UNIVERSITY OF KWAZULU-NATAL

CONSTRUCTION ECONOMICS & MANAGEMENT 2A
FINAL EXAMINATION : 30 MAY 2017
(BSc PROPERTY DEVELOPMENT)

ENDPD2EAH1: CONSTRUCTION ECONOMICS & MANAGEMENT 2A

DURATION: 3 HOURS  TOTAL MARKS: 100

INTERNAL EXAMINER: E. JULIES  PR.ENG.

INTERNAL MODERATOR: PROF THEO HAUPT

NOTE: This paper has FOUR (4) pages. Please check that you have all pages
Specific Outcome 2: Legal requirements for operation in an international environment

Question 2 - Legal framework

You are the manager of a South African construction company who is considering operating in another country. In order for you to be able to do so, you have investigated the laws of that country with specific reference to working conditions, the environment, the safety of workers and labor relations. You are now required to provide feedback to your board of directors to enable them to confirm whether to enter that country or to remain operating only in South Africa. They expect some brief comparative details of that country’s laws and South Africa’s.

2.1. Identify (i.e. name them) five key factors from the Basic Conditions of Employment Act that impact on the way the construction industry in South Africa must operate. [5]

2.2. Compare and contrast three factors from The Occupational Health and Safety Act with the same factors of the similar laws of one of the countries that you selected for your assignment. [12]

2.3. What is the key rationale for the existence of the Labour Relations Act (LRA) [2]

2.4. Compare and contrast our LRA in respect of the three forms of allowable dismissals with the same country that you selected in question 2 above [12]

2.5. Discuss the use of a standard as a standard with its use by incorporation into law by reference [4]

(35 Marks)

Specific Outcome 4: Procurement & Logistics value chain of construction projects

Question 3 - Issues around logistics and procurement process

Carefully read through the following scenario and then answer the questions. Review the mark allocation in order to determine the depth of response required (higher the mark, the greater the detail of the answer)

You are a Johannesburg based property developer specialising in the construction and rental market for office buildings. Typically you outsource your transportation requirements to one of the national trucking companies and the marketing and rental functions to a small BEE firm.

You have experienced good growth and are seeking opportunities for investing spare funds. As a result of the favourable economic conditions, your acquisitions team determine that a supplier is open for a merger with your company. Simultaneously one of your major tenants is seeking an opening to exit from the “virtual office” business that they have successfully run for many years. Your board of directors believe that the ideal strategy for the business is one of vertical integration, coupled with diversification of investments.

3.1. By means of a sketch indicate the forward and backward flows in the logistics supply chain between your organisation and