

MCQ for IOV by Darshana Gajjar:

1. What does the first step in the valuation process involves? **Ans: a**
 - a. Conversing with the client
 - b. Performing a paired sales analysis
 - c. Gathering comparable sales data
 - d. Determining the scope of work
2. An Valuer using the sales comparison approach would verify market data by:
Ans:a
 - a. Finding the motivating factors of buyers and sellers
 - b. Checking the Sub Registrar Recorder's Office
 - c. Comparing the gathered data with Real Estate Market Websites
 - d. Reconciling the data
3. Valuer cannot be advocates for: **Ans: c**
 - a. Themselves
 - b. Their own cause
 - c. Anyone's cause
 - d. A personal cause
4. Ethics is a mindset, whereas competency is:
Ans: d
 - a. Unwanted
 - b. Not required
 - c. A result of valuation
 - d. A skill set
5. _____is the monitory relationship between properties and those who buy, sell or use those properties. **Ans: d**
 - a. Transferability
 - b. Scarcity
 - c. Effective demand
 - d. Value
6. The most common type of value is primarily aimed at estimating:
Ans: d
 - a. Salvage value
 - b. Investment value
 - c. Corner Value
 - d. Market Value
7. Which of the following is not an element of value?
Ans: d
 - a. Demand
 - b. Utility
 - c. Scarcity
 - d. Scalability
8. The four factors that influence real property values include:
Ans: d
 - a. Environmental factors
 - b. Economic factors
 - c. Governmental controls
 - d. All of the above
9. The basic component of supply and demand is: **Ans: b**

- a. Conformity
 - b. Competition
 - c. Transferability
 - d. Contribution
10. The real estate market is a(n)_____market
Ans: a
- a. Imperfect
 - b. Organized
 - c. Efficient
 - d. Perfect
11. What is the primary reason for confusion between a feasibility study, marketability study, and market analysis?
Ans: d
- a. Current market data
 - b. Inaccurate information provided by public records
 - c. Outdated sales data from past
 - d. Lack of understanding and miscommunication with the client
12. Which study asks the question of whether the cost of undertaking a project will result in a return on investment? **Ans: d**
- a. Marketability study
 - b. Market Analysis
 - c. Sales comparison approach
 - d. Feasibility study
13. By definition, highest and best use is: **Ans: d**
- a. A use that is physically possible
 - b. A use that is financially feasible
 - c. The most profitable use
 - d. All of the above
14. Zoning laws are an example of: **Ans: c**
- a. Private restriction
 - b. Public restriction
 - c. Covenants
 - d. All above
15. When completing a valuation assignment, what should a valuer include in the report?**Ans: d**
- a. Statements that related to the Highest and Best Use
 - b. Statements that related to Lowest and Least Use
 - c. A structured review of above two
 - d. All of the above
16. Good business of a valuer professional should include all of the following, except:
Ans: b
- a. Carrying proper identification and having business cards available.
 - b. Accepting an assignment for which valuer has no experience or knowledge.
 - c. Having advertising signs on the vehicle.
 - d. Acting with moral integrity to create an honest report.
17. The first step in the appraiser process is: **Ans: b**
- a. State the problem
 - b. Define the problem
 - c. Indentify the property
 - d. Indentify the client
18. The scope of work is important because it establishes: **Ans: d**

- a. Approaches the valuer needs to use
- b. Type of information needed
- c. Sources to be used
- d. All of the above

19. Highest and best use is all of the below, except:

Ans: b

- a. Maximum profitable
- b. Environmentally friendly
- c. Legally permissible
- d. Physically possible

20. The word depreciation, as used by valuers, means a loss in value due to:

Ans: b

- a. Wear and Tear
- b. Both "a" and "c"
- c. External factors
- d. None of the above

21. The rate of return from an investment, expressed as a percentage is the:

Ans: d

- a. Return of Investment
- b. Land residual
- c. Net Income
- d. Return on investment

22. Budgets are usually divided into direct costs and indirect costs. Which of the following is a soft cost?

Ans: a

- a. Developer overhead
- b. Contractor's profit
- c. Labour and materials on site
- d. Utility costs

23. Which of the following is not a method or approach of valuation?

Ans: a

- a. None of below
- b. Cost
- c. Sales comparison
- d. Income

24. Which of the following is not required by a valuer to do valuation?

Ans: c

- a. Camera
- b. Graph or blank paper
- c. Not "a" and "b"
- d. Measuring Device

25. A subject property has a total economic life of 100 years and an effective age of 5 years. What is depreciation calculation?

