

**This exercise may be useful to those who wish to appear for
Registered valuers Examination**



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LET US KNOW THE SUBJECT

EXERCISE - 4

1. Assets which have become out dated mainly due to their planning and designing being unsuitable for present day requirements of its users. This is example for
 - a) Functional obsolescence
 - b) Technological obsolescence
 - c) Economic obsolescence
 - d) None of the above

2. A residential building existing on a plot in commercial zone is glaring example for
 - a) Economic obsolescence
 - b) Functional obsolescence
 - c) Technological obsolescence
 - d) None of the above

3. Old load bearing structures with thick walls are now usually not preferred in urban areas. This is called
 - a) Technological obsolescence
 - b) Functional obsolescence
 - c) Economic obsolescence
 - d) None of the above

4. In this method of calculating depreciation of buildings, equal percentage of depreciation is allowed on its original capital cost for each year of life. This is called
 - a) Straight line method
 - b) Written down value method
 - c) Constant percentage method
 - d) Sinking fund method

5. This method is generally adopted by Chartered Accountants for preparation of balance sheet of a company
 - a) Written down value method
 - b) Straight line method
 - c) Linear method
 - d) Constant percentage method

6. The life span of the building during which it will continue yielding rent income, without needing heavy repairs. This life is called
 - a) Economic life
 - b) Physical life
 - c) Life due to obsolescence
 - d) Life due to legal constraints

