

**BACHELOR OF ARCHITECTURE EXAMINATION, 2019**  
**5<sup>TH</sup> YEAR, 1<sup>ST</sup> SEMESTER EXAMINATION, 2019 (OLD)**  
**VALUATION**

**TIME :- 3 HOURS**

**FULL MARKS :- 100**

**Answer any five Questions**  
**All questions carry equal marks**

- Q.1.** (a) Define the term "VALUE" and "VALUATION".  
(b) What are the factors affecting "VALUE" of Immovable Property.  
(c) Net income from a residential property is Rs. 13,800/- per month.  
What is the capital value of an investor seeking on 7.75% return on his capital investment?  
**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. 10,50,000. 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. 52,500.00. 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-Storeyed Residential Building with partly single tenant occupier and its break-up.  
(b) A certain leasehold property is held for a term of 45 years since 2010 at ground rent of Rs. 10,500.00 per annum. The property is sub-let on full repairing lease expiring in 15 years time at Rs. 18,500.00 per month. The present rental value is Rs. 45,000.00 per month. Value the interest of lessee (yield taken: @ 8.5% and @ 3.5%).  
**10+10=20**
- Q.4.** (a) Define 'VIRTUAL RENT' and 'PREMIUM' for lease.  
(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.

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(b) A man constructed an asbestos shed at a cost of Rs. 8,50,000.00 recently. He let it out on lease for 31 years at a rent Rs. 62,500.00 per annum (Net). He has to reconstruct the entire property at the end of the lease term. What is the amount he has to set aside from his income per year to provide for this? What is true return on his capital?

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 (A.E.) 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) Define PERT and CPM. State Differences between them.

(b) A house has bought with the price of Rs. 63 lakhs and put on rent for Rs. 15000.00 per month. After 3 years, Rs. 3 lakhs expensed for modification of the house and after 5 years it was sold for Rs. 85 Lakhs. Show the NPV structure and comment on it's prospect.

10+10=20

Q.9. **Shorts Notes (Answer any Four):**

4\*5=20

- i) Characteristics of 'Land' as a factor of production.
- ii) Computation of Gross Current Replacement Cost (G.C.R.C).
- iii) Ground rent and Net rent.
- iv) Discuss factors affecting value of an Immovable Property.
- v) Factors governing the selection of rate of capitalization.
- vi) Net Present Value (N.P.V) and Internal Rate of Return (I.R.R).

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