

**Eight Semester B.Tech Degree Examination**

**(2013 Scheme)**

**13.806.8 VALUATION OF REAL PROPERTIES (C) (Elective IV)**

**Time: 3 Hours**

**Max. Marks: 100**

**MODEL QUESTION PAPER**

**PART-A**

Answer **ALL** questions

1. Distinguish Price, Value & Cost.
2. Define real property and explain its meaning
3. Explain the purpose of valuation
4. What is Depreciation? List the method of computation of depreciation.
5. Explain the role of valuer and explain the procedure to become a valuer.

**(5 x 4 = 20)**

**PART-B**

(Answer **ANY ONE** full Question from each Module)

**Module-I**

6. (a) Define gross income, net income and outgoings. **(8)**  
  
(b) Find out the capitalized value of a shopping complex whose net annual rent Rs.2,00,000 when the highest rate of interest prevalent is 9%. Also calculate the change in capitalized value if the net annual rent reduces by 10% and the interest increase by 1%. **(12)**
7. The house rent allowance for an officer is Rs.12000/- per month. The other outgoings including sinking fund is 10% of the Annual rent. Calculate the plinth area of the quarters if the cost of construction is Rs.1,500/m<sup>2</sup>. Assume yield @ 9%. The plot is owned by the company **(20)**

**Module-II**

8. A building of replacement value of Rs.70000/- stands on a main road on a leasehold plot. The ground rent per annum is Rs.295/-.The building is of RCC framed structure type. It is estimated that the building will have a future of 70years. The rent of the building is Rs.400/-per month. The taxes payable are 18% of the gross rent and insurance premium is 0.5% of the gross rent. Assuming suitable figures for other items of the usual outgoings, determine the capitalised value of the property on the basis of 5% net yield. **(20)**
9. A plot of land having an area of 12000m<sup>2</sup> is situated on a national highway. It has only one frontage of 30m width and it is surrounded by the adjoining properties on the remaining three sides. As per prevailing bye-law, no construction is allowed by the authorities concerned in the front 20m width except gardening, greenery and agriculture. The study of sale instances of nearby properties in the form of land

indicates that the rate of land varies from Rs.16/- to Rs.20/- per m<sup>2</sup>. Work out the value of the property. **(20)**

### **Module-III**

10. Suggest the reasonable standard rent for a residential house in a housing society purchased on the ownership basis with the following particulars: Cost of land paid to the society Rs.200000/- , Cost of superstructure Rs.650000/-, Amount spend for additional work Rs.50000/-, Amount of share to be purchased for becoming member of the society Rs.5000/-, society service charge per month Rs.300/-, Period of completion of project 2years. **(20)**
11. (a) What are the different purposes of valuation done by Banks? **(10)**
- (b) Differentiate between Collateral security and Primary security. **(10)**

### **Module-IV**

12. Explain the legal aspects of valuation with any two examples. **(20)**
13. Prepare valuation report in the legal format for the following details.

Area of land =50m<sup>2</sup>, Sub urban area having a land cost of Rs.1, 00,000/- market value in the legal fair prize in Rs.30, 000/- Building located in the land having an area of 300m<sup>2</sup> and fetching a monthly rent of Rs.40/m<sup>2</sup>, Fair rent at that area is Rs.10/m<sup>2</sup>, Building an age of 15years and future life assumed as 30years, considering the outgoings as Rs.10,000/-.Any other data may be suitably assumed. **(20)**