

MAHARASHTRA STATE BOARD OF TECHNICAL EDUCATION (Autonomous)

(ISO/IEC - 27001 - 2005 Certified)

Model Answer: Summer 2018

### **Subject: Contracts and Accounts**

Sub. Code: 17603

### **Important Instructions to examiners:**

- 1) The answers should be examined by key words and not as word-to-word as given in the model answer scheme.
- 2) The model answer and the answer written by candidate may vary but the examiner may try to assess the understanding level of the candidate.
- 3) The language errors such as grammatical, spelling errors should not be given more importance. (Not applicable for subject English and Communication Skills.)
- 4) While assessing figures, examiner may give credit for principal components indicated in the figure. The figures drawn by the candidate and those in the model answer may vary. The examiner may give credit for any equivalent figure drawn.
- 5) Credits may be given step wise for numerical problems. In some cases, the assumed constant values may vary and there may be some difference in the candidate's answers and the model answer.
- 6) In case of some questions credit may be given by judgment on part of examiner of relevant answer based on candidate's understanding.
- 7) For programming language papers, credit may be given to any other program based on equivalent concept.

Que. No.	Sub. Que.	Model Answers	Marks	Total Marks
-		Attempt any THREE of the following:		
Q. 1	(a) (i) Ans.	<ul> <li>Attempt any <u>THREE</u> of the following:</li> <li>State any four functions of a Junior Engineer.</li> <li>Functions of Junior Engineer (JE): <ol> <li>Supervision of work in his charge.</li> <li>Maintain attendance of daily worker, labors.</li> <li>Taking measurement of all work in Measurement Book.</li> <li>Preparation of bills running and final bills for work in his charge.</li> <li>Prepares estimates for all types of works in his section.</li> <li>Carry out field survey for proposed project.</li> <li>Carry out half yearly check of all stores in his charge and submit report to SDO.</li> </ol> </li> <li>Report to higher authorities for irregularities in contract, specification.</li> <li>Shortage of supply of department materials or any difficulty</li> </ul>	1 each (any four)	4
	(ii) Ans. (iii)	<ul> <li>during execution.</li> <li>List out any four requirements of a valid contract. Requirements of valid contract: <ol> <li>Contract should be in writing and should be signed by both the parties i.e. owner and contractor.</li> <li>The subject matter of agreement must be legal and definite.</li> <li>If situation arises the contract can be enforced in court of law.</li> <li>Parties should be competent enough to carry out work.</li> <li>Both parties must give their free consent to do work.</li> <li>Contract should be attested by responsible officer.</li> </ol> </li> <li>Differentiate between item rate contract and percentage rate contract.</li> </ul>	1 each (any four)	4



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Que. No.	Sub. Que.		Model Answ	wers	Marks	Total Marks
Q. 1	Ans.	Sr. No.	Item Rate Contract	Percentage Rate Contract		
		1.	In this contract, the contractor agrees to work as per the rates quoted by him for each item.	In this contract, the contractor agrees to carry out the work at a certain percentage below or above the estimated cost.		
		2.	This is useful when the quality of work is required and also quantities of work to be executed are not known previously.	This is useful for the work of all nature with no item-wise rates.	1 each (any	4
		3.	Suitable for most of public works executed by government departments.	Suitable for all type of government as well as private.	four)	
		4.	It is difficult to prepare comparative statement.	It is easy to prepare comparative statement.		
		5.	Extra items can be cause of dispute	It allows extra items.		
		6.	Contractor can submit unbalanced tender.	No Scope for contractor to submit unbalanced tender.		
	(iv) Ans.	Tender certain certain Types	<b>'Tender' and list out various t</b> <b>:</b> The tender is defined as an off specified work or for supply o terms and conditions such as rat <b>of Tender:</b> al tender.	fer in writing for execution of f specified materials subject to	2	
		<ol> <li>Glol</li> <li>Ope</li> <li>Lim</li> </ol>	bal tender. n tender. ited tender. otiated tender.		2 (any four)	4
	(v) Ans	Ū	ny eight conditions when the l	owest tender is rejected.		
	Ans.	Condit 1. Whe 2. The 1 3. Earn 4. Unsa 5. In ad 6. Inado 7. Tend 8. If an	ions when the lowest tender is n tender is not submitted in part lowest tenderer may lack in expe- est money is not enclosed along atisfactory reputation of lowest to lequate finance to execute work. equate connection of fair rates is ler is not signed by contractor. y page is removed from docume ntractors is black listed by any d	rejected: icular form sold by department. erience for work. with tender. ender. s not received.	<sup>1/2</sup> each (any eight)	4



