

**CORK INSTITUTE OF TECHNOLOGY
INSTITIÚID TEICNEOLAÍOCHTA CHORCAÍ**

Semester 1 Examinations 2010/11

Module Title: Development Economics 3A

Module Code: BULD7010

School: School of Building & Civil

Programme Title: Bachelor of Science in Construction Economics
Bachelor of Science in Construction Management

Programme Code: CCECO_7_Y3
CMNGT_7_Y3

External Examiner(s): Mr. G. O Rourke, Mr. P. Quinn, Mr. N. Dempsey, Mr. T. Cahalane
Internal Examiner(s): Mr. D. Coveney

Instructions: Please answer **THREE** questions. All questions carry equal marks.

Duration: 2 Hours

Sitting: Winter-Spring 2010/11

Requirements for this examination:

Note to Candidates: Please check the Programme Title and the Module Title to ensure that you have received the correct examination.
If in doubt please contact an Invigilator.

- Q1. Illustrate and discuss Rostow's stages of Economic growth.
- Q2. Discuss Interest only Mortgages and their disadvantages and dangers in a falling property market.
- Q3. (a) What is a rating?
- (b) What are the business implications of a rating?
- (c) Discuss the effect of a rating on the reputation and business standing of a government or business organisation.
- Q4. A manufacturer of fire door units produces and sells 20,000 units per year.
- (i) The selling price of each unit is €230
- (ii) The Fixed Costs are €800,000
- (iii) The Variable Costs are €3,600,00
- (a) **Determine:**
- (i) The company's break-even point in both value & unit terms.
- (ii) The margin of safety in value & unit terms
- (b) Prepare a Break-Even Chart.