

Hall Ticket Number:

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CE415(JOEL23) (R20)

B.TECH. DEGREE EXAMINATION, DECEMBER-2024

Semester VII [Fourth Year] (Regular & Supplementary)

VALUATION OF PROPERTY

Time: Three hours

Maximum Marks: 70

Answer Question No.1 compulsorily. (14 x 1 = 14)

Answer One Question from each unit. (4 x 14 = 56)

1. Answer the following:

- | | |
|---|-----|
| (a) Identify the examples of personal property. | CO1 |
| (b) Define mortgage. | CO1 |
| (c) Differentiate between lessee and lessor. | CO1 |
| (d) Differentiate between salvage value and scrap value. | CO2 |
| (e) Define year's purchase. | CO2 |
| (f) Write the expression for yearly sinking fund instalment. | CO2 |
| (g) Define depreciation. | CO3 |
| (h) Define turn over rent. | CO3 |
| (i) What do you mean by compulsory purchase? | CO3 |
| (j) Differentiate between valuation and appraisal. | CO4 |
| (k) What are the economic indicators? | CO4 |
| (l) What are the sources of risk regarding property investment? | CO4 |
| (m) Differentiate between premium and reverse premium. | CO4 |
| (n) List out the lease incentives. | CO4 |

UNIT – I

2. Explain different types of property to be valued. CO1

(OR)

3. In a plot of land costing Rs. 20,000.00 a building has been newly constructed at a total cost of Rs. 80,000.00 including sanitary and water supply works, electrical installation, etc. The building consists of four flats for four tenants. The owner expects 8 per cent return on the cost of construction and 5 per cent return on the cost of land. Compute the standard rent for each flat of the building assuming: CO1
- (i) The life of the building as 60 years, and sinking fund will be created on 4% interest basis.
 - (ii) Annual repairs cost at 1% of the cost of construction.
 - (iii) Other outgoings including taxes at 30% of the net return on the building.

UNIT – II

4. Explain the replacement cost method of valuation. CO2

(OR)

5. Explain about depreciation and methods to calculate depreciation. CO2

UNIT – III

6. Explain about lease incentives. CO3

(OR)

7. Discuss various alternative lease arrangements. CO3

UNIT – IV

8. Briefly explain the investment appraisal. CO4

(OR)

9. Explain the about development appraisal. CO4

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B.TECH. DEGREE EXAMINATION, MAY-2024

Semester VII [Fourth Year] (Supplementary)

VALUATION OF PROPERTY

Time: Three hours

Maximum Marks: 70

Answer Question No.1 compulsorily. (14 x 1 = 14)

Answer One Question from each unit. (4 x 14 = 56)

1. Answer the following:

- | | |
|--|-----|
| (a) What is Valuation? | CO1 |
| (b) What are the benefits of business valuation? | CO1 |
| (c) Identify terms of engagement. | CO1 |
| (d) Tell about Comparison Method. | CO2 |
| (e) What is Profits Method? | CO2 |
| (f) Review the methods of Valuation of Property. | CO2 |
| (g) Tell about Leasing. | CO3 |
| (h) What do you mean by lease hold? | CO3 |
| (i) Define reverse premium. | CO3 |
| (j) Define is appraisal. | CO4 |
| (k) Tell about Yield. | CO4 |
| (l) Define conventional residual. | CO4 |
| (m) Why risk and return important in investment? | CO4 |
| (n) Tell about risk analysis in property. | CO4 |

UNIT – I

2. (a) What do you understand by valuation and why there is a need for valuation? (7M) CO1
- (b) Discuss the procedure of valuation inspections and investigations. (7M) CO1

(OR)

3. (a) Differentiate single period investments and multi-period investments in valuation of property. (7M) CO1
 (b) Discuss the concept of Time value of Money in Strategic Investment planning. (7M) CO1

UNIT – II

4. (a) Demonstrate various investment method of valuation. (7M) CO2
 (b) A project generates revenues of Rs 1,000 has cash expenses of Rs 600 and depreciation charges of Rs 200 in a particular year. The firm's tax rate is 35%. What is the firm's net income? (7M) CO2

(OR)

5. (a) Distinguish between investment method and profit method. (7M) CO2
 (b) Determine the value of Net Profit rent of Rs. 30,000/-p.a from a head lease that has a remaining term of four years. The leasehold yield is assumed to be 8% and sinking fund is 5%. Income tax payable at 40%. (7M) CO2

