

**CEE4408 Construction Project Management, Assignment # 2: Mar. 26, 2013**

**Instructions: Answer All Questions (100 marks)**

1. How big is the international construction market in year 2012? What is the projected market size in 2020? - 5 marks
  
2. Based on the top 225 contractors' performance reported in the ENR magazine, identify the five biggest business sectors (project types) and the five biggest regional markets. - 10 marks
  
3. Discuss how major Korean contractors' business portfolio is different from global players such as HOCHTIEF. - 10 marks
  
4. Discuss how the construction industry is different from other industries in terms of products, production methods, and purchase methods. - 10 marks
  
5. Considering the construction supply chain, what can be a possible future business strategy that a major Korean contractor can choose? - 5 marks
  
6. Identify the legal structure that would best suit a tunneling contractor in Korea. Explain your answer. - 10 marks
  
7. Illustrate a simplified taxation example that demonstrates the double taxation feature of a corporation. - 10 marks
  
8. Answer the following questions:
  - (a) - 5 marks  
Lump sum contracts generally lead to less litigations and wrangling between owner and contractor because complete project documents are available prior to construction. (True / False)
  - (b) - 5 marks  
Competitively bid contracts generally allow for value engineering in the construction project. (True / False)
  - (c) - 5 marks  
Unit price contracts require higher quality field quantity measurement than lump sum contracts. (True / False)
  
9. - 15 marks  
Three types of fee structure that are common in negotiated contracts are as follows:  
Cost + percent of cost  
Cost + fixed fee  
Cost + fixed + profit-sharing clause  
Explain why owners would choose the second method over the first method, and why the third method over the second method.
  
10. Explain pros and cons of the design-build project delivery method. - 10 marks

**Assignment Policies**

1. Students are free to discuss the questions with one another; but the assignment should be produced individually in the form of electronic word processing file.
2. The assignment should be submitted to [hyoungkwan@yonsei.ac.kr](mailto:hyoungkwan@yonsei.ac.kr) by April 2, 2013.
3. The submitted filename should be "YourName\_2" like "김형관\_2.doc," or "김형관\_2.hwp."