



Q46. VALUATION OF REAL ESTATE - BASIC ELEMENTS OF VALUE -  
MARKETABILITY, UTILITY, SCARCITY AND TRANSFERABILITY

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46.1. The four essential elements of value are

- a) Utility, scarcity, demand and transferability
- b) Size, area, shape, access
- c) Location, amenities, facilities, services
- d) Engineering aspect, architectural aspect, design, occupation

46.2. No one would like to buy a property if it has no

- a) Utility
- b) Drawing approval
- c) Legal opinion
- d) Tax assessment

46.3. The property has value only if it can be

- a) Transferable
- b) Non - transferable
- c) Non - marketable
- d) Temple property

46.4. A temple property is

- a) Non - transferable
- b) Marketable
- c) Transferable
- d) Non - marketable property

46.5. A temple property is not marketable, yet it has got value. Instead of market value, we may call it as

- a) Notional value
- b) Special value
- c) Religion value
- d) Fair value

46.6. A temple property can be valued by assuming

- a) Hypothetical sale (not actual sale)
- b) Comparable sale
- c) Guideline rate
- d) Prevailing market trend

46.7. If any commodity is available in abundance, it will

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|----------------------------|-----------------------|
| a) Lose its original value | b) Increase its value |
| c) Have no market at all   | d) Not be sold at all |

46.8. If there is no demand for a product or no paying capacity to buy a product,

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|------------------------|----------------------|
| a) It gains more value | b) It loses value    |
| c) The value is stable | d) It cannot be sold |

46.9. The property has a value only if it can

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|----------------------|--------------------------|
| a) Be transferable   | b) Have drawing approval |
| c) Have a title deed | d) Have proper approach  |

46.10. In order to possess value, an asset ought to have

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|-------------------|------------------|
| a) Title deed     | b) Utility       |
| c) Tax assessment | d) Rent yielding |

46.11. The properties which are available in limited quantity and are not in abundance command

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|--------------|-----------------|
| a) Low value | b) High value   |
| c) No value  | d) Stable value |

46.12. The ownership and possession of the property can be transferred by way of sale, lease, mortgage, will, etc. and hence it has a value. This is called

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|--------------------|-------------|
| a) Transferability | b) Scarcity |
| c) Marketability   | d) Utility  |

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**Answers :**

46.1 - a	46.5 - a	46.9 - a
46.2 - a	46.6 - a	46.10 - b
46.3 - a	46.7 - a	46.11 - b
46.4 - d	46.8 - b	46.12 - a