

CANADIAN BOARD OF EXAMINERS FOR PROFESSIONAL SURVEYORS

C11 – BUSINESS PRACTICES & THE PROFESSION

October 2019

Note: This examination consists of 9 questions on 2 pages.

Marks

Q. No

Time: 3 hours

Value Earned

<u>Q. No</u>		<u>Value</u>	<u>Earned</u>
1.	Name and describe the four primary forms of business organizations.	10	
2.	Define the following terms. Where appropriate give an example. a) Lien b) Non-compete agreement c) Retainer d) Overdraft e) Preferred Shares vs Common Shares	3 3 3 3 3	
3.	Risk and reward. You have the opportunity to bid on a \$1,000,000 lump sum fixed price contract. Approximately \$600,000 of the value is third party services you need to purchase such as fixed wing and helicopter support, and accommodation and meals. The profit margin on your company's labour is budgeted at 25%. In the context of risk vs. reward, would you pursue this business opportunity? Give your reasons why.	10	
4.	Occasionally a professional land surveyor may appear in court as an "Expert Witness". Explain the role and duties of an Expert Witness.	10	
5.	You have been a PLS for 10 years and after years of working for someone else you have decided you want to be your own boss. The choices are "start your own business from scratch" or "buy a business (not your existing employer) from a retiring owner". Knowing the effort and challenges of either choice choose one and explain the business reasons why you chose that option.	10	
6.	Your bank calls and says, "The cheque from 1234 Ontario Limited for \$75k has bounced (rejected for NSF) and your bank operating account is now \$10k in overdraft." Your company payroll is due to be run at the end of the day. Describe how you will resolve this crisis.	10	
7.	Your party chief/crew leader calls you and says, "My assistant fell and appears to have broken his leg. The contractor's Site Superintendent called 911 for an ambulance and also called the Ministry of Labour." Explain what you, the Survey Project Manager, will do?	10	
8.	What are the Pros and Cons of having business partners?	5	

9.	<p>Your survey company 123 Surveys Inc. is contracted to provide construction layout services to Big Dam Contractors Limited at a New Brunswick Hydro Dam project. One of the tasks you perform is layout for blasting of bedrock to facilitate siting of the power station foundations. During the measure-up of the recently blasted area your crew determines that your company laid out the blast “cut” one meter too deep. Upon reporting this to the Site Superintendent:</p> <ul style="list-style-type: none"> • Big Dam Contractors Limited stops payment on your two outstanding invoices, seriously impacting your cash flow. • The project management firm, Project Managers Inc., stops all excavation work in the site area and states you will be paying for all standby charges owed to the many trades. • Project Managers Inc. orders Design Engineers Limited to proceed with the foundation re-design and states the re-design costs will be back-charged to your firm. • New Brunswick Hydro advises that every day of delay is lost revenue and they hold you responsible. <p>a) How does this affect your firm? b) What will you do? c) Is there a limit to your liability?</p>	5 10 5	
	Total Marks:	100	