

Answers to 9194 – 2005

ANSWER 1

Note: List "Duties required" not "items to be supplied".

(a) ANY FIVE

- (1) Employers are required to take all practical steps to ensure the safety of employees while at work by providing for employees a safe working environment.
- (2) Employers must ensure that there are effective methods of hazard identification and where practical, eliminate significant hazards.
- (3) Where the elimination of a hazard is not practical, employers must ensure the hazard is minimised and isolated and employees must be protected by monitoring their exposure to them.
- (4) Employers must ensure employees are aware of all hazards that may be encountered in the course of their employment.
- (5) Employers are required to provide all necessary training and supervision of employees including information necessary for the effective use of safety equipment and action to be taken in emergency situations.
- (6) Employers must provide the results of monitoring the employees' exposure to hazards.
- (7) Employers must involve employees in the development of health and safety procedures.
- (8) Employers have a duty to ensure that people other than their employees are not exposed to hazard or are harmed. This duty of care extends to subcontractors and employees of subcontractors and to main contractors and principals.

(5 marks)

(b) Every self-employed person shall take all practical steps to ensure that no action or inaction of the self employed person while at work, harms the self employed person or ANY other person.

(1 mark)

(c) Every employee shall take all practical steps to ensure:

- (1) The employee's safety while at work.
- (2) That no action or inaction of the employee while at work causes ANY harm to ANY other person.

(2 marks)

(d) To provide for the prevention of harm to employees at work.

(1 mark)

Total 9 marks

ANSWER 2

(a) ANY THREE

- Advertising.
- Protection of consumer from misleading and deceptive practices.
- False representations
- Selling
- Unfair practices.

(3 marks)

(b) ANY FOUR

- Produce and maintain the NZ Building Code
- Advise the Minister of Internal Affairs on matters relating to the building controls
- Approving Building Certifiers
- Accrediting proprietary building product and processes
- Monitoring the performance of Territorial Authorities and Building Certifiers
- Produce and maintain approved documents

(4 marks)

Total 7 marks

ANSWER 3

(a) ANY SIX

- Pricing
- Tendering
- Checking and filing invoices
- Accounts
- Debt collection
- Preparing wages
- Banking
- Ordering material
- Servicing plant and vehicles
- Forward planning work
- Staff recruitment

(6 marks)

(b) The charge-out rate should include the cost of non-chargeable time.

(1 mark)

(c)

- Discount for bulk purchases.
- Are sufficient funds available without borrowing? (interest payments may negate ANY advantages)
- Is the material at risk of being superceded? (may need to discount to sell)
- Slow-moving stock is money standing still.
- Is the material able to be stored safely and securely?

(5 marks)

(d) ANY FIVE:

- Amount of capital available
- Size of the business
- Kind of work done
- Location of the work
- Closeness to a supplier
- Availability of product
- Availability of storage
- Margin available
- Prospect of work to use stock.

(5 marks)

(e) This is when a fixed percentage on the diminishing value is deducted each year.

(2 marks)

(f) Original cost	\$10,000.00
1 st year depreciation @ 20% =	\$ 2,000.00
Value 2 nd year =	\$ 8,000.00
2 nd year depreciation @ 20% =	\$ 1,600.00
Value 2 nd year less depreciation =	\$ 6,400.00
3 rd year depreciation @ 20% =	\$ 1,280.00
Value of plant at end of 3 rd year =	\$ 5,120.00

(4 marks)

Total 23 marks

ANSWER 4

(a) ANY SIX

1. Know your outgoings.
2. Can use your capital to finance work in progress.
3. Can obtain the right machine for your purpose.
4. Can field-test new equipment before purchasing.
5. Don't need a maintenance depot or staff.
6. Can claim the hire costs as a legitimate business expense for taxation purposes.
7. On-charge the hire costs.

(½ mark each)
(3 marks)

(b) ANY SIX

1. Hire rate of plant applies whether or not machine is in use.
2. Must plan work to be able to minimize hire time.
3. Bad weather can add to cost of hire fees.
4. Hold-ups in construction programme can increase hire fees.
5. Delays in materials can add to hire fees.
6. Machine is not always available when required.

(½ mark each)
(3 marks)

(c) ANY EIGHT

1. Capital cost.
2. Extra charges.
3. Insurance costs.
4. Running costs.
5. Working life.
6. Maintenance costs.
7. Obsolescence.
8. Resale value.
9. Payback period.
10. Capital recovery.
11. Depreciation.

(½ mark each)
(4 marks)

- (d)**
1. Finance charges.
 2. Depreciation.
 3. Insurance and licences.
 4. Administration expenses.

(2 marks)

- (e)** The machine reaches the end of its working life when it is no longer worth keeping in running order.

