

BACHELOR OF CIVIL-ENGINEERING (EVENING) EXAMINATION, 2018

(2nd Year , 1st Semester)

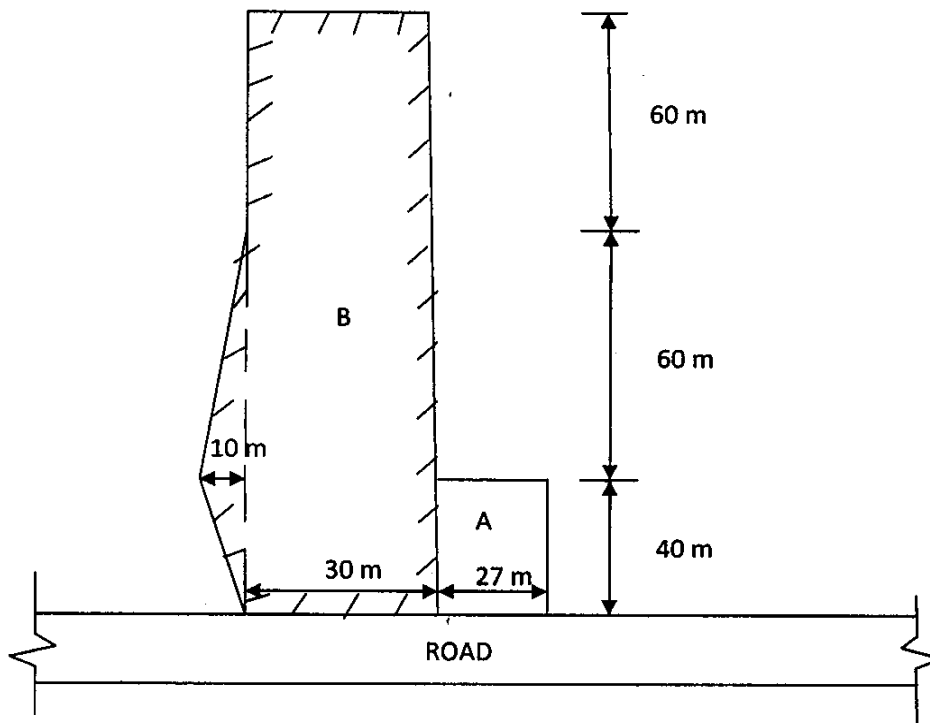
Subject : Valuation, Pricing & Contract

Time: Three hours

Full Marks: 100

Answer any five questions

1. a) Enumerate the essential characteristics of Market Value of a property. 5
- b) What is the significance of the term 'Potential value of a property'? 3
- c) In a Construction site, an Earth Excavator was purchased at Rs 40 Lakhs, assuming Salvage Value to be Rs 4 Lakhs after 5 years, Calculate depreciation each year adopting Straight Line Method and Reducing Balance Method. 12
2. a) An old building , the rent of which is Rs 60,000/- per annum requires structural repairs to the tune of Rs 3,50,000/-. The owner and the tenants are unable to carry out the repairs .As such, a public body has agreed to execute the repairing work and executed one agreement with the owner and the tenants. As per the agreement, the tenants will pay an increased rent after the repair so that Rs 3, 50,000 can be recovered by the public body within a period of 20 years @ 8% rate of interest. At what rent, the tenants will sit after the repairs? (Assume rate of redemption of capital =4%) 8
- b) What would you recommend as the Fair Value of the property^B by Belting Method of Valuation if the front belt land (depth of front belt being 40m) be estimated at Rs 1200/m². 12



3. a) There was a lease agreement for a plot of land between Lessor and Lessee. The lease was for 60 years of unexpired period. The ground rent is Rs 8000 p a. for the first 17 years of unexpired period, after which the lessor will receive the ground rent of Rs 40,000 p.a (consider rate of interest on capital @ 5% and 5.5 % for the first 17 years and last 43 years respectively and redemption @ 4% for the entire unexpired period). Value the land. Assume any other data if required. 12
- b) Briefly distinguish between Potential Value and Speculative Value of a property. 4
- c) A factory owner estimates that he will have to repair his factory and some machines at the end of 12 years and for that a sum of money of Rs 4,80,000 will be required. What amount should he set aside each year if the sinking fund that he intends to create can yield 7% interest? 4
4. a) Differentiate between EMD, ISD and SD in connection with conditions of Contract Agreement. 6
- b) Mention the advantages of Percentage Rate Contract over Item Rate Contract. 6
- c) Differentiate between Building Lease and Occupation Lease. 4
- d) What is meant by Ground Rent of a Property? 4
5. a) A plot of land has been given on a building lease at a ground rent of Rs 24,000 per annum. The lease is for a period of 99 years out of which there remains only 10 years of unexpired period. The free hold market value of the property is Rs 40,00,000. Under the terms of the lease, the building constructed by the lessee will revert to the lessor on expiry of the lease period. What is the present value of lessor's interest in the property. Assume any data. 12
- b) Explain "Intention to create Legal Relationship" and Capacity of the parties in connection with essential elements of Contract. 8
- 6 a) Explain "No Consideration No Contract". 5
- b) What is the purpose of keeping the clause of Arbitration in the Contract Agreement? 5
- c) Mention the provision kept for fixing the 'number of Arbitrators' for Adjudication of a dispute? 5
- d) State the salient features of Arbitration Agreement. 5