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Que. No.	Sub. Que.	Model Answers	Marks	Total Marks
Q. 1	(b)	Attempt any <u>ONE</u> of the following:		6
	(i)	Explain the PWD method of carrying out work by departmental method.		
	Ans.	<ul> <li>Employing labour on daily wages:</li> <li>1. In this method department purchase material directly from supplier and engage labour on daily wages on muster as and when required.</li> <li>2. Daily labour muster roll system, workers such as mason, carpenters labour etc. are employed directly by department on daily wages.</li> <li>3. The material is supplied by department or can be purchased directly from market.</li> <li>4. The attendance of total number of labour employed is maintained in muster roll form No.21 by Junior Engineer and it is checked by Assistant Engineer.</li> <li>5. When muster roll is closed for payment it is necessary to measure the work during that period and enter it in measurement book.</li> <li>6. The amount paid, total work done etc is also entered. Then muster is submitted to competent authority who checks it and passes it for issuing payment order.</li> <li>7. The amount is then given to site engineer for making payment to labour in the form of advance.</li> <li>8. The payment is made weekly, fortnightly or monthly as per requirement.</li> </ul>	1each (any six)	6
	(ii)	State the importance of measurement book. Write the rules for entering entries in measurement book.		
	Ans.	<ul><li>Importance of Measurement Book:</li><li>1. It is very important account record.</li><li>2. All the payment of all works is done based on entries done in measurement record.</li></ul>	1 each	
		<ul> <li>Rules for entering entries in Measurement Book:</li> <li>1. Entries are made by J.E. and certified by S.D.O or A.E</li> <li>2. All entries are recorded in ink directly in measurement book B.</li> <li>3. No entry is allowed to be erased.</li> <li>4. If any correction is required, it must be initialed by the officer who made the measurement.</li> <li>5. Measurements are taken in the presence of contractor, and his signature is taken in measurement book.</li> <li>6. Entries should be recorded continuously and no blank pages left or turn off. Any pages left blank should be cancelled by diagonal lines and signed by authority.</li> <li>The measurement, location, date of work, name of contractor, date of measurement, location, date of work order, and number of measurements.</li> </ul>	1 each (any four)	6



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Que. No.	Sub. Que.	Model Answers	Marks	Total Marks
Q. 2	(a) Ans.	Attempt any <u>FOUR</u> of the following: Define administrative approval and technical sanction. Administrative Approval: For any work, it is necessary to take formal acceptance with respect to cost and work is called as administrative approval. For this the department sends a proposal to government for taking up the work. After considering all aspects like feasibility of project, financial aspect, government accepts proposal.	2	16
		<b>Technical Sanction:</b> Technical sanction means the sanction of the detailed estimate, design, rates and cost of work. It is sanctioned by competent authority. The work is taken for the execution only after the technical sanction. The government has delegated powers of technical sanctions to the officers in PWD.	2	4
	(b) Ans.	Draw administrative setup of PWD. Administrative setup of PWD:		
		PWD		
		CE	4	4
		SE SE SE SE	4	4
		AEE / SDO / Dy. E.		
		SUPERVISIOR (Civil Engg. Asst.)		



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Que. No.	Sub. Que.	Model Answers	Marks	Total Marks
Q. 2	(c)	State advantages and disadvantages of lumpsump contract.		
	Ans.	Advantages of lumpsump contract:		
		1. Total cost of project is known before completion of work.		
		2. Progress of work is fast.	1 each	
		3. Owner need not require to appoint staff to maintain accounts.	(any two)	
		4. Contractor can derive more profit by proper planning.	(110)	
		5. Detailed measurement of work is not required except in case of addition and alteration.		4
		Disadvantages of lumpsump contract:		
		1. This method is suitable for small work.		
		2. For extra items contractor may demand higher rates.	1 each	
		3. Extra item can be cause of dispute between owner and contractor.	(any two)	
		4. Quality of work is not assured.	,	
		5. Contractor may quote higher rate and thus higher tendering is possible.		
	(d)	Which are the conditions when 'Negotiated Contract' is suitable for work?		
	Ans.			
		<ol> <li>Conditions when 'Negotiated Contract' is suitable for work:</li> <li>It is suitable when tender is not called for contract.</li> </ol>		
		<ol> <li>It is suitable when tender is not called for contract.</li> <li>The work is given to contractor by mutual negotiation between</li> </ol>		
		parties but within selected contractor after studying their previous experience and reputation.	1 each	4
		3. This type of contract is suitable where time is important.		
		<ul><li>4. This type of contract is suitable where work has to complete at short notice.</li></ul>		
		Define ' Secured advance'. Write maximum limit for it.		
	(e)	Secured advance: An advance payment made to the contractor on the		
	Ans.	basis of the security of materials brought by the contractor to the site	2	
		of work under construction is called as secured advance.	-	
		Maximum limit: Authority to make the secured advance is in the		4
		hand of Divisional Engineer up to the amount not exceeding 75% of the value of the materials brought to the site by contractor.	2	



