

Principles of Law and Economics for the Built Environment

22CVA121

Semester 2 2023

In-Person Exam Paper

This examination is to take place in-person at a central University venue under exam conditions. The standard length of time for this paper is **2 hours**.

You will not be able to leave the exam hall for the first 30 or final 15 minutes of your exam. Your invigilator will collect your exam paper when you have finished.

Help during the exam

Invigilators are not able to answer queries about the content of your exam paper. Instead, please make a note of your query in your answer script to be considered during the marking process.

If you feel unwell, please raise your hand so that an invigilator can assist you.

You may use a calculator for this exam. It must comply with the University's Calculator Policy for In-Person exams, in particular that it must not be able to transmit or receive information (e.g. mobile devices and smart watches are **not** allowed).

THIS PAPER COMPRISES **PART A** AND **PART B**.

Answer **TWO QUESTIONS** in **PART A**.

Answer **TWO QUESTIONS** in **PART B**.

Please use a separate answer book for each part. Print **PART A** or **PART B** on the front of the applicable answer books.

All questions carry equal marks.

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PART A
(Answer TWO questions)

1. a) List the defining characteristics of an oligopoly market structure. [5 marks]

 b) Illustrate a kinked demand curve and demonstrate how it can be used to explain price stability in an oligopoly market. [10 marks]

 c) Illustrate a dominant firm model of an oligopoly market and explain how this can lead to price leadership. [10 marks]

2. For the following situations, explain why a market failure might occur and how market regulation can mitigate this occurrence:

 a) Public goods. [10 marks]

 b) Monopoly market power. [10 marks]

 c) Oligopoly collusion. [5 marks]

3. a) Illustrate a demand curve for a market and explain what factors can generate a shift in the demand curve. [7 marks]

 b) Explain what price elasticity of demand is and what factors affect it. [8 marks]

 c) With the use of appropriate diagrams, explain how a knowledge of price elasticity of demand can assist a firm in their corporate strategy. [10 marks]

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PART B
(Answer TWO questions)

4. Contractor Ltd wished to tender for a building contract and invited tenders for the small amount of piling work involved from several subcontractors. One of the subcontractors, Piling Ltd returned a tender to Contractor Ltd. The tender stated:

"Please consider our tender of £20,000 for the project. This offer is open for acceptance within 8 weeks."

Contractor Ltd noticed that Piling Ltd.'s bid was very low (the bids from the other subcontractors were £29,500 and £31,000) but, without checking with Piling Ltd, they used Piling Ltd.'s bid as part of its own tender for the building contract.

Contractor Ltd was awarded the building contract and wrote to Piling Ltd notifying them that their piling bid was accepted ("Letter 1"). However, the letter was wrongly addressed, and it took three weeks to reach Piling Ltd. Before Letter 1 arrived, Piling Ltd realised that it had made a mistake in its tender and (six weeks after the date of its original bid) wrote to Contractor revising its bid to £30,000 ("Letter 2").

Letter 2 reached Contractor Ltd before Letter 1 got to Piling Ltd. Contractor Ltd replied repeating that it was accepting Piling Ltd.'s offer to do the work for £20,000 ("Letter 3"). Piling Ltd received Letter 3 and is thinking about starting on-site.

Discuss whether Piling Ltd has to do the work and, if so, whether they are entitled to be paid £20,000 or £30,000.

[25 marks]

5. a) Plank and Pole are scaffolding contractors. They have erected scaffolding to permit construction work on a development on Queen Street, part of the main shopping centre of the prosperous city of Loughborough. One day the scaffolding collapses, owing to carelessness in its erection by Plank and Pole.

Describe and discuss the ingredients for a successful action in the tort of negligence.
[13 marks]

Then discuss the liabilities of Plank and Pole in each of the three cases below:

- b) A pedestrian called Unfortunate, passing below the scaffolding at the time of the accident, is killed.

[4 marks]

Question 5 continues/...

.../question 5 continued

c) A policeman searching for Unfortunate's body in the wreckage suffers multiple contusions when he trips over a protruding plank. This occurs several hours after the accident.
[4 marks]

d) Neighbouring shops voluntarily close for two days. It is the height of the season and profits are seriously affected.
[4 marks]

6. a) Define, in law, what is meant by land.
[7 marks]

b) Explain the difference between fixtures and chattels in relation to land purchase using relevant case law.
[6 marks]

c) State whether the following items are likely to be considered fixtures or chattels of a property and why:

i) white marble statue of a Greek athlete weighing 500kg and standing on a plinth.
[4 marks]

ii) a large glass chandelier, suspended from a ceiling by a chain, which is designed to complement other dining room features.
[4 marks]

iii) electrical white goods slotted into standard holes in a fitted kitchen that can just slide in and out.
[4 marks]

P Demian