



BLCN13034 Construction Economics 2

Term 3 - 2019

Profile information current as at 29/04/2024 07:51 pm

All details in this unit profile for BLCN13034 have been officially approved by CQU University and represent a learning partnership between the University and you (our student). The information will not be changed unless absolutely necessary and any change will be clearly indicated by an approved correction included in the profile.

General Information

Overview

The overall aims of this unit are to: to understand the research methods and decision processes that are undertaken from the initial project or development idea through to project feasibility; understand the purpose and methodology in conducting feasibility studies and initial project evaluation; be familiar with purpose and methodology in conducting cost benefit analysis and investment decision techniques; understand the issues associated with investment strategies and pricing techniques that can influence the initial project accept or reject decision; be familiar with the methodologies and techniques used to assist cost control and bench-marking for project feasibility and project evaluations; and understand the techniques used to appraise a project using the quantitative and qualitative techniques of value management to increase the likelihood of better long-term outcomes for a project.

Details

Career Level: *Undergraduate*

Unit Level: *Level 3*

Credit Points: 6

Student Contribution Band: 8

Fraction of Full-Time Student Load: 0.125

Pre-requisites or Co-requisites

Prerequisites: BLAR13047 or [BLCN14005 and BLSV12013]

Important note: Students enrolled in a subsequent unit who failed their pre-requisite unit, should drop the subsequent unit before the census date or within 10 working days of Fail grade notification. Students who do not drop the unit in this timeframe cannot later drop the unit without academic and financial liability. See details in the [Assessment Policy and Procedure \(Higher Education Coursework\)](#).

Offerings For Term 3 - 2019

- Online

Attendance Requirements

All on-campus students are expected to attend scheduled classes - in some units, these classes are identified as a mandatory (pass/fail) component and attendance is compulsory. International students, on a student visa, must maintain a full time study load and meet both attendance and academic progress requirements in each study period (satisfactory attendance for International students is defined as maintaining at least an 80% attendance record).

Website

[This unit has a website, within the Moodle system, which is available two weeks before the start of term. It is important that you visit your Moodle site throughout the term. Please visit Moodle for more information.](#)

Class and Assessment Overview

Recommended Student Time Commitment

Each 6-credit Undergraduate unit at CQUniversity requires an overall time commitment of an average of 12.5 hours of study per week, making a total of 150 hours for the unit.

Class Timetable

[Regional Campuses](#)

Bundaberg, Cairns, Emerald, Gladstone, Mackay, Rockhampton, Townsville

[Metropolitan Campuses](#)

Adelaide, Brisbane, Melbourne, Perth, Sydney

Assessment Overview

1. **Written Assessment**

Weighting: 40%

2. **Presentation and Written Assessment**

Weighting: 44%

3. **Written Assessment**

Weighting: 16%

Assessment Grading

This is a graded unit: your overall grade will be calculated from the marks or grades for each assessment task, based on the relative weightings shown in the table above. You must obtain an overall mark for the unit of at least 50%, or an overall grade of 'pass' in order to pass the unit. If any 'pass/fail' tasks are shown in the table above they must also be completed successfully ('pass' grade). You must also meet any minimum mark requirements specified for a particular assessment task, as detailed in the 'assessment task' section (note that in some instances, the minimum mark for a task may be greater than 50%). Consult the [University's Grades and Results Policy](#) for more details of interim results and final grades.

CQUniversity Policies

All University policies are available on the [CQUniversity Policy site](#).

You may wish to view these policies:

- Grades and Results Policy
- Assessment Policy and Procedure (Higher Education Coursework)
- Review of Grade Procedure
- Student Academic Integrity Policy and Procedure
- Monitoring Academic Progress (MAP) Policy and Procedure – Domestic Students
- Monitoring Academic Progress (MAP) Policy and Procedure – International Students
- Student Refund and Credit Balance Policy and Procedure
- Student Feedback – Compliments and Complaints Policy and Procedure
- Information and Communications Technology Acceptable Use Policy and Procedure

This list is not an exhaustive list of all University policies. The full list of University policies are available on the [CQUniversity Policy site](#).

Previous Student Feedback

Feedback, Recommendations and Responses

Every unit is reviewed for enhancement each year. At the most recent review, the following staff and student feedback items were identified and recommendations were made.

