

1. Computation of Lease is governed by Sec. 110 of the _____ Act.
 - a) Rent Control Act
 - b) Transfer of Property Act**
 - c) Land Acquisition Act
 - d) Wealth Tax Act

2. This mortgage is created when the mortgagor binds to repay the mortgage money on a certain date and transfers the mortgaged property absolutely to the mortgagee on the condition that he will retransfer the same to mortgagor on payment of the mortgage money.
 - a) Simple Mortgage
 - b) English Mortgage**
 - c) Reverse Mortgage
 - d) Mortgage by Conditional Sale

3. What is the distinction between the terms market price and market value?
 - a) Market price is synonymous with replacement cost while market value is the same as assessed value
 - b) Market price is what the seller asks for while market value is what the buyer actually pays
 - c) Market price is what the property sells for while market value is what the sales price should be to a typical buyer**
 - d) Market price is what is currently owned on the property while market value is what is actually paid for the property

4. Recess land and land locked lands:
 - a) Are basically the same.
 - b) They both generally do not abut on a public road.**
 - c) Recess land is always larger than land locked land on a very large plot of land.
 - d) The two are portions of the same larger plot.

5. A tandem plot is -
 - a) Similar to recess land
 - b) Similar to landlocked land
 - c) Has access only by a private road or a common passage**
 - d) Is always on the main road

6. The Belting method of valuation:
 - a) Has been ruled as a method not suitable for valuing properties by the Supreme Court of India.
 - b) Can be applied only to properties which are at least 5000 sq. metres in area.
 - c) States that the land be divided into at least five belts to make this method valid.
 - d) In order to find out the realistic value of land the entire plot is divided into a number of convenient strips by lines parallel to the centre line of the road.**

7. Residual method of valuation primarily considers –
 - a) Market transaction value
 - b) Value to the owner**
 - c) Value from a taxation point of view
 - d) Residual book assets

8. The factor not to be considered when applying the Residual method of valuation is –
- Cost of expected sale of the finished property
 - Cost of development
 - Profit motive
 - Social benefit of the project**
9. Cost Approach is useful mainly for valuing
- Marketable properties
 - Non-marketable properties**
 - Properties which are ready for redevelopment
 - Going concern business properties
10. The cost approach to valuation is the best method of valuing properties and is generally preferred over other methods because -
- Of its simplicity
 - It can be used in one and all circumstances for tangible assets
 - It does not involve finding out market rates or interest rates.
 - Above statement about cost approach to valuation is not correct**
11. Which of the following valuation would necessary involve using the cost approach to valuation.
- An apartment (flat) in a multistoried building complex in a semi urban neighbourhood
 - An isolated guest house on an agriculture land**
 - A cinema hall in a semi urban neighbourhood
 - A hotel located near a petrol pump where tourists and truckers halt for rest and food
12. The building cost index is worked out by the CPWD or a similar organization based on:
- Rates prevailing in the past**
 - Estimates of building material and labour for the coming year as estimated by CPWD
 - Expected inflation as estimated by the Finance Ministry, Govt. of India
 - An index obtained by estimating demand/supply of housing determined by the Reserve Bank of India
13. A single storeyed house was constructed in 1993 at a cost of Rs. 10,00,000 (ten lakhs). What is the unindexed cost in 2000?
 CPWD Index: 1993 index over 1981 = 244
 2000 index over 1981 = 447
- Rs. 10,00,000 x 447/100 x 244/100
 - Rs. 10,00,000 x 100/447 x 100/244
 - Rs. 10,00,000 x 244/100 x 100/447
 - Rs. 10,00,000 x 100/244 x 447/100**
14. In calculating the Index numbers for basic cost construction of an RCC load bearing building CPWD (Central Public Works Department), the following items are not given any weightage.
- Bricks
 - Stone Chips
 - Skilled labour wages
 - Internal wood work in the building**

