay and requested the Architect to determinate the contract. Would you proceed with the determination? Why? (2 marks)
  - c. The Employer is upset by the delay and requested to deduct Liquidated and Ascertained Damages. Can he proceed with the deduction? Why? (2 marks)
  - d. The Employer finds that the rate of Liquidated and Ascertained Damages is too low and does not covers all his loss. Please give reasons why this may happen. (2 marks)

**Question 2 (10 marks)**

2. a. The Standard Form of Building Contract is one form of contract widely used for building projects. Alternatively, a tailor-made contract could be drafted and used for each and every building project. Please explain why standard form of contract is so popular. What are the advantages and disadvantages of standard form of contract when comparing to the tailor-made contract? (5 marks)
- b. The architect has prepared a draft set of contract documents for the Employer to comment. The Employer wishes to delete all clauses allowing extra time and extra costs for the work. Please describe how the Architect should respond. (5 marks)

**Question 3 (10 marks)**

3. A multi-storey residential building project is under construction under a Standard Form of Building contract. The Employer then decides to reserve one typical floor for his own use. He wants to take possession of the floor early, prior to Practical Completion for interior decoration work. As the Project Architect,
- a. Do you think it is possible to take possession of the floor early? What are the contractual constraints? (2 marks)
  - b. Propose two ways under the existing Building Contract that will allow the interior work to be carried out prior to Practical Completion. (2 marks)
  - c. Compare the two ways that you propose regarding (6 marks)
    - i. cost;
    - ii. work quality; and
    - iii. project control.

**Question 4 (10 marks)**

4. The Standard Form of Building Contract allows for payments of works to be made by
- a.
    - i. stage payments; and
    - ii. Interim Certificate payments. Please explain the advantages and disadvantages of either method of payments. (4 marks)
  - b. Can you explain why that in some cases the Employer can honour Interim Certificate by paying amount less than that stated as due in the Certificate? (3 marks)
  - c. What can the Contractor do if (3 marks)
    - i. the Architect withholds issuing payment certificates; and
    - ii. the Employer does not honour payment certificates.

**END OF PAPER**