Feedback from Unit evaluation

Feedback

This unit allows students to apply the learning to real world problems.

Recommendation

Keep using authentic examples to show the calculation process.

Unit Learning Outcomes

On successful completion of this unit, you will be able to:

1. Understand the research methods and decision processes that are undertaken from the initial project or development idea through to project feasibility
2. Understand the purpose and methodology in conducting feasibility studies and initial project evaluation
3. Be familiar with purpose and methodology in conducting cost benefit analysis and investment decision techniques
4. Understand the issues associated with investment strategies and pricing techniques that can influence the initial project accept or reject decision
5. Be familiar with the methodologies and techniques used to assist cost control and benchmarking for project feasibilities and project evaluations
6. Understand the techniques used to appraise a project using the quantitative and qualitative techniques of value management to increase the likelihood of better long-term outcomes for a project.

Alignment of Learning Outcomes, Assessment and Graduate Attributes



Alignment of Assessment Tasks to Learning Outcomes

Assessment Tasks	Learning Outcomes					
	1	2	3	4	5	6
1 - Written Assessment - 40%	•	•				
2 - Presentation and Written Assessment - 44%			•	•	•	•
3 - Written Assessment - 16%	•	•	•	•	•	•

Alignment of Graduate Attributes to Learning Outcomes

Graduate Attributes	Learning Outcomes					
	1	2	3	4	5	6
1 - Communication	•	•	•	•	•	•

Graduate Attributes	Learning Outcomes					
	1	2	3	4	5	6
2 - Problem Solving	•	•	•	•	•	•
3 - Critical Thinking	•	•	•	•	•	•
4 - Information Literacy	•	•	•	•	•	•
5 - Team Work						
6 - Information Technology Competence	•	•	•	•	•	•
7 - Cross Cultural Competence						
8 - Ethical practice						
9 - Social Innovation						
10 - Aboriginal and Torres Strait Islander Cultures						

Alignment of Assessment Tasks to Graduate Attributes

Assessment Tasks	Graduate Attributes									
	1	2	3	4	5	6	7	8	9	10
1 - Written Assessment - 40%	•	•	•	•		•				
2 - Presentation and Written Assessment - 44%	•	•	•	•		•				
3 - Written Assessment - 16%	•	•	•	•		•				

Textbooks and Resources

Textbooks

There are no required textbooks.

IT Resources

You will need access to the following IT resources:

- CQUniversity Student Email
- Internet
- Unit Website (Moodle)

Referencing Style

All submissions for this unit must use the referencing style: [Harvard \(author-date\)](#)
For further information, see the Assessment Tasks.

Teaching Contacts

Bill Zhao Unit Coordinator
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Schedule

Week 1 - 11 Nov 2019

Module/Topic	Chapter	Events and Submissions/Topic
1. Development appraisal		

Week 2 - 18 Nov 2019

Module/Topic	Chapter	Events and Submissions/Topic
1. Development appraisal		

Week 3 - 25 Nov 2019

Module/Topic	Chapter	Events and Submissions/Topic
2. Feasibility studies		

Week 4 - 02 Dec 2019

Module/Topic	Chapter	Events and Submissions/Topic
2. Feasibility studies		

Vacation Week - 09 Dec 2019

Module/Topic	Chapter	Events and Submissions/Topic
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Week 5 - 16 Dec 2019

Module/Topic	Chapter	Events and Submissions/Topic
3. Cost benefit analysis		Written assessment 40% Due: Week 5 Tuesday (17 Dec 2019) 11:45 pm AEST

Week 6 - 23 Dec 2019

Module/Topic	Chapter	Events and Submissions/Topic
3. Cost benefit analysis		

Week 7 - 06 Jan 2020

Module/Topic	Chapter	Events and Submissions/Topic
4. Project pricing and investment strategies		

Week 8 - 13 Jan 2020

Module/Topic	Chapter	Events and Submissions/Topic
4. Project pricing and investment strategies		

Week 9 - 20 Jan 2020

Module/Topic	Chapter	Events and Submissions/Topic
5. Cost control and benchmarking		

Week 10 - 27 Jan 2020

Module/Topic	Chapter	Events and Submissions/Topic
5. Cost control and benchmarking		

Week 11 - 03 Feb 2020

Module/Topic	Chapter	Events and Submissions/Topic
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6. Value management

Week 12 - 10 Feb 2020

Module/Topic	Chapter	Events and Submissions/Topic
6. Value management		Written assessment 44% Due: Week 12 Friday (14 Feb 2020) 11:45 pm AEST

Exam Week - 17 Feb 2020

Module/Topic	Chapter	Events and Submissions/Topic
		Workbook assessment 16% Due: Exam Week Monday (17 Feb 2020) 11:45 pm AEST

Assessment Tasks

1 Written assessment 40%

Assessment Type

Written Assessment

Task Description

This assessment item relates to the unit learning outcomes 1 and 2.

