

Department of Civil Engineering

17CV81 - Quantity Survey and Contracts Management

Scheme and Solution(IAT1)

Q.No.	Question	Marks	CO	RBL
1.	Explain step by step the “Tendering Process” from pre-tendering action to post tendering action.	10	CO3	L2
Ans	<p>Pre-Tender action: include all the activities prior to the announcement of Tender, which involves</p> <ul style="list-style-type: none"> • Preparation of Documents <ul style="list-style-type: none"> • Layout plan • Set of the drawing • Specification • Schedule of rates • Conditions of contract • Security deposit • Mode of payment • Preparation of ‘Notice Inviting Tender’(NIC)(Form – 6), ‘Invitation for Tender’(IFT) or ‘Invitation to Tender’(ITT) TENDER\TENDER NOTICE CPWD FORM 6.pdf • Printing Tender form with standard conditions of contract • Issue or publication of Tender Notice in NEWS paper, Notice board, web site(bbmp.gov.in/tender) <p>Post-Tender action: means the activities which follows after the issue of Tender Notice</p> <ul style="list-style-type: none"> • Bid submission • Opening of Tender • Acceptance of Tender • Award of Contract 	5	CO3	L2
2.	“All contracts are agreements but all agreements are not contract” justify it with reference to section 10 of Indian contracts act 1872.	10	CO3	L2

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Ans	<p>As per Indian Contracts Act "All agreements are contracts if they are made by the free consent of parties competent to contract, for a lawful consideration and with a lawful object, and are not hereby expressly declared to be void.</p> <p>Nothing herein contained shall effect any law in force in [India], and not hereby expressly repealed, by which any contract is required to be made in writing or in the presence of witnesses, or any law relating to the registration of documents.</p> <p>Explanation: 1. A competent person proposed to sell his house for 1lakh and other competent person promised to purchase with free consent. Hence the consideration is selling and buying. Both of them had an agreement for offer and acceptance of sell in buying house. As this agreement have lawful object it is a Contract.</p> <p>2. A mentally minor boy proposed to sell the public bus stand land to a competent person. Both of them wrote an agreement. This is not a contract as one party is not a competent party(minor boy) and object of consideration is unlawful.</p>	4 3 3	CO3	L2
3.	<p>Mention the condition for "Termination of Contact"</p>	10	CO3	L2
Ans	<p>The contract may be terminated by the employer under the following conditions which shall be provided in the conditions of contract:</p> <ol style="list-style-type: none">1. In case of contractor fails to pro-rata processes of work or let the contract for reasons best known to him.2. In the event the contractor failing to complete the work within the stipulated period.3. If the contractor (i) assigns or sublets his contract or attempts to do so (ii) becomes insolvent or commences any insolvency proceedings or makes any composition with his creditors or attempts so to do, 9iii0 any bribe, loan, gift, reward or advantage, gratuity or perquisite shall either directly or indirectly be given, promised or offered by any officer or person of the contractor.4. A contract may also be terminated by the employer due to change of policy, non-availability of work-site or any other administrative reasons before starting the work.5. A contract may be terminated with free consent from both the parties.6. If the contractor is found carrying out the work not in accordance with the contract drawings, specifications or instructions of the engineer to supply enough skilled	5*2 = 10	CO3	L1

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	workmen and specified materials or fails to make good the defects in work inspite of receiving notice from the engineer, as a representative of the employer to the effect.			
4.	a) Differentiate between “freehold property and leasehold property”	5	CO2	L2
Ans	<p>Freehold property: It is the highest form of ownership of land property is in absolute possession of the property. He is not required to pay any rent. The freeholder has the right to do what he likes with his property subject to the rules and regulations of government and local authorities. The ownership of a freehold land can be said to be for period of indefinite duration and the owner has the right to develop it or to give it on rental basis or to sell or to transfer it and to lease it without the consent of any other person. A freeholder can be forced to sell his property by the acts of parliament when the same is required for various public and semi-public purposes.</p> <p>Leasehold property: when the owner or freeholder gives physical possession of his property to another person for a certain period on certain annual payments and other conditions as per lease documents he is said to have let the property. Such a letting is called as lease. The owner who grants the lease is called lessor and the person who takes lease is known as lessee or leaseholder. Types of lease are: building lease, occupation lease, sub lease, life lease, perpetual lease.</p>	2.5 2.5	CO2	L2
	<p>4b) Define the following:</p> <p>i) Book Value: Book value is defined as the value of the property shown in the account book in that particular year i.e. the original cost less the total depreciation till that year. Thus the book value of a property gradually reduces at a constant amount year after year upto the limit of scrap value i.e. up to its utility period. book value is applicable on building and movable properties but not on land. This is usually required in the accounts book of a company to show the assets and also required to determine the reserved price for court sale.</p> <p>ii) Market value: The market value of a property is the amount which may be obtained at any time from the open market, when the property is kept for sale. The market value of property changes from time to time.</p>	1 1	CO2	L2

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	<p>iii) Scrap Value: At the end of utility period, the property may be scraped off (broken into fragments) and disposed. The amount obtained on selling these scrapes is called as scrap value of that property. The scrap value of a building may be about 10% of its actual cost of construction.</p> <p>iv) Salvage value: it is the value of the property as a whole after expiry period of life. The property will not be broken into pieces. The sleepers used on rail track may be re-used as compound wall and the amount obtained for them can be classified as salvage value.</p> <p>v) Replacement value: it is the value of a property calculated on the prevailing market rate to replace the same either fully or in part.</p>	1		
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5.	A person has invested Rs 3,60,000 in land and building expecting 7% return. The plot of land costs Rs 80,000. Assuming cost of annual receipts to be Rs 2000. management charges at Rs 3000 per annum and other outgoings at Rs 20% of the gross rent. Calculate the reasonable monthly rent if annual sinking fund coefficient be 0.01.		CO2	L5
Ans	<p>Returns expected = 7% of 3,60,000</p> <p>= Rs 25,200</p> <p>Amount to be accumulated for sinking fund = 3,60,000 – 80,000</p> <p>= Rs280000</p> <p><u>Outgoings are</u></p> <p>Annual receipts(repairs) = Rs 2000</p> <p>Management = Rs 3000</p> <p>Annual Sinking fund investment = 2,80,000*0.01 = 2800</p> <p>Let R = gross rent</p> <p>Outgoings = 20% of R = 0.20R</p> <p>Total outgoings = 2000+3000+2800+0.2R</p> <p>Net rent = Gross rent - total outgoing</p> <p>25,200 = R – (7,800 + 0.2R)</p> <p>R = Rs 41,250 (annual rent)</p> <p>Reasonable monthly rent = 41,250/12 = 3437.50</p>	1	CO2	L5
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