



**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER II  
SESSION 2023/2024**

- COURSE NAME : CONSTRUCTION LAW
- COURSE CODE : BPD 20302
- PROGRAMME : BPC
- EXAMINATION DATE : JULY 2024
- DURATION : 2 HOURS
- INSTRUCTION : 1. ANSWER **ALL** QUESTIONS  
2. THIS FINAL EXAMINATION IS CONDUCTED VIA  
 Open book  
 Closed book  
3. STUDENTS ARE **PROHIBITED** TO CONSULT THEIR OWN MATERIAL OR ANY EXTERNAL RESOURCES DURING THE EXAMINATION CONDUCTED VIA CLOSED BOOK

THIS QUESTION PAPER CONSISTS OF **FOUR(4)** PAGES

- Q1** In the context of construction projects, contract documents refer to a collection of written documents that define the roles, responsibilities, and work scope under a construction contract. These documents are legally binding and outline various aspects of the project.

Based on the above statement, Ts. Ir. Mufli Bin Ahmad as a project manager of CMIFC Sdn. Bhd. (G7 contractor), who manages contract matters (PWD 203 Form of contract) for the construction of a bridge (5km length) in Bagan Datoh, Perak is required to ensure the project teams understand terms used in the contract documents.

(a) Describe the following contract terms:

- i) Article of agreement
- ii) Tender form
- iii) Treasury Instructions

( 9 marks)

(b) Elaborate on the importance of the following documents:

- i) Certificates
- ii) Domestic Subcontractor
- iii) Schedule of rate
- iv) Bill of quantity

(16 Marks)

- Q2** The S.O. may issue instructions requiring a Variation in a form of a Variation Order. No variation required by the S.O. shall vitiate this Contract. Upon the issuance of such Variation order, the Contractor shall forthwith comply with the Variation Order issued by the S.O.

The term 'Variation' means a change in the Contract Document which necessitates the alteration or modification of the design, quality or quantity of the Works as described by or referred to therein and affects the Contract Sum,

*(Clauses 24.1 and 24.2, P.W.D. Form 203A (Rev. 1/2010))*

Based on the above statement:

- (a) Discuss **FIVE (5)** factors causing Variation Order (V.O.) in a construction project.

(10 marks)

- (b) Interpret ways to control and minimise the V.O.

(15 marks)

**Q3** Securing adequate insurance coverage in protecting buildings and workers against technical risk is a good practice. It is required for a qualified third party to provide an independent review of building projects before securing cover from an insurance agency. Insurance policies are provided to serve as a guideline to ensure a project is in line with the laws of the insurance company. Currently, there has been a reported story on the collapse of a warehouse under construction, where two people died and the survivors got severely injured (The Ghanaian Graphic, 2017). A similar occurrence was said to have been reported in Techiman in Brong Ahafo, Ghana, where at least a person was killed with the survivors suffering from injuries. This study is purported to identify the insurable risks among all the construction risks on construction sites, especially in the case of complex construction projects in Ghana.

Efficient contractors in Ghana usually employ the Contractors All Risks (CAR) Insurance to cater for the risk on sites (The Ghanaian Graphic, 2017). In Ghana, the CAR is known to provide coverage for contract works for any damage or loss to the property or material during construction. The Contractors All Risks Insurance typically comprises of three forms of insurance namely Employer's Liability Insurance, Public Liability Insurance, and insurance of Contract Works. In Ghana, the contract works component provides cover for the materials and property under construction, while public liability covers legal liability for third-party property damage, bodily injury, and death. Similarly, the employers' liability provides cover for bodily injury and death of workers. The CAR insurance cover can be provided for contractors wishing to provide insurance for new buildings known as speculative buildings, renovation works, or general construction works in Ghana.

*(Source: Amos Darko, 2020)*

As a contract manager of the project, based on the above statement:

- (a) Explain **THREE (3)** importance of CAR Insurance in construction project development to the contractor with examples.

(9 marks)

- (b) Determine **FOUR (4)** differences between Liability Based Insurance and Loss Based Insurance with examples.

(16 marks)



- Q4** a) The law of tort (consists of negligence, nuisance, and trespass) refers to a set of legal principles that provide remedies to individuals who have suffered harm due to the unreasonable actions of another person or entity. Essentially, tort law holds people accountable for the consequences of their actions, whether those actions were intentional or accidental, if they cause harm to someone else.

*(Source: Salmon and Heustan, 1997)*

Explain *Blight v. Birmingham Waterworks Co. (1856)* that refers to negligence whereby a breach of a legal duty to take care, resulting in damage to the plaintiff which was not desired by the defendant.

(10 marks)

- b) Trespass to land occurs where a person directly enters upon another's land without permission, remains upon the land, or places or projects any object onto the land. It is an actionable tort, meaning that it can be pursued without the need to prove specific damage.

Discuss the principles in *Rylands v Fletcher (1868)* based on the above statement.

(15 marks)

**-END OF QUESTIONS-**