15. The relationship between the total floor plan area of all floors and the land area is known as:
- a) Floor Area Ratio (FAR) or Floor Space Index (FSI).**
 - b) Covered Area Ratio.
 - c) Total Usable Area Ratio.
 - d) Gross Area Selection Ratio.
16. The correct definition of Depreciation:
- a) Is loss in value due to age of the structure alone.
 - b) Is an estimate of loss in value caused to a structure for various reasons.**
 - c) Similar to obsolescence.
 - d) In case of land, loss in land value due to contamination of the land.
17. In the 'sum of digits method' of calculating depreciation, it is estimated that if the life of the structure is 6 years. Therefore depreciation after the third year is:
- a) 50% since half the period is over.
 - b) 30% being 10% for each year.
 - c) $\frac{4}{21}$**
 - d) 40% being 12% for each year.
18. The Sinking Fund method of calculating depreciation is:
- a) Non interest method.
 - b) As compared to straight line method, depreciation is generally less.**
 - c) Is applicable only when an actual sinking fund has been set up by a lessor.
 - d) An arbitrary method using estimation
19. The right of a lessor to possess leased property upon the termination of a lease is a right of:
- a) Termination
 - b) Remainder lease
 - c) Acceptance clause
 - d) Reversion**
20. The sales comparison or market approach is very popular in the valuation of residential property. Which of the following statements is correct in regard to this approach as it applies to residential property?
- a) When selecting comparables, it is not necessary to consider the quality of construction
 - b) When using by the sales comparison approach, the valuer compares the comparable properties to the subject property**
 - c) Comparable sales data that are more than six months old should never be used by a valuer
 - d) The sales prices of comparables are always conclusive evidence of market value in the area.
21. A multistoreyed building has several flats, almost all similar. Two recently sold comparables were found. The valuer, using the market comparison approach, set up the following table:

Flat under Valuation	Comparable 1	Comparable 2
Date of Sale	1 ½ years ago	3 years ago
Rate per sq.ft.	Rs. 18,500	Rs. 18,000

What would be the best estimate of the rate?

- a) Rs. 18,500 per sq.ft.
 - b) Rs. 17,500 per sq.ft.
 - c) **Rs. 19,000 per sq.ft.**
 - d) Rs. 18,250 per sq.ft.
22. When comparing land values, the term 'Return frontage' is often used. This applies to land encompassing:
- a) Large Plots
 - b) No road frontage
 - c) Water front on one side
 - d) **Corner Plot**
23. In valuing land parcels by the sales comparison approach, various models based on land attributes/characteristics have been developed. Which of these is not a recognized
- a) Adjusted Grid Model
 - b) Hedonic Model
 - c) **Attribute Analysis Model**
 - d) Regression Analysis
24. The remaining economic life of a building is equal to the:
- a) Total period of time in which real estate improvements contribute to property value.
 - b) **Estimated period of time over which improvements will continue to contribute to property value.**
 - c) Number of years since construction was completed.
 - d) Estimated period of time remaining until repairs will have to be made.
25. Methods of estimating accrued depreciation include:
- a) **Economic age-life, modified economic age-life, sales comparison, break-down method**
 - b) Economic age-life, comparative unit, sales comparison, break-down method
 - c) Economic age-life, modified economic age-life, quantity survey, break-down method
 - d) Economic age-life, modified economic age-life, sales comparison, comparative unit method
26. One of these is not a recognised method of calculating Depreciation.
- a) Percentage of Revenue method
 - b) **Method of lump sum or experience method**
 - c) Declining balance method
 - d) Sinking fund

27. How would the following structure be classified: An old load bearing structure with thick walls located in a modern prime location in a city centre was to be classified for calculating depreciation. It would be a case of:
- a) Economic obsolescence
 - b) Functional deterioration
 - c) Technological Obsolescence**
 - d) Incurable depreciation
28. One of the following is not to be considered when calculating depreciation.
- a) Age
 - b) Physical appearance**
 - c) Usefulness
 - d) Economic Obsolescence
29. A condition that decreases the utility of the property and is not economically feasible to cure is:
- a) Incurable utilizational depreciation
 - b) Fully depreciated and treated as scrap
 - c) Incurable functional obsolescence**
 - d) Unfunctional obsolescence
30. It is loss in value from forces external to the property and is incurable
- a) Incurable depreciation
 - b) Declining sinking fund
 - c) Economic Obsolescence**
 - d) Functional deterioration
31. An easement –
- a) is attached to owners not to properties
 - b) can be self imposed**
 - c) requires that dominant and servient easements owners be the same person or related by blood or inheritance.
 - d) can be created but never extinguished.
32. Select the correct answer.
- a) A servient easement has greater value than a dominant easement
 - b) When benefit of an easement is not exercised for a long period of time, the easement may be considered extinguished or released.**
 - c) An easement may be with consent of only one party, ignoring the rights of the dominant easement owner.
 - d) There is no Act or Legislation pertaining to Easements
33. Time share is a concept where:
- a) A property is owned by many people simultaneously
 - b) Ownership is shared for a particular period of time**
 - c) An operator runs a business and allows a stake holder to use the property as agreed upon
 - d) A right to use ownership exists

