

BACHELOR OF CIVIL ENGINEERING (EVENING) EXAMINATION, 2019
(2nd Year, 1st Semester)

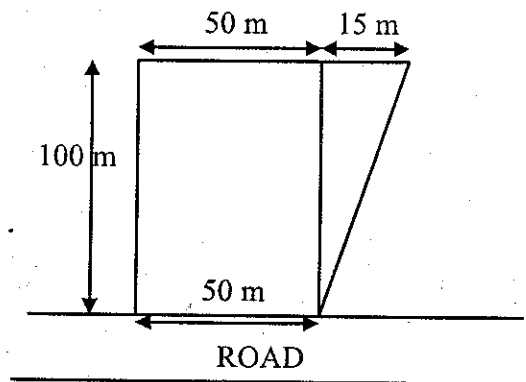
Subject : Valuation, Pricing & Contract

Time: Three hours

Full Marks: 100

Answer any five questions

- 1 a) Define Value. Enumerate the essential characteristics of Value. 6
- b) What is meant by Depreciation of a property? For calculating Depreciation of an Asset, compare Straight Line method with respect to Reducing Balance method. 2+8
- c) What do you mean by Capitalized Value of a property? 4
- 2 a) A lessee has constructed a building worth Rs 40,00,000 on a lease hold land held by him on 89 years lease with a ground rent of Rs 4000 pm . The lease has 50 years of unexpired period. The building has been let out on a net rent of Rs 30,000 pm for the first 10 years of the unexpired period and thereafter for the last 40 years the net rent will be Rs 50,000 pm . Work out the lessee's interest in the property.(Considering rate of interest on capital @7% and 7.5% for the first 10 years and last 40 years respectively and redemption @ 4% for the entire unexpired period. Assume any other data if required). 12
- b) Is there any basic difference between an 'Agreement' and a 'Contract' between two or more parties? Explain. 4
- c) Explain the term "No Consideration no Contract". 4
- 3 a) What would you recommend as the fair value of the property, if the front belt land (depth of front belt being 40 m) be estimated at Rs 900 per sq.meter. Use Belting method of valuation. 10



b) Differentiate between Book Value, Assessed Value, Salvage Value and Scrap Value of a property. 6

c) State the provision of Secured Advance in a Contract. 4

4.a) A Building lease has been executed for a plot of land at a ground rent of Rs 34,000 per annum. The lease is for a period of 99 years out of which there remains only 12 years of unexpired period. The free hold market value of the property is Rs 45,00,000. Under the terms of the lease, the building constructed by the lessee will revert to the lessor on expiry of the lease period. Calculate the present value of lessor's interest in the property? Assume any data if required. 10

b) What do you mean by Arbitration between two or more parties? State the provision for number of Arbitrators as per Indian Arbitration and Conciliation Act. Mention the ground for challenge the appointment of an Arbitrator. 10

5 a) A real estate developer has purchased 30,000 sq.m of land in suburb of Kolkata at Rs600/sq.m. Thereafter he subdivided the plot into small units and observed that 7000 sq.m of land was required for the amenities like roads, godowns, substations, swimming pool gym etc. which were provided at a cost of Rs 50,00,000 and took one year for the same. Subsequently there being no demand for open plots, he decided to sell the plots at cost after a period of four years from the date of purchase. As a valuer, you have to work out the cost of land per sq.m. given that, if he had invested his capital in fixed deposit in any schedule bank, he would have obtained the following rates of interest. 12

Period of deposit	Rate of interest
5 years	8%
4 years	7.5%
3 years	7%
2 years	6.5%

b) Calculate the Escalation of Price with the following details: 8

Value of work done during the period under consideration = Rs 2,14,57,890

Minimum wage payable to minimum rated worker as on the last stipulated date of receipt of tender including extension = Rs 336

Index no of wholesale price of all commodities for the relevant period under consideration published by RBI = 193.5

Increased /escalated minimum wage payable to minimum rated worker during the period under consideration = Rs 354

Price of High Speed Diesel oil as on the last date of receipt of tender at the nearest retail outlet = Rs 57

Increased Price of High Speed Diesel oil for retail consumers at the nearest retail outlet during the period under consideration = Rs 68.50

Index no of wholesale price of all commodities for the base month (i.e. month of submission of tender) published by RBI = 185.6

6. Answer any four

(4x5=20)

- a) What is the significance of Sinking Fund in valuation of a property?
- b) Mention the importance of 'Return Frontage' and 'Vistas' in connection with comparative method of valuation.
- c) What is the purpose of keeping the clause of Mobilization Advance in Contract Agreement?
- d) Differentiate between Building lease and Occupation lease.
- e) Differentiate between Item Rate Contract and Percentage Rate Contract .