

**CORK INSTITUTE OF TECHNOLOGY
INSTITIÚID TEICNEOLAÍOCHTA CHORCAÍ**

Semester 1 Examinations 2011/12

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. 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 2011/12

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. Discuss the dangers for the buy-to-let market of interest only mortgages for those who took out a mortgage in the present falling rental and selling values market. (33 marks)
- Q2. Illustrate and discuss “Rostow’s Stages” of Economic growth. (33 marks)
- Q3. A manufacturer produces 7,500 roof light units and sells them at a price of €440 per unit. The fixed costs are €946,000 and variable costs are €1,980,000. Determine the company’s break-even point in
- (a) (i) unit terms and value (10 marks)
 - (ii) the margin of safety in unit terms and value terms (10 marks)
 - (b) Draw a break-even graph for the company. (13 marks)
- Q4. Discuss Professor Robert Shiller’s (Yale University) opinions on why both Equity and Property markets slow down, stabilise and then fall. (34 marks)