

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF THE BUILT ENVIRONMENT
BACHELOR OF QUANTITY SURVEYING (HONOURS) DEGREE
PART IV SUPPLEMENTARY EXAMINATIONS 2012
CONSTRUCTION ACCOUNTING – AQS4106

Time: 3 hours

Total Marks: 100

Instruction to candidates

Answer any **four** questions

SECTION A

Question 1

Prepare a fee claim for the preparation of Bills of Quantities for a contract which has recently been awarded with the following details

Item	Amount (US\$)
Preliminaries and General	50 000.00
50No. Stock type D22 houses @ 30,000.00 each	1 500 000.00
Specialist services (all blocks)	2 00 000.00
Contingency sum	100 000.00
Total Tender Sum	1 850 000.00

During tendering stage 8 BOQ's each with 120pages were required for distribution to tenderers and 4 copies for the design team.

Typing @ \$0.10/page

Photocopying @\$0.25/page

Binding @ \$2 per document

(25 marks)

Question 2

In reference to the above project in Question one which is expected to last for 18months, information is that six months after commencement of works the progress was valued as follows:

10 houses at roof level @ \$17,000.00 each

15houses at slab level @ \$8, 000.00 each

Preliminaries and General @ \$ Calculate

Value of bricks, sand, & cement on site \$6,500.00

Certified works of Nominated Subcontractors' work \$7,500.00

Main Contractor material & labour fluctuations \$4,500.00

Profit and Attendance on Subcontractors work @ 10%

An advance payment of \$15,000.00 was made

Previously certified works on Valuation No.5 is \$175,000.00

Prepare a Valuation for submission to the architect. **(25 marks)**

Question 3

Appendix 1 shows information on the construction of a supermarket which has been completed. Prepare a draft final account for discussion with the contract **(25 marks)**

SECTION A

Question 4

a) ALASKO CONSTRUCTION Co had two contracts in hand at 31 December 2010:

Contract

Contract No.	77/4	77/6
	\$	\$
Contract price	600 000	800 000
Direct materials issued	110 000	80 000
Materials returned to stores	1 000	2 000
Direct wages	96 000	64 000
Wages accrued at 31December 2009	4 000	5 000
Plant installed at cost	60 000	90 000
Establishment expenses	50 000	30 000

Direct expenses	30 000	20 000
Direct expenses accrued at 31 December 2009	2 000	1 000
Work certified by architect	320 000	160 000
Cost of work not yet certified	20 000	30 000
Value of plant at 31 December 2009	40 000	80 000
Materials on site at 31 December 2009	11 000	8 000
Cash received from contractee	300 000	120 000

In calculating profit on uncompleted contracts the company uses the '**percentage of completion method**'. Retention monies on contract 77/4 have been agreed on 10% of the contract price: there are no retention monies applicable to contract 77/6. Show the contract accounts for both contracts as they would appear in Beechings books at 31 December 2010. (20 marks)

- b) Explain why Head Office overheads are charged onto contracts. (5 marks)

CONTRACT: CONSTRUCTION OF NEW SUPERMARKET TSHOLOTHSO

EMPLOYER: CIPF

CONTRACTOR: ELMET CONSTRUCTION

Contract Sum **\$365,885.00**

Contingencies **\$15,500.00**

P.C & PROVISIONAL SUMS

C. Electrical Installations

76A-D BQ allowance \$26,500.00

Elemen (Pvt) Ltd invoice \$16,738.83

E. Roller shutter Doors

76J-L BQ allowance \$5,600.00

Hogarth's quotation \$3,400.00

PROVISIONAL QUANTITIES

26A-29H Foundations \$26,566.11

Remeasurement \$32,745.00

32J-42E Reinforcement \$18,500.00

Remeasurement \$24,750.00

Sheetmetalwork, Plumbing & Drainage

60A - 65H Plumbing and drainage \$6,500.00

Remeasurement \$9,677.00

VARIATIONS

Marley concrete roofing in lieu Asbestos Endurite (AI no.21)

38A-F BQ Allowance \$6,800.00

Marley roof tiling \$12,750.00

Toilet Division walls

Extend Height of Walls \$600.00

FLUCTUATIONS

Main Contractor

Materials \$1,880.00

Labour \$4,500.00

Subcontractors

Materials \$335.00