

Name: _____

Ch 12 Suex Test

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1. All of the following might contribute to the economic obsolescence of a property EXCEPT:
 - A. zoning changes.
 - B. highway reroutings.
 - C. poor architectural design.
 - D. new shopping center.

2. What is the first step in the appraisal process?
 - A. Determine the data needed.
 - B. Define the appraisal problem.
 - C. Collect data.
 - D. Analyze the data.

3. The elements of value do not include:
 - A. cost and age.
 - B. utility and demand.
 - C. scarcity and transferability.
 - D. Any of the other answers are correct.

4. Which of the following is the most complete type of appraisal report?
 - A. Short form report
 - B. Letter of opinion
 - C. Narrative report
 - D. Check list report

5. Appreciation in unit value created by joining smaller parcels into one large single parcel is called:
 - A. progression.
 - B. plottage increment.
 - C. assemblage.
 - D. appreciation.

6. Which of the following would NOT be important in a market data approach to value?
 - A. Difference in sales dates
 - B. Difference in age
 - C. Different original costs
 - D. Difference in locations

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7. An example of an item of depreciation that would NOT generally be incurable is:
- A. a poor floor plan.
 - B. old fashioned fixtures.
 - C. a room addition.
 - D. change from wood siding to stucco.
8. An agent is listing a home that has been over improved for the neighborhood. The principal of value that the agent may cite to persuade the seller his home is NOT worth substantially more than his neighbors is:
- A. regression.
 - B. progression.
 - C. anticipation.
 - D. competition.
9. The separate valuation of land and buildings is necessary in which method of estimating value?
- A. Sales comparison approach
 - B. Reproduction cost approach
 - C. Straight line approach
 - D. Income approach
10. The market price as related to the market value of a property is:
- A. never the same.
 - B. always the same.
 - C. possibly the same.
 - D. None of the other answers are correct.
11. Which of the following is not considered obsolescence?
- A. Outdated fixtures
 - B. Declining neighborhood
 - C. Wear and tear
 - D. Over improvement
12. Which of the following components would not represent market value in an arm's length transaction?
- A. A seller who provides financing
 - B. A local buyer born and raised in the community
 - C. A property that sold after 100 days on the market when the average number of days is approximately 100 to 120 days in that community
 - D. an elderly couple wanting to downsize

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13. Which would NOT cause functional obsolescence?
- A. Inadequate heating and air-conditioning
 - B. Eccentric and unorthodox design
 - C. Super adequate improvements
 - D. Proximity to noxious odors or nuisances
14. When employing the sales comparison approach, the appraiser will:
- A. make a positive adjustment to the comparable for a feature that the subject has but the comparable does not.
 - B. make a positive adjustment to the subject for a feature that the comparable has but the subject does not.
 - C. make a negative adjustment to the comparable for a feature that the subject has but the comparable does not.
 - D. make a negative adjustment to the subject for a feature that the comparable has but the subject does not.
15. In distinguishing between curable and incurable depreciation, it would be correct to say that:
- A. curable depreciation is depreciation the owner cannot afford to correct.
 - B. incurable depreciation is depreciation the owner can afford to correct.
 - C. incurable depreciation costs more to correct than it adds to property value.
 - D. BOTH curable depreciation is depreciation the owner cannot afford to correct AND incurable depreciation is depreciation the owner can afford to correct.
16. A property's actual age is 18 and the appraiser has determined the effective age to be 12. If the remaining economic life is 38, what is the percent depreciation?
- A. 32%
 - B. 47%
 - C. 24%
 - D. 36%
17. A income producing property is valued at \$2,000,000 with annual income of \$400,000. What is the indicated GIM?
- A. 2.4
 - B. 5
 - C. 4
 - D. 7.5

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18. A small apartment building produces monthly net income of \$35,000. If the value is \$3,500,000, what is the capitalization rate?
- A. 1%
 - B. 10%
 - C. 12%
 - D. 6%
19. If a property has a value of \$475,000 and a cap rate of 12%, what is the value with a cap rate of 8%?
- A. \$712,500
 - B. \$316,000
 - C. \$3,160,000
 - D. \$260,300
20. The ground floor of a home measures 38' by 48'; the second floor has the same measurements; and, the basement is half that size.
- If the ground floor improvements are valued at \$62 a square foot; the second floor improvements are valued at \$48 a square foot; and, the basement area is valued at \$21 a square foot, what is the value of the improvements?
- A. \$239,654
 - B. \$219,792
 - C. \$209,987
 - D. \$199,123

You have completed the test!