

Keywords: Role, Functions and Responsibilities of a Plant and Machinery Valuer, Cost, Price, Value and Valuation, Types of Market, Demand and Supply Curve, Bell Curve, Plant and Machinery, Furniture, Fixtures and Fittings, Plant and Machinery, Furniture, Fixtures and Fittings, Market value, Highest and Best Use Value, Basis of Valuation, Value in Use, Value in Exchange, Value to the Buyer, Value to the Seller, Value to the Occupier, Value in Existing Use In-Situ, Value in Existing Use in Ex-Situ, Value in Alternative Use In-Situ, Value in Alternative Use in Ex-Situ, Liquidation, Value In-Situ/Ex--Situ, Orderly Liquidation Value, Forced Sale Value, Type of Property & Factors Affecting to Value

P&M: Plant & Machinery

1 Valuer of P&M should have broad understanding of...

- A Engineering
- B Commercial

C Performance & outlook of industry to be valued

- D Technical

2 Valuer of P&M should have capability to discuss with team of company management in a subject of...

- A Economic & politics

B Financial & technical

- C Standard of finance
- D Standard of accounts

3 Which of the following is not duty and function of valuer of P&M?

A Testing of soil condition

- B Inspection of machinery
- C Data collection & market survey of industry or machinery
- D Making of listing (inventory)

4 Which statement about 'Cost' is correct...

- A Price paid for goods & services is becomes its cost to the buyer
- B Amount required to create / produce the goods & services
- C Price paid for goods & services
- D All of above

5 The initial capitalized cost of machinery at the time it was purchase as a new and put into use/service is called...

- A Cost of capital
- B Historical cost (Book value)
- C Value in use
- D Cost of machinery

5-A Book value / Gross block - Accumulated Depreciation =

- A Net book value / Net block
- B Depreciation
- C Impairment loss
- D All of above

5-B Net book value is called...

- A Depreciation
- B Impairment loss
- C Carrying amount
- D None of above

6 Price is...

- A The amount received on sale of asset or property
- B The amount asked, offered, or paid for a property

C	In terms of rupees
D	None of above
7	Cost and Price are...
A	Fact
B	Estimation
C	Imaginary
D	None of above
8	Value may be described as...
A	the past cost of future benefits arising from the ownership of real or personal property
B	the present cost of future benefits arising from the ownership of real or personal property
C	the future price of present benefits arising from the ownership of real or personal property
D	the present worth of future benefits arising from the ownership of real or personal property
9	Value is a(n)...
A	Fact
B	Estimation
C	Imaginary
D	None of above
10	Valuation is...
A	the amount representing an opinion or estimate of value
B	the amount representing an estimation of cost
C	the amount representing an opinion or estimate of profit
D	the amount representing an opinion or estimate of gross income
11	A place where buyer and seller meet together in order to carry on transactions of goods and services is called...
A	Shop
B	Exhibitions
C	Market
D	Trading company
12	Example of perfect market is...
A	Workshop machinery
B	Microsoft or Railway
C	Telecommunication or Aviation industry
D	Music industry or FMCG sector
13	Example of monopoly market is...
A	Workshop machinery
B	Microsoft or Railway
C	Telecommunication or Aviation industry
D	Music industry or FMCG sector
14	Example of Oligopoly market is...
A	Workshop machinery
B	Microsoft or Railway
C	Telecommunication or Aviation industry
D	Music industry or FMCG sector
15	Example of monopolistic market is...
A	Workshop machinery
B	Microsoft or Railway
C	Telecommunication or Aviation industry
D	Music industry or FMCG sector
16	The assemblages of assets that may be include specialized non-permanent buildings, machinery, and equipment is called...

A	Plant
B	Industry
C	Manufacturing unit
D	All of above
17	Individual, or a collection or a fleet of machines that may be employed, installed or remotely operated in connection with a user's industrial or commercial processes, trade or business sector is called
A	Plant
B	Machinery
C	Equipment
D	All of above
18	Ancillary assets that are used to assists the function of the enterprise / entity is called...
A	Plant
B	Machinery
C	Equipment
D	All of above
20	Machine tools, Sensors, Controller, Indicator are examples of...
A	Plant
B	Machinery
C	Equipment
D	All of above
21	Installations and support facilities for manufacturing in an industry designed to perform a specific pre-determined function, whether used singly or in combination with other items to enhance the productivity or operating facility; and includes all devices in fixed or movable form, other than real estate, deployed in manufacturing, processing or assembling of products from the stage of raw materials to finished goods is called...
A	Plant
B	Machinery
C	Equipment
D	Plant & Machinery
22	Personal property permanently attached to real estate that has become part of the real estate is called...
A	Fixtures
B	Furniture
C	Fittings
D	All of above
23	A particular type of equipment utilized in ancillary functions of an operation which is designed to provide a convenient and efficient work location for personnel or necessary storage facilities is called...
A	Fixtures
B	Furniture
C	Fittings
D	All of above
24	llumination equipments are example of...
A	Fixtures
B	Furniture
C	Fittings
D	All of above
25	Chair & Storage rack is example of...
A	Fixtures
B	Furniture

