

REGISTERED VALUERS EXAMINATION - EXERCISES
COST APPROACH - (Q69 - 73)



B. Kanaga sabapathy

Q71. Cost approach to value - Various methods of computation of depreciation, functional, technological and economic obsolescence.

71.1. Decrease in value of the property through wear, deterioration and obsolescence is called as

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| a) Depreciation | b) Appreciation |
| c) Functional obsolescence | d) Technical obsolescence |

71.2. The normal wear and tear which occurs due to the usage of the asset is called as

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|----------------------------|-------------------------------|
| a) Economic depreciation | b) Physical depreciation |
| c) Functional obsolescence | d) Technological obsolescence |

71.3. A residential building existing on the plot which is placed in commercial zone is a glaring example of

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| a) Technological obsolescence | b) Functional obsolescence |
| c) Economic obsolescence | d) Physical obsolescence |

71.4. Dilapidation of building or heavy structural repair is also

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| a) Physical obsolescence | b) Functional obsolescence |
| c) Technological obsolescence | d) Economic obsolescence |

71.5. Many palaces are converted into Hotels. This is due to

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| a) Functional obsolescence | b) Economic obsolescence |
| c) Physical obsolescence | d) Technological obsolescence |

71.6. A computer may become obsolete within two or three years due to

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| a) Physical obsolescence | b) Functional obsolescence |
| c) Technological obsolescence | d) Economic obsolescence |

71.7. Old load bearing structure with more thick walls is an example for

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|-------------------------------|----------------------------|
| a) Physical obsolescence | b) Economic obsolescence |
| c) Technological obsolescence | d) Functional obsolescence |

