BACHELOR OF ARCHITECTURE EXAMINATION, 2018 (OLD)

5TH YEAR, 1ST SEMESTER SUPPLEMENTARY EXAM 2018 (OLD)

VALUATION

TIME :- 3 HOURS   FULL MARKS :- 100

Answer any five Questions
All questions carry equal marks

Q.1. (a) What do you mean by Freehold Interest and Leasehold Interest of an Immovable Property.

(b) Define the terms: Cost, Price and Value of an immovable property with suitable examples.

(c) Explain Year's Purchase Single Rate and Dual Rate and its applications in the field of valuation with Suitable examples.   5+5+10=20

Q.2. (a) Define 'Depreciation' with different methods and formulae.

(b) A temporary structure was constructed and ready for use on 01.01.2010 for Rs. 7,50,000. it is expected that its useful life is only five years and at the end of that period the salvage value realizable could be Rs. 75,000.00. Calculate the book value and depreciation for each year by using 'Straight Line Depreciation Method'   10+10=20

Q.3. (a) Define 'Outgoings' of an Immovable Property comprising Land and Three-Storied Residential Building with partly single tenant occupier and its break-up.

(b) A certain leasehold property is held for a term of 50 years since 2010 at ground rent of Rs. 12,500.00 per annum. The property is sub-let on full repairing lease expiring in 15 years time at Rs. 17,500.00 per month. The present rental value is Rs. 42,000.00 per month. Value the interest of lessee (yield taken: @ 8.5% and @ 3.5%).   10+10=20

Q.4. (a) Briefly discuss Valuation Approaches and Methods of Valuation.

(b) Value the freehold interest in a shop in first class location with full repairing lease granted 21 years back having 19 years unexpired. The rent reserved is Rs. 85,000.00 per month and yield from freehold 7.5%   10+10=20

Q.5. (a) Define 'Annual Sinking Fund Deposit' (A.S.F.D.) with its working formula.

(b) A person has obtained a loan of Rs. 6,50,000.00 to purchase a flat. If repayment is to be done in 12 years @ 12.5% rate of interest by half-yearly instalments, how much would be the amount of each instalment.   10+10=20

Q.6. (a) Define 'Market' and 'Market Value' in respect of Real Estate.

(b) A lessee took on lease for 21 years a shop property. Immediately on taking of the lease. He expended a capital sum of Rs. 8,00,000.00 on the improvement of external appearance of the shop. What is the annual equivalent of the capital expenditure assuming interest at 7.75 on Capital. 10+10 = 20

Q.7. (a) How Net Annual Income of an immovable property is ascertained.

(b) A leasehold residential flat has been purchased by a real estate dealer with 69 years lease term for Rs. 15,00,000.00. The dealer now wishes to let it out at a monthly rent to a company for accommodation of its executives. If the dealer is expecting a return of 7.75% on his capital and a Sinking Fund at 3.25%, then what net income should he expect from the letting. 10+10=20

Q.8. (a) Which factors which govern the selection of rate of capitalization ?

(b) Shorts Notes (Answer any Two):

i) Characteristics of 'Land' as a factor of production.

ii) Remunerative Rate of interest and Accumulative Rate of Interest.

iii) Building Lease and Occupational Lease.

iv) Discuss factors affecting value of an immovable Property. 10+10=20

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