Ans: a

- a. 5%
- b. 7%
- c. 0.5%
- d. 10%

26. The money, labour and material are the _____ to build a property.
Ans: b
 a. Collateral
 b. Cost
 c. Price
 d. Value
27. In a typical valuation assignment, which type of value is of greatest importance to a valuer?
Ans: a
 a. Market value
 b. Sentimental value
 c. Predetermine value by client
 d. Effective value
28. Which of the following is an example of an arm's-length transaction?
Ans: b
 a. Parents sells family home to child for Rs. 50,00,000/-
 b. Wealthy eccentric must have the neighboring lot and overpays.
 c. Sellers does not notify buyer of known property stigma.
 d. None of the above.
29. A synonym for money is capital. Capital consists of:
Ans: c
 a. Debt and interest
 b. Principal and interest
 c. Equity and debt
 d. Equity and interest
30. Which of the following is responsible for the real estate market's inefficiency?
Ans: d
 a. Each property's uniqueness
 b. Real estate's illiquidity
 c. The limited supply
 d. All of the above
31. An "illiquid" property:
Ans: b
 a. Has improper drainage
 b. Cannot be sold quickly for full value
 c. Has poor plumbing
 d. Is in a flood zone
32. The Cost Approach recognizes that there are two major components in real estate. They are:
Ans: b
 a. Cost and value
 b. Land and improvements
 c. Supply and demand
 d. Income and expenses
33. Which of the following is not considered a direct cost?
Ans: c
 a. Site utility costs
 b. Labour
 c. Financing costs
 d. Portable toilets
34. In the context of the cost approach to value, a valuer fee should be considered:
Ans: c
 a. Entrepreneurial incentive
 b. A direct cost
 c. An indirect cost
 d. Necessary cost

35. A valuer should round the final value estimate: **Ans: b**
- Because numbers confuse clients
 - Because exact figures cease to be an estimate
 - To make the estimate easier to read
 - To allow more room for error.
36. Person who can't sue for redemption: **Ans: a**
- Mortgagor
 - Any person who has any interest in, or charge upon
 - Any surety for the payment of the mortgage-debt or any part thereof
 - Any creditor of the mortgagor
37. The mortgagee has right to sue for mortgage – money **Ans: d**
- Where the mortgagor binds himself to repay the same
 - Where the mortgagee is deprived of the whole or part his security by or in consequence of the wrong full act or default of the mortgagor
 - Neither 'a' nor 'b'
 - 'a' and 'b' both
38. Following terms are not involved in definition of "Gift" **Ans: d**
- Donner
 - Donee
 - Voluntarily
 - Compulsion between "a" and "b"
39. Which of this is wrong interpretation **Ans: a**
- The donor is the person who accepts the Gift
 - The donee is the person who accepts the gift
 - Gift has involvement of two identity "Donner" and "Donee"
 - Gift in consideration of a donee undertaking the liability of the donor is not a gift.
40. Points not to be keep in mind while framing report **Ans: a**
- Predetermine figure from client
 - Choice of words
 - Supporting documents
 - Technical phases
41. For Easement: which is false statement **Ans: d**
- The grant of an easement is not a transfer of ownership
 - The transfer of Property Act has no application to the creation of an easement.
 - Both "a" and "b" are right
 - Both "a" and "b" are wrong
42. Which type of mortgage deed is not valid **Ans: b**
- English mortgage
 - Hindi mortgage
 - Mortgage by deposit of title deed
 - Anomalous mortgage
43. Which is not Essential elements of Gift: **Ans: a**

- a. Consideration
- b. The subject matter
- c. The donor and donee
- d. The transfer and transferee

Law:

44. Most legally recognized dispute resolution mechanism **Ans: a**
- a. Arbitration
 - b. Conciliation
 - c. Mediation
 - d. Negotiation
45. Scope of arbitration covers **Ans: d**
- a. Mater related to criminal offence
 - b. Matrimonial disputes
 - c. Insolvency and winding up matters
 - d. Other civil matters
46. Valuation of property, plant and equipment for financial reporting requires following: **Ans: a**
- a. Fair Valuation
 - b. Current cost value
 - c. Liquidation of Force sale value
 - d. Salvage value
47. For purpose of insurance which value is applicable: **Ans: a**
- a. Reinstatement value
 - b. Indemnity value
 - c. Land value
 - d. Auction realizable value
48. Plant and machinery covers **Ans: c**
- a. Core land in use
 - b. Core building in use
 - c. Machinery and equipments
 - d. Sanitation cost
49. Impairment of assets do not cover **Ans: c**
- a. Economical
 - b. Functional
 - c. Cost and/or Value for creating the assets
 - d. Statutory laws
50. Which of the following doesn't mean Appropriate Government **Ans: b**
- a. In relation to acquisition of land situated within the territory of state
 - b. Decided by public for specific job
 - c. In relation to acquisition of land situated within Union Territory
 - d. In relation to acquisition of land for public purpose in more than one state, the Central Government
51. "Cost of Acquisition" include except: **Ans: c**
- a. Amount of compensation ordered by the Land Acquisition and Re habitation and Re settlement Authority.