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Que. No.	Sub. Que.			Model A	nswers			Marks	Total Marks
Q. 2	(f)		s first and final	payment?	Which fo	rm number i	is used for		
	Ans.	A sing comple This ty only. Fe compor grill we small v	<b>First and Final Payment:</b> A single payment made for a small job or small work on its completion is called as "first and final payment". This type of payment is usually made or applicable for small work only. For example, construction of sanitary block for school building, component wall construction, septic tank construction, ornamental grill work, demolishing existing structure etc. are the examples of small work for which the first and final payment are made to the contractor.						
		Form n	umber 24 is used	for it.				1	
Q. 3		Attemp	ot any <u>FOUR</u> of t	he followir	ıg:				16
	(a) Ans.	Unbala In case each it tender	n with example 'I inced Tender: of unit price con em. If these rate is known as balan	tract the cost of	ontractor l by contrac But somet	tor are reasonated at the reason of the reason of the reasonated at the contract of the reasonated at	onable, the tractor puts		
		the tota tender i The co comple	er rates for certain al amount of ten s known as unbala ntractor quotes h ted in the early pa at from which he c le	der remain anced tende igher rates art of work	ns practica er. for those so that he	ally unaffectories which items which e gets slightly	ed, such a n are to be	2	
		the tota tender i The co comple paymer <b>Examp</b> Item	al amount of ten s known as unbala ntractor quotes h ted in the early pa at from which he c	der remain anced tende igher rates art of work	ns practica or. for those so that he working Ter	ally unaffectories which items which e gets slightly	ed, such a n are to be y excessive	2	
		the tota tender i The co comple paymer <b>Examp</b> Item No.	al amount of ten s known as unbala ntractor quotes h ted in the early pa t from which he c le Particulars of Item	der remain anced tende igher rates art of work can build up Qty.	for those so that he working Ter P	ally unaffectorially unaffectorial items which e gets slightly capital. dered rates Q	ed, such a n are to be y excessive in Rs. R	2	
		the tota tender i The co comple paymer <b>Examp</b> Item	al amount of ten s known as unbala ntractor quotes h ted in the early pa at from which he c le Particulars of Item Excavation in	ider remain anced tende igher rates art of work can build up	for those so that he working Ter P Rs.	ally unaffectories which items which e gets slightly capital.	ed, such a n are to be y excessive in Rs. Rs. 30/-	2	
		the tota tender i The co comple paymer <b>Examp</b> Item No.	al amount of ten s known as unbala ntractor quotes h ted in the early pa t from which he c le Particulars of Item	der remain anced tende igher rates art of work can build up Qty.	for those so that he working Ter P	ally unaffectorially unaffectorial items which e gets slightly capital. dered rates Q	ed, such a n are to be y excessive in Rs. R		
		the tota tender i The co comple paymer <b>Examp</b> Item No. 1.	al amount of ten s known as unbala ntractor quotes h ted in the early pa at from which he c le Particulars of Item Excavation in soft soil Excavation in	der remain anced tende igher rates art of work can build up Qty. 500/m <sup>3</sup> 300/m <sup>3</sup> 200/m <sup>3</sup>	ns practica for those so that have working Ter P Rs. 40/-m <sup>3</sup> Rs.	ally unaffectorially unaffectorial items which e gets slightly capital.	ed, such a n are to be y excessive in Rs. Rs. 30/- m <sup>3</sup> Rs. 60/-	2	4
		the tota tender i The co comple paymer <b>Examp</b> Item No. 1. 2.	al amount of ten s known as unbala ntractor quotes h ted in the early pa at from which he c le Particulars of Item Excavation in soft soil Excavation in soft	der remain anced tende igher rates art of work can build up Qty. 500/m <sup>3</sup> 300/m <sup>3</sup>	ns practica pr. for those so that he working Ter P Rs. 40/-m <sup>3</sup> Rs. 40/-m <sup>3</sup> Rs.	ally unaffectorially unaffectorial items which e gets slightly capital. dered rates Q Rs. 12/-m <sup>3</sup> Rs. 25/-m <sup>3</sup>	ed, such a n are to be y excessive in Rs. Rs. 30/- m <sup>3</sup> Rs. 60/- m <sup>3</sup> Rs.		4
		the tota tender i The co comple paymen <b>Examp</b> Item No. 1. 2. 3.	al amount of ten s known as unbala ntractor quotes h ted in the early part at from which he c le Particulars of Item Excavation in soft soil Excavation in soft Excavation in hard C.C. bedding	der remain anced tende igher rates art of work can build up Qty. 500/m <sup>3</sup> 300/m <sup>3</sup> 200/m <sup>3</sup>	ns practica pr. for those so that he working Ter P Rs. 40/-m <sup>3</sup> Rs. 40/-m <sup>3</sup> Rs. 40/-m <sup>3</sup> Rs. 40/-m <sup>3</sup>	ally unaffectoritems which e gets slightly capital. dered rates Q Rs. 12/-m <sup>3</sup> Rs. 25/-m <sup>3</sup> Rs. 80/-m <sup>3</sup> Rs. 500/-	ed, such a n are to be y excessive in Rs. Rs. 30/- m <sup>3</sup> Rs. 60/- m <sup>3</sup> Rs. 100/-m <sup>3</sup> Rs.		4
		the tota tender i The co comple paymen <b>Examp</b> Item No. 1. 2. 3. 4.	al amount of ten s known as unbala ntractor quotes h ted in the early part at from which he c le Particulars of Item Excavation in soft soil Excavation in hard C.C. bedding 1 : 4 : 8 Plastering in C.M.	der remain anced tende igher rates art of work can build up Qty. 500/m <sup>3</sup> 300/m <sup>3</sup> 200/m <sup>3</sup>	ns practica pr. for those so that he working Ter P Rs. 40/-m <sup>3</sup> Rs. 40/-m <sup>3</sup> Rs.	ally unaffectoritems which e gets slightly capital. dered rates Q Rs. 12/-m <sup>3</sup> Rs. 25/-m <sup>3</sup> Rs. 80/-m <sup>3</sup> Rs. 500/- m <sup>3</sup>	ed, such a n are to be y excessive in Rs. Rs. $30/-$ m <sup>3</sup> Rs. $60/-$ m <sup>3</sup> Rs. $100/-$ m <sup>3</sup> Rs. 300/-m <sup>3</sup> Rs. $30/-$ m <sup>3</sup> Rs. $30/-$ m <sup>3</sup>		4
		the tota tender i The co comple paymer <b>Examp</b> Item No. 1. 2. 3. 4. 5.	al amount of ten s known as unbala ntractor quotes h ted in the early part at from which he c le Particulars of Item Excavation in soft soil Excavation in hard C.C. bedding 1 : 4 : 8 Plastering in C.M. 1 : 4	der remain anced tende igher rates art of work can build up <b>Qty.</b> 500/m <sup>3</sup> 200/m <sup>3</sup> 100/m <sup>3</sup> 800/m <sup>2</sup>	ns practicators for those so that he working	ally unaffectoritems which e gets slightly capital. dered rates Q Rs. 12/-m <sup>3</sup> Rs. 25/-m <sup>3</sup> Rs. 80/-m <sup>3</sup> Rs. 500/- m <sup>3</sup> Rs. 20/-m <sup>2</sup>	ed, such a n are to be y excessive in Rs. Rs. $30/-$ m <sup>3</sup> Rs. $60/-$ m <sup>3</sup> Rs. $100/-m^3$ Rs. $300/-m^3$ Rs. $8/-$ m <sup>2</sup> Rs. $5/-$		4