(1 mark)

Total 13 marks

ANSWER 5

(a) Overheads are the costs incurred in administering a business. (1 mark)

(b) ANY EIGHT

1. ACC levies
2. Depreciation
3. Insurance
4. Postage
5. Office equipment hire
6. Telephone
7. Vehicle expenses
8. Bad debts

(½ mark each)
(4 marks)

(c) Productive time is time spent working directly earning as opposed to administration. (Chargeable time) (2 marks)

(d) ANY FOUR

- They can help with work that is often a two person task.
- You can take advantage of ANY work employment schemes.
- You can pass on your skills often to a younger generation.
- You make a profit from an employee's charge-out rate.
- You can extend the range of work undertaken.

(2 marks)

(e)

1. Keeping staff gainfully employed when work is short.
2. Dealing with personal and work problems of staff.
3. The cost of compliance with employee related Acts and Regulations
4. Tax implications
5. ACC
6. Employment agreements, leave and work conditions

(½ mark each) (3 marks)

ANSWER 5 (contd)

- (f)
1. That the employee has been unjustifiably dismissed.
 2. That the employee's employment, or one or more conditions thereof, is affected to the employee's disadvantage by some unjustifiable action by the employer (not being an action deriving solely from the interpretation, application or operation, or disputed interpretation, application, or operation, of ANY provision of ANY employment contract).
 3. That the employee has been discriminated against in the employee's employment.
 4. That the employee has been sexually harassed in the employee's employment.
 5. That the employee has been subject to duress in the employee's employment in relation to membership or non-membership of an employees' organisation' or other unjustifiable duress.
- (5 marks)

Total 17 marks

ANSWER 6

- (a) A fixed contract price for an item or specified item without knowing the exact quantity of that particular item.
(2 marks)
- (b) A total lump sum fixed price is tendered which includes all costs including labour, materials, etc, as specified in the contract documents, there is no provision for market fluctuations
(2 marks)
- (c) A contract allowing for charges on a "cost plus" day work basis comprises the actual costs of materials and contractor's resources including hire charges for equipment being passed on to the owner, plus a pre-determined and agreed margin for profit. The labour is charged at cost plus an agreed percentage for holiday pay and other overheads, and the time is usually substantiated by the production of daily time sheets countersigned by the owner or her/his agent. The labour on this basis is then subjected to the same profit margin as agreed to for materials.
(2 marks)

Total 6 marks

ANSWER 7

- (a) (i) **provisional sum** : means a sum included in a contract for carrying out a defined part of the contract works that cannot be accurately determined (priced) at the time of the contract.
- (ii) Such sums may only be expended on the instructions of the appropriate authority (party to the contract).
- (iii) **"Net Sum" (PC sum)** means a sum included in the contract for the purchase and delivery to the site only of defined materials or fittings or both. The original contract sum shall be deemed to have included all other costs, margins, charges, allowances and profit with regard to the contractor's obligations or entitlement in connection with each net sum.
- (iv) This sum provides solely for the purchase and supply to the site of specified materials which are included in the contract works. The principle has freedom of selection of these materials. The sum does not include the costs associated with installation of the materials and the contractor's margins, overheads and profit as provision for these costs are in the main contract. Where materials are not described fully in the contract documents, necessary specification and drawings may be prepared later and a separate tender required.
- (v) **contingency sum**: means a sum included in a contract to cover unforeseen or unexpected items

(2 marks each)
(10 marks)

- (b) The principal or his agent may in the following circumstances issue a variation order to:

ANY FIVE

- (1) Increase the quantity of ANY work.
- (2) Decrease the quantity of ANY work.
- (3) Omit ANY work.
- (4) Change the character or quality of ANY material or work.
- (5) Require additional work to be done.
- (6) Change the level, line, position or dimensions of ANY part of the contract works.

(5 marks)

- (c) The contractor must have written instructions from the principal or the principal's agent.

(1 mark)

- (d) The principal or his agent, i.e. the engineer, architect, quantity surveyor as applicable.

(1 mark)

ANSWER 7 (contd)

- (e) The applicable price and/or method of payment for the variation shall be **determined by agreement** between the contractor and the principal or his agent. **Failing such agreement, the principal** or his agent shall fix the value of and method of payment for the variation **having due regard to** schedule prices, contractors costs and a reasonable margin for profit, or may direct the variation to be carried out on the terms provided in the conditions of contract for charging day work' or where practicable may require agreement on the value of the variation before work on the variation commences.

(4 marks)

Total 21 marks

QUESTION 8

ANY FOUR

- Wages and allowances
- Hours of work and shift provisions
- Holidays and special leave provisions
- Health and safety provisions
- Termination of agreement provisions

(4 marks)

Total 4 marks