UNIVERSITY COLLEGE LONDON

University of London

EXAMINATION FOR INTERNAL STUDENTS

For The Following Qualification:-

B.Sc.

ES1120: Economics

COURSE CODE   :   **ENVS1120**

UNIT VALUE   :   **0.50**

DATE   :   **15-MAY-03**

TIME   :   **10.00**

TIME ALLOWED   :   **3 Hours**

TURN OVER

ENVS 1120 Economics

Answer FOUR questions

1   Contrast the theory of profit maximisation with the pricing strategies adopted by many construction firms.

2   Explain how prices are determined by the forces of supply and demand and show to what extent firms may influence the prices they charge.

3   Identify the causes of unemployment in the construction industry and suggest possible policies that may be adopted to reduce the number of people without paid employment.

4   Explain the benefits and disadvantages of policies designed to maintain a low rate of inflation as far as the construction industry is concerned.

5   Describe the term "economies of scale" and show how the concept might be applied to construction projects to make the production process more efficient.

6   Account for the structure of the construction industry in terms of its historical development.

7   Describe the main economic characteristics of the construction industry and show their implications for management of the construction process.

8   (a) Stating the assumptions necessary for a normal distribution, calculate the mean and standard deviation of *New Orders obtained by Contractors by Region in 2001.* (10 marks)
     (b) How many standard deviations from the mean are (i) the North East (ii) Greater London (iii) Scotland and (iv) Wales. (10 marks)
     (c) Using the standard deviation you have calculated, to what extent is construction work spread by region? (5 marks)

DATA FOR Q8 :

Table constructed from *Construction Statistics Annual 2002*, DTI
(http://www.dti.gov.uk/construction/stats/stats2002/pdf/constat2002.pdf)

Table 1.5, pages 21-24: "New orders obtained by contractors by region",
figures for "All New Work" in 2001 for each region.

END OF PAPER

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