Task 1 will test the understanding of the external factors affecting demand for residential buildings

Tasks 2 will focus on the actions required for the feasibility study of commercial projects.

Task 3 will focus on the recent change of statistical data of building approvals, and their implications for the building industry.

Assessment Due Date

Week 5 Tuesday (17 Dec 2019) 11:45 pm AEST

Return Date to Students

Week 6 Friday (27 Dec 2019)

Weighting

40%

Assessment Criteria

Criteria	Max. Score	Description	Breakdown
Presentation and layout	1.5	Tables, figures and appendix are presented in the submission in the correct way.	1.5
Question 1	17.5	1. Identify 5 reasonable factors, which are outside your company's control and have a significant impact on the demand for residential buildings in your location	5
		2. Discuss how these 5 factors impact the demand.	7.5
		3. Provide reasonable and practical responses to each factor	5
Question 2	11	1. Clearly list out specific tasks that you would carry out.	3
		2. Briefly describe each task.	3
		3. Discuss how tax considerations influence the development process. Sufficient explanations should be provided.	5

Question 3	8	1. Clearly explain the meaning of “seasonally adjusted”.	2
		2. Discuss the change trend of the total dwelling units approved in 2013-2016.	3
		3. Clearly provide three reasons for the change.	3
References	2	1. The Harvard referencing system is used where relevant.	1
		2. The reference list is comprehensive and includes credible sources other than websites.	1

Referencing Style

- [Harvard \(author-date\)](#)

Submission

Online

Learning Outcomes Assessed

- Understand the research methods and decision processes that are undertaken from the initial project or development idea through to project feasibility
- Understand the purpose and methodology in conducting feasibility studies and initial project evaluation

Graduate Attributes

- Communication
- Problem Solving
- Critical Thinking
- Information Literacy
- Information Technology Competence

2 Written assessment 44%

Assessment Type

Presentation and Written Assessment

Task Description

This assessment item relates to the learning outcomes 3 and 6.

Task 1 will focus on the cost-benefit analysis of a commercial project, including calculation of net present value and internal rate of return, as well as comparison between different options.

Task 2 will allow you to show value management practices in a company or organisation and draw implications for improvement.

Assessment Due Date

Week 12 Friday (14 Feb 2020) 11:45 pm AEST

Return Date to Students

Exam Week Thursday (20 Feb 2020)

Weighting

44%

Assessment Criteria

Criteria	Max. Score	Description	Breakdown
Question 1	35	1. Correctly draw the net cash flow diagrams of the two investment options.	6
		2. Calculate the NPV of the two options with the clear calculation process.	8
		3. Are the two options viable? Which option is better?	3
		4. Discuss the possible problems of using the NPV method to assess the project viability.	5
		5. Discuss whether the internal rate of return (IRR) method can be used to evaluate the financial viability of the two options. Provide possible reasons.	5
		6. List all the possible cost factors that should be considered in the project financial viability.	4
		7. Briefly explain why these cost factors should be considered.	4
Question 2	9	1. Clearly describe how VM is adopted in your company.	4
		2. Provide reasonable ways to enhance VM practices in your company.	5

Referencing Style

- [Harvard \(author-date\)](#)

Submission

Online

Learning Outcomes Assessed

- Be familiar with purpose and methodology in conducting cost benefit analysis and investment decision techniques
- Understand the issues associated with investment strategies and pricing techniques that can influence the initial project accept or reject decision
- Be familiar with the methodologies and techniques used to assist cost control and benchmarking for project feasibilities and project evaluations
- Understand the techniques used to appraise a project using the quantitative and qualitative techniques of value management to increase the likelihood of better long-term outcomes for a project.