C	Fittings
D	All of above
26	The particular base upon which a valuation assignment has been done is called...
A	Approach of valuation
B	Method of valuation
C	Basis of valuation
D	Scope of work
27	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion is called...
A	Value to seller
B	Value to buyer
C	Fair value
D	Market value
28	Which of the following is not element of Market Value?
A	willing buyer and a willing seller
B	arm's length transaction
C	Restricted marketability
D	without compulsion
29	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date is called...
A	Fair value
B	Value to buyer
C	Value to seller
D	Market value
30	What is difference between Market Value & Fair Value?
A	arm's length transaction & orderly transaction
B	Discount of marketability & lack of control
C	valuation date & measurement date
D	None of above
31	Element of Highest & Use are...
A	Income, Profit, Loss & Value
B	Legal, Physical, Financial & Economic
C	Permissible, Opportunity & Productivity
D	Legal, Physical, Loss & Value
32	Going concern value may be called...
A	Fair value
B	Market value
C	Value in use
D	Value in exchange
33	Value in use is...
A	Seller based
B	Equilibrium based
C	Market based
D	Non market based
34	The present value of the future cash flows expected to be derived from an asset or cash-generating unit is called...
A	Fair value
B	Market value

C	Value in use
D	Value in exchange
35	The use of an asset that maximizes its potential and that is physically possible, legally permissible and financially feasible is called...
A	Investment use
B	Highest & best use
C	Potential use
D	Maximum use
36	Value in exchange is...
A	Seller based
B	Equilibrium based
C	Market based
D	Non market based
37	A graphic representation of the amount of goods purchased at different prices is called...
A	Demand curve
B	Supply curve
C	Demand & supply curve
D	All of above
38	A graphic representation of the quality of goods supplied at different prices is called..
A	Demand curve
B	Supply curve
C	Demand & supply curve
D	All of above
39	Capitalized value of additional income generated due to acquisition of any other plant is called...
A	Income value
B	Acquisition value
C	Value to seller
D	Value to buyer
40	Forward or backward integration of plant for raw material or value addition, etc. is example of...
A	Income value
B	Acquisition value
C	Value to seller
D	Value to buyer
41	Capitalized value of foregone is called...
	<i>(The present value of income stream of future from an asset, if seller do not sale and sustain with an asset or the disadvantage that result from the loss of an existing asset)</i>
A	Income value
B	Acquisition value
C	Value to seller
D	Value to buyer
42	Value in Existing Use In-Situ is...
A	Market value of plant for existing location
B	Fair value of plant for existing situation
C	Market value of plant at the where it is installed and utilized for current use (use for which plant is design)
D	Fair value of plant for if it is used
43	Value in Alternative Use Ex-Situ is...
A	Market value of plant at the other location where it is installed and utilized for other than the current use
B	Market value of plant for alternative location
C	Fair value of plant for alternative situation
D	None of above

44	The net amount that would be realized if a business is discontinued and its assets are sold individually is called...
A	Orderly Liquidation Value
B	Liquidation value
C	Forced Sale Value
D	All of above
45	The amount that would be realized when an asset or group of assets is sold on a piecemeal basis is called...
A	Orderly Liquidation Value
B	Liquidation value
C	Forced Sale Value
D	All of above
46	The value of a group of assets that could be realized in a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis is called...
A	Orderly Liquidation Value
B	Liquidation value
C	Forced Sale Value
D	All of above
47	The estimated amount, expressed in terms of money, that could be typically realized from a properly advertised and conducted public sale, with the seller being compelled to sell, as of a specific date, with a sense of immediacy on an as-is/where-is basis is called...
A	Orderly Liquidation Value
B	Liquidation value
C	Forced Sale Liquidation Value
D	All of above
48	Difference between 'Orderly Liquidation Value' and 'Forced Sale Liquidation Value' is...
A	Compulsion to sale
B	Marketing period
C	As is where basis
D	All of above
49	Property that is land or a building, or part of a building, or both, held by the owner to earn rentals or for capital appreciation, or both is called...
A	Industrial property
B	Land & building
C	Investment property
D	All of above
50	Classification of non-investment property is...
A	Marketable & Non marketable
B	Real estate & Plant and machinery
C	Residential & Industrial
D	None of above
51	Trading enterprise, Theatre business, Industrial plant is example of...
A	Investment property
B	Marketable Non-investment property
C	Non-marketable Non-investment property
D	All of above
52	Freehold residential house, private vehicle, furniture, office equipment is example of...
A	Investment property
B	Marketable Non-investment property
C	Non-marketable Non-investment property

D	All of above
52-A	A non-marketable non-investment property is also referred as a...
A	Useful property
B	Residential property
C	Investment property
D	Service property
53	Religious Property, Public School, Jail, City Hall is example of...
A	Investment property
B	Marketable Non-investment property
C	Non-marketable Non-investment property
D	All of above
53-B	For which type of property, Utility is the only value ingredient...
A	Investment property
B	Marketable Non-investment property
C	Non-marketable Non-investment property
D	All of above
54	Most appropriate approach for valuation of Investment property is...
A	Cost approach
B	Income approach
C	Market approach
D	None of above
55	Most appropriate approach for valuation of Non-marketable Non-investment property is...
A	Cost approach
B	Income approach
C	Market approach
D	None of above
56	Which of the following factor that can affect the value of P&M?
A	Technical, Scarcity & Legal
B	Social, Intangible rights & Economic
C	Utility, Marketability & Transferability
D	All of above
57	Environment Protection Laws & Taxation Policy is...
A	Technical factor
B	Social factor
C	Economic factor
D	Legal factor
58	Change in taste & trend of consumer is...
A	Technical factor
B	Social factor
C	Economic factor
D	Legal factor
59	Government Policy & Availability of credit is...
A	Technical factor
B	Social factor
C	Economic factor
D	Legal factor
60	An expression of the degree of an asset's usefulness is called...
A	Technical
B	Utility
C	Economic

Valuation of Plant & Machinery

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