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Que. No.	Sub. Que.	Model Answers	Marks	Total Marks
Q. 3		Here the contractor P has quoted very high for Item No. 1 and very low rate for Item No 3. He expects by his judgment and experience after visiting the site, that the quantity of excavation in soft exceeds the estimated quantity double and the excavation in hard rock and soft rock is negligible.		
	(b) Ans.	<b>Define 'Earnest Money'. When it is refunded?</b> <b>Earnest Money:</b> While submitting tender contractor has to deposit certain amount about 1 to 2% of estimated cost with department. This amount is termed as earnest money deposit.	2	
		<b>Refund of Earnest Money:</b> After opening of tender earnest money deposit of all unsuccessful contractors is refunded and of successful contractor it is converted into security deposit.	2	4
	(c) Ans.	<b>Define 'Arbitration'. Why it is needed?</b> <b>Arbitration:</b> The process of settling the dispute between owner and contractor is called as arbitration.	2	
		<ul> <li>Need of Arbitration:</li> <li>1. During execution of work owner and contractor may come across situations where disputes may arise. To settle this disputes arbitration is needed.</li> <li>2. Arbitration is needed for fair resolution of a dispute by an impartial tribunal or an experienced person.</li> </ul>	2	4
	(d) Ans.	<ul> <li>List the documents to be submitted at the time of registration as a contractor.</li> <li>Documents required for registration of contractor:</li> <li>The applicant has to submit the following documents along with his application.</li> <li>1. Latest income tax clearance certificate.</li> <li>2. Proof of financial status.</li> <li>3. Solvency certificate.</li> <li>4. List of machinery with their condition.</li> <li>5. List of technical staff employed along with qualification and experience.</li> <li>6. Professional capacity and experience certificate.</li> <li>7. Attested copies of partnership deed, if any.</li> <li>8. Registration fee.</li> </ul>	<sup>1</sup> /2 each	4
	(e) Ans.	Suggest the type of contract suitable for: (i) Purchase of office furniture. (ii) Only one contractor for particular work is available in the area. Suitable type of contract:		
	1 1113.	<ul><li>i. Material supply contract.</li><li>ii. Negotiated contract.</li></ul>	2 each	4