UNIT – III

6. (a) Explain various aspects of lease agreement. (7M) CO3
 (b) Summarize surrender and renewal of leases agreements? Explain with suitable examples. (7M) CO3

(OR)

7. (a) Outline a note premium and reverse premium and discuss its importance. (7M) CO3
 (b) Demonstrate about stepped rents, turnover rents, short lease and lease with break options explain with proper examples. (7M) CO3

UNIT – IV

8. (a) Discuss various investment appraisal methods. (7M) CO4
 (b) Explain on risk analysis in property investment appraisal. (7M) CO4

(OR)

9. (a) Elaborate development yield method (7M) CO4
 (b) The following are the projected cash flows to equity and to the firm over the next five years:

Year	CF to Equity	Int (1-t)	CF to Firm
1	250.00	90.00	340.00
2	262.50	94.50	357.00
3	275.63	99.23	374.85
4	289.41	104.19	393.59
5	303.88	109.40	413.27
Terminal Value	Rs 3,946.50	-	Rs 6,000.00

(The terminal value is the value of the equity or firm at the end of year 5.)

The firm has a cost of equity of 12% and a cost of capital of 9.94%. Answer the following questions:

- (i) What is the value of the equity in this firm?
 (ii) What is the value of the firm?

(7M) CO4

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B.TECH. DEGREE EXAMINATION, DECEMBER-2023

Semester VII [Fourth Year] (Regular)

VALUATION OF PROPERTY

Time: Three hours

Maximum Marks: 70

Answer Question No.1 compulsorily. (14 x 1 = 14)

Answer One Question from each unit. (4 x 14 = 56)

1. Answer the following:

- | | |
|---|-----|
| (a) What do you mean by Valuation? | CO1 |
| (b) Distinguish between Cost and Price. | CO1 |
| (c) Identify the examples of Personal Property. | CO1 |
| (d) Tell about Replacement Cost Method. | CO2 |
| (e) What is Residual Method? | CO2 |
| (f) Summarize the methods of Valuation of Property. | CO2 |
| (g) Differentiate between lessee and lessor. | CO3 |
| (h) What do you mean by lease hold? | CO3 |
| (i) Distinguish Premium and reserve Premium. | CO3 |
| (j) Define is appraisal methodology. | CO4 |
| (k) Tell about Payback Method. | CO4 |
| (l) Define conventional residual. | CO4 |
| (m) Why Risk and Return important in investment? | CO4 |
| (n) Compare Yield to Call and Yield to Maturity. | CO4 |

UNIT – I

2. (a) Explain various types of Property to be valued. (7M) CO1
(b) What are market related factors affecting Valuation? (7M) CO1

(OR)

3. (a) Summarize single period investments and multi-period investments. (7M) CO1

- (b) Discuss time value of money using single period investment method with appropriate examples. (7M) CO1

UNIT – II

4. (a) Demonstrate various investment method of Valuation. (7M) CO2
 (b) A firm is considering replacement of a machine, whose cost price is Rs. 12,200 and the scrap value is Rs. 200. The running (maintenance and operating) cost are found from experience are as follows: (7M) CO2

Year	1	2	3	4	5	6	7	8
Running Cost	200	500	800	1200	1500	2400	3100	4000

When should the machine be replaced?

(OR)

5. (a) Distinguish between investment method and profit method. (7M) CO2
 (b) Determine the value of net profit rent of Rs. 20,000/-p.a from a head lease that has a remaining term of four years. The leasehold yield is assumed to be 8% and sinking fund is 5%, income tax payable at 30%. (7M) CO2

UNIT – III

6. (a) Explain various aspects of lease agreement. (7M) CO3
 (b) Summarize surrender and renewal of leases agreements? Explain with suitable examples. (7M) CO3

(OR)

7. (a) Outline a note premium and reserve premium and discuss its importance. (7M) CO3

- (b) Demonstrate about stepped rents, turnover rents, short lease and lease with break options with proper examples. (7M) CO3

UNIT – IV

8. (a) Discuss various investment appraisal methods. (7M) CO4
 (b) Explain on risk analysis in property investment appraisal. (7M) CO4

(OR)

9. (a) Elaborate conventional residual profit appraisal method. (7M) CO4
 (b) A Project of Rs 3,00,000 is supposed to yield Rs 40,000 after depreciation at 12% and is subject to income tax at 40%. Calculate payback period of project. (7M) CO4

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