Graduate Attributes

- Communication
- Problem Solving
- Critical Thinking
- Information Literacy
- Information Technology Competence

3 Workbook assessment 16%

Assessment Type

Written Assessment

Task Description

This assessment item relates to the course learning outcomes 1 to 6. There will be one activity for each topic of this unit. You must submit a satisfactory workbook in order to receive a passing grade for this unit. The Workbook is a compulsory component of the course as it supplements the other assessments. You will need to show appropriate use of procedures, discussion, evaluation and calculations in your Workbook answers. Set out your work clearly. Work is to be typed. Handwritten work will only be accepted when associated with sketching, drawing or numerical calculations. Treat each activity as a 'new chapter' by starting a new page in the Workbook.

Assessment Due Date

Exam Week Monday (17 Feb 2020) 11:45 pm AEST

Return Date to Students

Exam Week Friday (21 Feb 2020)

Weighting

16%

Minimum mark or grade

8

Assessment Criteria

Item	Max score	Criteria	Breakdown
Activity 1	2	Discuss how the exchange rate fluctuation impacts on the demand of the residential property market	1
		Discuss how the exchange rate fluctuation impacts on the supply of the residential property market	1
Activity 2	2	Discuss the reasons why some commercial projects fail	2
Activity 3	2	Explain what is a sensitivity analysis	0.5
		Discuss how sensitivity analysis is used in investment decision making with an example	1.5
Activity 4	2	Explain what is inflation	0.5
		Discuss why inflation is relevant to infrastructure procurements?	1.5
Activity 5	2	Discuss the criticisms on the cost indices	2
Activity 6	2	Discuss the relationship between value management and risk management	2
Presentation and layout	2	Table of content, presentation, grammatic issues, etc.	2
References	2	Both in text citation and bibliography are required. High similarity will not be accepted.	2

Referencing Style

- [Harvard \(author-date\)](#)

Submission

Online

Learning Outcomes Assessed

- Understand the research methods and decision processes that are undertaken from the initial project or development idea through to project feasibility
- Understand the purpose and methodology in conducting feasibility studies and initial project evaluation
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- Understand the techniques used to appraise a project using the quantitative and qualitative techniques of value management to increase the likelihood of better long-term outcomes for a project.

Graduate Attributes

- Communication
- Problem Solving

- Critical Thinking
- Information Literacy
- Information Technology Competence

Academic Integrity Statement

As a CQUniversity student you are expected to act honestly in all aspects of your academic work.

Any assessable work undertaken or submitted for review or assessment must be your own work. Assessable work is any type of work you do to meet the assessment requirements in the unit, including draft work submitted for review and feedback and final work to be assessed.

When you use the ideas, words or data of others in your assessment, you must thoroughly and clearly acknowledge the source of this information by using the correct referencing style for your unit. Using others' work without proper acknowledgement may be considered a form of intellectual dishonesty.

Participating honestly, respectfully, responsibly, and fairly in your university study ensures the CQUniversity qualification you earn will be valued as a true indication of your individual academic achievement and will continue to receive the respect and recognition it deserves.

As a student, you are responsible for reading and following CQUniversity's policies, including the [Student Academic Integrity Policy and Procedure](#). This policy sets out CQUniversity's expectations of you to act with integrity, examples of academic integrity breaches to avoid, the processes used to address alleged breaches of academic integrity, and potential penalties.

What is a breach of academic integrity?

A breach of academic integrity includes but is not limited to plagiarism, self-plagiarism, collusion, cheating, contract cheating, and academic misconduct. The Student Academic Integrity Policy and Procedure defines what these terms mean and gives examples.

Why is academic integrity important?

A breach of academic integrity may result in one or more penalties, including suspension or even expulsion from the University. It can also have negative implications for student visas and future enrolment at CQUniversity or elsewhere. Students who engage in contract cheating also risk being blackmailed by contract cheating services.

Where can I get assistance?

For academic advice and guidance, the [Academic Learning Centre \(ALC\)](#) can support you in becoming confident in completing assessments with integrity and of high standard.

What can you do to act with integrity?



Be Honest

If your assessment task is done by someone else, it would be dishonest of you to claim it as your own



Seek Help

If you are not sure about how to cite or reference in essays, reports etc, then seek help from your lecturer, the library or the Academic Learning Centre (ALC)



Produce Original Work

Originality comes from your ability to read widely, think critically, and apply your gained knowledge to address a question or problem