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Sub. Que.	Model Answers	Marks	Total Marks
(a)	Attempt any <u>THREE</u> of the following:		12
(i) Ans.	<ul> <li>Enlist various modes of payment to contractor.</li> <li>Following are the modes of payment to the contractor: <ol> <li>Interim payment.</li> <li>Interim payment.</li> <li>Advance payment.</li> <li>Secured advance.</li> <li>On account payment.</li> <li>First and final payment.</li> <li>Retention money.</li> <li>Reduced rate payment.</li> <li>Final payment.</li> <li>Mobilization advance.</li> </ol> </li> </ul>	1 each (any four)	4
(ii) Ans.	Describe the process of submission of tender.		
	<b>Process of submission of tender:</b> The contractor is required to submit their tender on or before the date and time mentioned by department / authority. Tender is submitted in envelopes marked as I and II.	1	
	<ul> <li>Envelope I: It contains,</li> <li>1. Covering letter to tender.</li> <li>2. This envelope contains earnest money deposit in the form indicated in the notice of invitation to tender.</li> <li>3. Income tax clearance certificate.</li> <li>4. Solvency certificate from bank.</li> </ul>		
	<ol> <li>Certificate of registration as contractor.</li> <li>Details of technical personal as contractor.</li> <li>List of work of similar nature and magnitude carried out by tenderer.</li> <li>Details of plants and machinery available.</li> <li>Complete details of work in hand at the time of submission of tender.</li> </ol>	2	
	Envelope II: This envelope contains the priced tender form.	1	4
	<b>Cover:</b> It contains all above two envelopes and it is properly sealed and endorsed on outside face tender for name of project.		
	(Note: Students write three envelopes process of submission of tender should be considered.)		
	Que. (a) (i) Ans.	Que.         Model Answers           (a)         Attempt any THREE of the following:           (i)         Enlist various modes of payment to contractor.           Ans.         Following are the modes of payment to the contractor:           1. Interim payment.         2. Advance payment.           3. Secured advance.         4. On account payment.           6. Retention money.         7. Reduced rate payment.           7. Reduced rate payment.         9. Mobilization advance.           (ii)         Describe the process of submission of tender.           Ans.         Process of submission of tender:           The contractor is required to submit their tender on or before the date and time mentioned by department / authority. Tender is submitted in envelopes marked as I and II.           Envelope I: It contains,         1. Covering letter to tender.           2. This envelope contains earnest money deposit in the form indicated in the notice of invitation to tender.           3. Income tax clearance certificate.           4. Solvency certificate from bank.           5. Certificate of registration as contractor.           6. Details of technical personal as contractor.           7. List of work of similar nature and magnitude carried out by tenderer.           8. Details of plants and machinery available.           9. Complete details of work in hand at the time of submission of tender.	Que.         Model Answers         Marks           (a)         Attempt any THREE of the following:         Image: Construction of the contractor.           (i)         Enlist various modes of payment to contractor.         Image: Construction of the contractor.           1. Interim payment.         2. Advance payment.         Image: Construction of the contractor.           3. Secured advance.         (any four)         four)           4. On account payment.         5. First and final payment.         four)           5. First and final payment.         9. Mobilization advance.         four)           (ii)         Describe the process of submission of tender.         four)           Ans.         Process of submission of tender:         The contractor is required to submit their tender on or before the date and time mentioned by department / authority. Tender is submitted in envelopes marked as I and II.         1           Envelope I: It contains,         1         1           Covering letter to tender.         2. This envelope contains carnest money deposit in the form indicated in the notice of invitation to tender.         1           3. Income tax clearance certificate.         4. Solvency certificate form bank.         5. Certificate of registration as contractor.           6. Details of plants and machinery available.         9. Complete details of work in hand at the time of submission of tender.         2