34. Development rights issued by a competent authority under relevant laws in lieu of the area relinquished or surrendered by the owner or developer or by way of declared incentives by the government or authority is known as;
- Transfer of Development Rights**
 - Goodwill Transfer
 - Municipal Development Rights
 - Easement Rights
35. The difference between one honest valuation and another may range upto 15%
- Gold Coast Trust Ltd. vs. Humphray (1949) 17 ITR 19
 - K.P. Varghese vs. ITO (1981) 131 ITR 597 (SC)**
 - Rustam C Cooper Vs. Union of India AIR 1970 SC 564
 - Hays Will Trust vs. Hays and Others (1971) 1 WLR 758
36. Valuation is not an exact science. Mathematical certainly is not demanded, nor indeed is it possible.
- K.P. Varghese vs. ITO (1981) 131 ITR 597 (SC)
 - Rustam C Cooper Vs. Union of India AIR 1970 SC 564
 - Gold Coast Trust Ltd. vs. Humphray (1949) 17 ITR 19**
 - Hays Will Trust vs. Hays and Others (1971) 1 WLR 758
37. If there are more than one valuation of the same property, the one which is reasonable and nearer to the correct market value, having due regard to all the relevant facts and circumstances of the case alone should be accepted.
- V.C. Ramchandran vs. CWT (1979) 126 ITR 157 Karnataka HC**
 - Wenger & Co. vs. DVO (1978) 115 ITR 648 Delhi HC (Combination of Methods)
 - Subh Karan Choudhury vs. IAC (1979) 118 ITR 777 Kolkata HC (Special Value/FMV)
 - Sorab Talati vs. Josheph Michem Appeal 101 of 1949 - Vol. 2 of SOC - Page 162 (Bombay) (Invest Theory of Rent)
38. Valuation of fully tenanted property should be made on the basis of capitalisation of rental method.
- V.C. Ramchandran vs. CWT (1979) 126 ITR 157 Karnataka HC
 - Subh Karan Choudhury vs. IAC (1979) 118 ITR 777 Kolkata HC (Special Value/FMV)**
 - Sorab Talati vs. Josheph Michem Appeal 101 of 1949 - Vol. 2 of SOC - Page 162 (Bombay) (Invest Theory of Rent)
 - Wenger & Co. vs. DVO (1978) 115 ITR 648 Delhi HC (Combination of Methods)
39. A time share owner has purchased Lessee's right in a group cottage at a hill resort for 60 years starting from 01.01.2000 at a price of Rs. 1,00,000 for a one week/annum usage. On expiry of lease, all of Lessee's rights will extinguished. It has also been agreed that if the share owner does not use this right to use the property, he would be re-imbursed Rs. 17,000, being the prevalent rent. Now the share owner has decided to dispose of his interests in the property. What would be his expected sale price on 01.01.2018 if current expectation of return is 9% per annum?
- Rs. 1,00,000 x YP for 18 years @ 9%
 - Rs. 17,000 x YP for 60 years @ 9%
 - (Rs. 1,00,000 - 17,000) x YP for (60 - 18) years @ 9%
 - Rs. 17,000 x YP for (60 - 18) years @ 9%**

40. The assessment of the yearly value of the property by the municipal corporation is known as _____
- a) **Rateable Value**
 - b) Depreciated Value
 - c) Book Value
 - d) Distress Sale Value
41. In the case of _____ the lease is granted by the Lessor to Lessee for a year or a number of years from time to time. The Lessor cannot terminate the lease or refuse to renew the same as long as no provisions of the lease deed are violated.
- a) Ground Lease
 - b) Occupation Lease
 - c) **Perpetual Lease**
 - d) Sub-Lease
42. Properties with unique design or construction which restricts their utility to the use for which they were built is identified as _____ Real Estate.
- a) Residential
 - b) Commercial
 - c) **Special Purpose**
 - d) Industrial
43. Which of these is an incorporeal or intangible property?
- a) Jewellery
 - b) **Goodwill**
 - c) Furniture
 - d) Bridges
44. Which of these is an investment property?
- a) Furniture
 - b) Jewellery
 - c) **Trading Enterprise**
 - d) Office Equipment
45. Which of these is a non-investment property?
- a) **Vehicle for personal use**
 - b) Patent
 - c) Mortgaged property for mortgagee
 - d) Hotel building on freehold land
46. When a lessee transfers property, then the lessor, normally, also claims a share in the profit. This profit is known as _____
- a) Profit Rent
 - b) Improved Rent
 - c) **Unearned Increase**
 - d) Head Rent

