B. CIVIL ENGG. (EVENING)
4th Year 2nd Sem Examination 2017
Subject: Valuation, Pricing & Contract

Time: Three hours

Full Marks: 100

Answer any five questions

1 a) Define value and distinguish it from price. 4

b) What is the significance of the term "Potential Value" of a property? 6

c) A machine was purchased at Rs 8,00,000. Assuming salvage value to be Rs 80,000 after 5 years, calculate depreciation for each year adopting sinking fund method considering 6% interest. 10

2 a) A property of a developer is producing a net rent of Rs 60,000 per month which is likely to be maintained. The property is in a bad state of repair and cannot be expected to last more than 16 years. Suggest the developer regarding the amount of fund to be kept for Sinking fund. (Assume the estimated cost of rebuilding the existing structure = Rs. 18,00,000 and six months time will be taken for repairing .Consider rate of redemption of capital @ 5%) 8

b) A property of land is shown in figure. It consists of an old building having a total cubicle content of 3749 m^3. Assuming cost of construction of building as Rs 4,800/m^3 and allowing 10% old materials value only for the building, what would you recommend as the Fair Value of the property, if the front belt land (depth of front belt being 25m) be estimated at Rs 900/m^2. 12
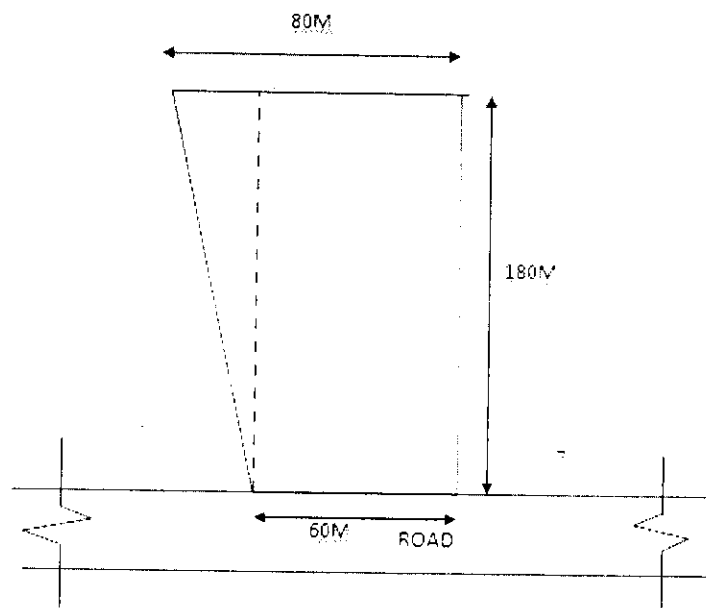
3 a) Why the Escalation Clause is kept in the Contract Agreement? 3

b) Calculate the escalation of price with the following details :

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

Minimum wages payable to minimum rated worker as on the last stipulated date of receipt of tender including extension = Rs 350

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

Increased /escalated minimum wages payable to minimum rated worker during the period under consideration = Rs 385

Price of High Speed Diesel oil as on the last date of receipt of tender at the nearest retail outlet = Rs 58

Increased Price of High Speed Diesel oil for retail consumers at the nearest retail outlet during the period under consideration = Rs 62.50

Index no of wholesale price of all commodities for the base month (i.e. month of submission of tender) published by RBI = 185.6   12

c) Mention the importance of "Size" in connection with comparative method of valuation. 5

4 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) What is the value of Vista in a business locality of a plot having an area of 8 cottah? The value of a single frontage land in the locality is Rs 1,00,000/ cottah. The incremental rent that can be expected due to the existence of this Vista is Rs 500/ month. (Assume Bank Rate of Interest=8%).   8

5 a) What is the purpose of keeping the clause of Arbitration in the Contract Agreement ?   3

b) Mention the provision kept for fixing the 'number of Arbitrators' for Adjudication of a dispute ?

3

c) State the salient features of Arbitration Agreement.

4

d) Differentiate between EMD and ISD in connection with the Contract.

4

e) Differentiate between Contract and Agreement.

6

6 a) Mention the importance of "Lawful Consideration" and "Capacity of the Parties" in connection with essential elements of Contract.   4+4

b) 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 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)

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