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Que. No.	Sub. Que.	Model Answers	Marks	Total Marks	
Q. 4	(iii) Ans.	<ul> <li>Enlist various types of specification and explain any one in detail.</li> <li>Types of specification: <ol> <li>Brief specification.</li> <li>Detailed specification.</li> <li>Standard specification.</li> <li>Manufacturers specification.</li> </ol> </li> </ul>	<sup>1</sup> / <sub>2</sub> each		
		<b>1. Brief specification:</b> The general specification used for estimating the project is the brief specifications. The specification which gives the brief description of various items of work, specifying the materials, quantities, proportion of materials and gives general idea about the whole work.	2		
		<u>OR</u>			
		<b>2. Detailed specification:</b> The specification in which detailed information of the various quantities of materials, procedure of workmanship to be adopted, nature and class of work is mentioned. The details specification describes the item of work in details, accurately and complete in all respects in relation to the drawings of the work.	2		
		<u>OR</u>			
		<b>3. Standard specification:</b> Detailed specifications for various works are drawn up by an engineering department and these specifications are printed and used as a standard specification. Hence most of the items in works are made to standardized specifications.	2		
		<u>OR</u>			
		<b>4. Manufacturers specifications:</b> This type of specifications in which the properties of products such as strength, thickness, depth, elasticity, chemical composition etc. are mentioned.	2	4	
	(iv) Ans.	<ul> <li>List out various factors affecting value of a property.</li> <li>Factors affecting value of a property: <ol> <li>Forces of demand and supply.</li> <li>Cost of construction.</li> <li>Increase in population.</li> <li>Riots, war, flood and other natural calamities.</li> <li>Improvement of public schemes.</li> <li>Interest on banks.</li> <li>Cost of labour.</li> <li>Inflation.</li> <li>Monopoly of a property in market.</li> <li>Location of property.</li> <li>Returns from property.</li> <li>Life and age of building.</li> </ol> </li> </ul>	<sup>1/2</sup> each (any eight)	4	



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Que. No.	Sub. Que.	Model Answers	Marks	Total Marks
Q. 4	(b)	Attempt any <u>ONE</u> of the following:		6
	(i)	Explain BOT project with respect to objectives, advantages and disadvantages.		
	Ans.	<b>B.O.T.</b> B.O.T. is a form of project where government grants permission to private firm to construct and administrate certain public infrastructure by financing and authorizing them to pay off loans reclaim investment by allowing them to collect tools, fees, rent as stated in contract and after concession period is over, ownership is transferred back to government.	2	
		<ul> <li>Objectives of B.O.T.</li> <li>1. To encourage private investment.</li> <li>2. To promote foreign investment, techniques and technology in country.</li> </ul>	½ each	
		<ul> <li>Advantages of B.O.T.</li> <li>1. Use of private sector financing to provide new source of capital.</li> <li>2. Accelerate the development of project.</li> <li>3. Use of latest techniques and machineries for fast completion of projects.</li> </ul>	11⁄2	
		<ul> <li>Disadvantages of B.O.T.</li> <li>1. Not suitable for Small works.</li> <li>2. Transaction costs are high.</li> <li>3. The success of B.O.T. project depends upon successful rising of necessary finance.</li> </ul>	1½	6
	(ii) Ans.	<ul> <li>What are the points to be confirmed before making final bill?</li> <li>Points to be confirmed before making final bill: <ol> <li>The junior engineer should certify the satisfactory completion of work.</li> <li>All measurement should be taken accurately.</li> <li>All entries in the measurement book with regards to measurement and quantities of work are checked.</li> <li>The description of item is according to the contract schedule.</li> <li>The quantities executed are according to the sanctioned plans and estimate.</li> </ol> </li> <li>Arithmetical calculations of measurement of quantities of item are verified.</li> <li>When the bill is running account, then it is compared with the quantities etc. with the previous bills.</li> </ul>	1 each (any six)	6