47. The fair market value of land and building is usually determined from market based evidence. Reference is made to which Indian Accounting Standard (Ind. AS)
- a) **Ind. AS 16**
 - b) Ind. AS 205
 - c) Ind. AS 5
 - d) IVS 2017-003
48. Valuation of leased assets is done under Ind. AS under the following
- a) IVS 2017-002
 - b) IVS 2017-009
 - c) Ind. AS 39
 - d) **Ind. AS 17**
49. Which of these is a method of calculating depreciation based on interest theories?
- a) Direct Appraisal Method
 - b) Straight Line Method
 - c) Declining Balance Method
 - d) **Sinking Fund Method**
50. The Doctrine of Unearned Increase was enunciated because of a famous court judgement. Select the correct judgement.
- a) **Commissioner of Wealth Tax, New Delhi vs. Sri P.N. Sikand (1977) 107 ITR 922(SC).**
 - b) CIT vs. Smt. Ashima Sinha (1979) 116 ITR 26(Calcutta), 1980 Tax 56(1) 19 (Calcutta).
 - c) Controller of Estate Duty vs. Radha Devi Jalan (1968) 67 ITR 761, Calcutta High Court.
 - d) C.W.T. vs. Venugopal Konar & Ors. (1977) 109 ITR 52, Madras High Court.
51. The landmark judgement, Commissioner of Wealth Tax, New Delhi Vs. Sri P.N. Sikand (1979) 107 ITR 922 (SC) states that:
- a) **the increase in value of the leasehold interest of the property leased is to be equally shared by both the lessor and lessee.**
 - b) only the lessor has the right to the increase in value
 - c) only the lessee has the right to the increase in value
 - d) the ratio of the lessor's and lessee's share is to be determined by negotiation.
52. For owner occupied portion, the District Valuation Officer calculated the value on the basis of what were the rates prevalent for sale of commercial flats in Cannought Place. For the tenanted portion, he capitalised the rental value. The method adopted by him is acceptable.
- a) V.C. Ramchandran vs. CWT (1979) 126 ITR 157 Karnataka HC
 - b) Subh Karan Choudhury vs. IAC (1979) 118 ITR 777 Kolkata HC (Special Value/FMV)
 - c) Sorab Talati vs. Josheph Michem Appeal 101 of 1949 - Vol. 2 of SOC - Page 162 (Bombay) (Invest Theory of Rent)
 - d) **Wenger & Co. vs. DVO (1978) 115 ITR 648 Delhi HC (Combination of Methods)**

53. In this case, the court approved of investment theory in preference to comparable rent theory to fix standard rent of the rent controlled premises. The court considered return or yield from Gilt Edged security as the basis.
- a) V.C. Ramchandran vs. CWT (1979) 126 ITR 157 Karnataka HC
 - b) Subh Karan Choudhury vs. IAC (1979) 118 ITR 777 Kolkata HC (Special Value/FMV)
 - c) **Sorab Talati vs. Josheph Michem Appeal 101 of 1949 - Vol. 2 of SOC - Page 162 (Bombay) (Invest Theory of Rent)**
 - d) Wenger & Co. vs. DVO (1978) 115 ITR 648 Delhi HC (Combination of Methods)
54. Value fetched by sale of small extent land cannot be adopted for large extent land. Loss of land for road, and park, expenses for development should be deducted.
- a) CWT vs. P.N. Sikand (1977) 107 ITR 922 SC
 - b) **SLAO (Eluru) vs. Jasti Rohini (1995) 1 SCC 717 SC**
 - c) Shubh Ram and Others vs. State of Haryana (2010) 1 SCC 444
 - d) Jawaji Nagnathan vs. REV.DIV. Officer (1994) SCC - 4 Page 595 SC
55. Basic valuation register for the purpose of collecting stamp duty cannot form a foundation to determine the market value.
- a) CWT vs. P.N. Sikand (1977) 107 ITR 922 SC
 - b) SLAO (Eluru) vs. Jasti Rohini (1995) 1 SCC 717 SC
 - c) Shubh Ram and Others vs. State of Haryana (2010) 1 SCC 444
 - d) **Jawaji Nagnathan vs. REV.DIV. Officer (1994) SCC - 4 Page 595 SC**
56. The developer who undertakes the development and invests money for development would also expect a reasonable profit when the plots are sold. All these expenditure and factors are standardized into 33% deduction towards expenses of development.
- a) CWT vs. P.N. Sikand (1977) 107 ITR 922 SC
 - b) SLAO (Eluru) vs. Jasti Rohini (1995) 1 SCC 717 SC
 - c) **Shubh Ram and Others vs. State of Haryana (2010) 1 SCC 444**
 - d) Jawaji Nagnathan vs. REV.DIV. Officer (1994) SCC - 4 Page 595 SC