



**MASINDE MULIRO UNIVERSITY OF SCIENCE AND
TECHNOLOGY
(MMUST)**

MAIN CAMPUS

**UNIVERSITY MAIN EXAMINATIONS
2023/2024 ACADEMIC YEAR**

FOURTH YEAR FIRST SEMESTER EXAMINATIONS

**FOR THE DEGREE
OF
BACHELOR OF TECHNOLOGY IN BUILDING
CONSTRUCTION**

COURSE CODE: BTB 463

COURSE TITLE: BUILDING ECONOMICS

DATE: 5TH DECEMBER, 2024

TIME: 8 A.M – 10 A.M

INSTRUCTIONS:

1. This paper contains FIVE questions
2. **Question ONE (1) is Compulsory**
3. **Attempt a total of THREE questions in this booklet.**
4. Marks for each question are indicated in the parenthesis.

Examination duration is **2 Hours**

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 3 Printed Pages. Please Turn Over.

Question 1 **COMPULSORY** **(40 marks)**

- a) Distinguish between the construction Industry and Property Industry in the context of Building Economics (6 marks)
- b) Define the following in the context of building economics. (6 marks)
- Economy
 - Economic good
 - Tertiary producers
- c) Discuss whole unit method of estimation. (6 marks)
- d) Discuss the concerns of building economics in a built environment. (6 marks)
- e) Discuss Religion, Technology and Culture in the context of economic considerations during the design stage. (8 marks)
- f) Distinguish between fixed-rate and flexible-rate mortgages. (8 marks)

Question 2 **(15 marks)**

The construction Industry affects and is affected by the economy of the nation. Discuss this statement in relation to the three distinct characteristics of the industry;

- Size (5 marks)
- Investment Goods (5 marks)
- Government as a client (5 marks)

Question 3 **(15 marks)**

- Discuss in details giving illustrations on two strategies to address prolonged period of construction as way of minimizing initial costs of the project. (6 marks)
- Give a brief description of the following (3 marks)
 - Operational costs (3 marks)
 - Utilities (3 marks)
 - Maintenance costs (3 marks)

Question 4 **(15 marks)**

- Give brief account on the following; (4 marks)
 - Monetary benefits of the building (4 marks)
 - Non-monetary benefits of the building (7 marks)
- Outline the process of economic analysis

Question 5 **(15 marks)**

- With aid of the sketch discuss mode of employment by contractor in the economic context of a building project. (8 marks)
- Explain how competition factor has affected Kenyan local contractors in terms activities in construction industry in the recent past in Kenya. (7 marks)

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