Model Answer: Summer 2018

## Subject: Contracts and Accounts

Que. No.	Sub. Que.				el Answers			Marks	Total Marks
Q. 5	(a)	Attempt any <u>TWO</u> of the following: Draft a tender notice for construction of Boys hostel at your place							16
	( <i>a</i> )	costing Rs. 2.5 Crore. Assume suitable data.							
	Ans.	e e							
			Situation at	-	IS Executive	Engineer.			
			(		<u>der Notice</u> orks Depart				
		Engin	Sealed item rate eer P.W.D. Div II for following	rision,	in form 'B <sub>2</sub>		-	2	
		Sr. No.	Name of work	Esti- mated cost in Rs.	Earnest money in Rs.	Security Deposit in Rs.	Time of completion		
		1.	Construction of Boy's Hostel	2.5 Crore	2,50,000	12,50,000	22 month (including rainy season)	3	
		Execu workii	Blank tender fo /- if required b tive Engineer (P ng hours on all to	by post) P.W.D.) D working	can be obt	tained fromup to 4.	the office of 00 p.m. during		
		3.00 p	Tenders will be om on a lice of contractors	received nd shall l	be opened c	on same day		2	
		-	The right reserve		5	tenders, wit	thout assigning	1	8
					E	Sd/- xecutive Eng	gineer		
	(b)	<ul> <li>area of 300 m<sup>2</sup> purchased at Rs. 300/ m<sup>2</sup> construction area is of 150 m<sup>2</sup> @ 1500/ m<sup>2</sup></li> <li>Total out goings are 30% of gross rent.</li> <li>Returns expected on construction cost @ 12%</li> <li>Returns expected on cost of land @ 8%</li> <li>Ans. Given:</li> </ul>							
	Ans.								
		Buildi	rea = $300 \text{ m}^2$ @ ng = $150 \text{ m}^2$ @ ]	Rs. 1500/	$m^2$				
	1	Total out goings = 30% of gross rent.       Sub.     Model Answers							



## Subject: Contracts and Accounts

No.	Que.					Marks
Q. 5	Que		expected on construction cost expected on cost of land @ 89	0		1,111115
		Step 1 :	<b>To find cost of plot :</b> Cost of plot = 300 >	< 300 = 90,000	1	
		Step 2 :	<b>To find cost of construct</b> Cost of construction =		1	
		Step 3 :	To find net return :			
		Net Retu	rn on construction @ $8\% = \frac{1}{1}$	$\frac{8}{00} \times 90,000 = 7,200$		
		Net Retu	rn on plot @ $12\% = \frac{12}{100} \times 2$	,25,000 = 27,000	3	
			t Rent per year = $7200 + 27,0$			
		Step 4 :	To find gross rent : Assuming Gross Rent = G Gross Rent = Net G = 3420 $\therefore G = 4883$	$00 + \left[\frac{30}{100} \times G\right]$	2	
		Step 5 :	$\therefore$ Rent per month $=\frac{4883}{1}$	<u>57.14</u> 12		
		<i>.</i>	= 407 Rent per month is Rs. 4	1.42 ≅ 4072 4072/-	1	8
	(c)	Differer Market				
	(i) Ans.	Sr. No.	Market Value	Book Value		
		1.	It is the value or amount of a property, which may be obtained at any time from the open market.	It is the value or amount mentioned in the account book at the time of purchase and can be obtained on deduction done by depreciation.	2 each (any two)	
		2.	Market value is not readily available.	Book value is readily available.		
		3.	Frequency of fluctuations	Frequency of fluctuations		
		4.	are frequent. When market value is greater than book value there is loss.	are not frequent. When book value is greater than market value there is profit.		
Que. No.	Sub. Que.		Model An		Marks	Total Marks



## Subject: Contracts and Accounts

Q. 5	(ii)	Deprecia	ation and Obsolescence					
	Ans.	Sr.	Depreciation	Obsolescence				
		<u>No.</u> 1. 2.	value of the property caused by its use life, wear, tear and decay, is called as depreciation.	8	2 each (any two)	8		
		3.	upon the age of the property. More is the life; more will be the depreciation. Depreciation can be determined by various	depends upon the age of the property. The reduction in the value of the property may be sudden. Obsolescence cannot be calculated or determined				
Q. 6		Attempt	methods. any <u>FOUR</u> of the following	by only method.		16		
	(a) Ans.	footing a 1. Propo part of co coarse ag 2. Concr Cement: requirem Fine Ag clay, oil Coarse A from 20 aggregat organic Water: 7 3. Steel: or deforr from cor bar shall of 40 tim shall be j bars, so a 4. Concr Mixing: for large work. Form w concretim	and column. ortion: Proportion of 1: 1.5: 3 ement, 1.5 parts of sand or fing gregate by volume. rete Ingredients: a Cement shall be measured tents. gregate: The sand shall be etc. It shall be well washed be Aggregate: The coarse aggre mm to 40mm and 33% size a te shall also be free from in material. The water shall be clean, fresh Steel reinforcing bars used i med steel as per the standard rosion, loose rust scales, part be prevented. When joints hall joined by welding. Proper co as to prevent from exposing to reting Operations: The mixing of concrete shall scale concrete or by hand op work: The formwork shall	gate shall consist of 67% of siz from 20mm to 6mm. The coars npurities like clay, dust, oil an n and drinkable. n concrete shall be of mild stee specifications and shall be fre int, grease, oil etc. Joints in th ave to be made, then an overla be given. Bigger diameter bar ver shall be maintained for stee o atmosphere. I be done in a mechanical mixe peration for small scale concret be oiled from inside befor te shall be laid in the forms an	re of a st,			
Que.	Sub.	removal	of the forms. Model Ans	swers	Marks	Total		
No.	Que.				TTERT INJ	Marks Page   13		



Model Answer: Summer 2018

## Subject: Contracts and Accounts

Que. Sub.	Model Answers	Marks	Total
Ans.	<ol> <li>specification?</li> <li>The main intention or object of specification is to present a clear picture of facts to be adopted in the construction work. Hence clear facts of the quality of material and workmanship mentioned in the specification should be observed.</li> <li>Specification depends upon the site conditions, hence it is to be observed the nature of work and purpose for which the work is carried out.</li> <li>Well-known or familiar abbreviations in building industry are to be used without giving information.</li> <li>Proper and suitable words with required meaning should only be used. Unfamiliar works should not be used in specification.</li> <li>Prepare the specification by observing the rules of grammar.</li> <li>The information about quality of the material and procedure of workmanship to be adopted should be complete and accurate.</li> <li>Avoid cross-references.</li> <li>The specification should state looking to view that what the contractor shall or should not do.</li> </ol>	1 each (any four)	4
Q. 6	The formwork and centering shall be made of dressed timber of well- seasoned wooden boards to give a smooth and even surface and the joints shall not allow leakage of cement paste. Laying of concrete: Concrete shall be laid continuously, if laying is suspended for rest, then end shall be sloped at an angle of 30° and made rough for proper bonding and key. When the work is resumed, the previous sloped portion shall be made rough, clean and watered. A coat of neat cement paste shall be applied on this roughened portion and fresh concrete shall be laid. <b>Compaction:</b> Concrete shall be compacted by mechanical vibrators so as to have a dense concrete. Over-vibration shall be prevented. Hand compaction shall be done with the help of punning rods and tamping rods and tamping with the wooden tampers so that concrete is thoroughly compacted and completely walked into the corners of the form work. After removal of the form work, the concrete surface shall be free from any defects such as honey combing, air holes, cracks etc. <b>Curing:</b> Freshly laid concrete shall be protected from direct sun, rain etc. When the concrete is set or harden about 2 hours after its laying, it shall be protected with gunny bags. After 24 hours of laying; the concrete surface shall be cured by flooding with water by making small ponds. The minimum period for curing shall be 14 days. <b>5. Measurement:</b> Length, breadth and depth or thickness shall be measured correct to a cm and the consolidated cubic contents of the concrete shall be calculated net to the nearest 0.01 cubic meter. Concrete laid in excess of the dimensions shown in the drawings shall not be measured.	4	4



#### Model Answer: Summer 2018 Sub. Code: 17603 **Subject: Contracts and Accounts** 9. The subject matter mentioned in the specification should relate Q. 6 to the information required when the contract is given to the contractor. 10. Unfair specifications are not desirable, meaning that throwing all the possible risks on the shoulders of contractors is unfair and hence such specification should not be mentioned. The sentences of the specification should be simple and short so 11. as to avoid the risk of legal difficulties and allegations. 12. Specifications of various items should be framed by keeping the practical limitations of materials and workmanship in mind. What are the legal aspects of specification? (c) 1. Specification of various items becomes the important documents Ans. as per as legal aspect like contract and agreements are concerned. Hence the drawing and specifications are two important contract documents considered as a legal documents. 1 each 2. The tender documents and agreements towards legal aspect are incomplete and invalid without specifications. 3. Specifications have more legal strength and hence most of the contract state that in case of discrepancy between the drawings and specifications, the specification act as a legal proof. 4. In case of disputes between the owner and the contractor, specifications act as a useful legal documents to solve the problem in between two party. List out any eight purposes of valuation. (d) 1. Buying and selling the property. Ans. 1/2 2. Taxation. each 3. Rent fixation. (any 4. Security of loans or mortgage. eight) 5. Compulsory acquisition. 6. Insurance. 7. Wealth tax and estate duty. 8. Assessment of stamp fees. 9. Gift tax. 10. Partition. (e) Define sinking fund and years purchase. Sinking Fund: Fund created by regular periodic payments which Ans. accumulate at the compound interest is a sinking fund. Amount of 2 sinking fund is used at the end of utility period of the structure. Years Purchase: Years purchase is the capital sum required to be 2 invested so as to receive an annuity of Rs. 100, at certain rate of interest.

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