MANIPAL INSTITUTE OF TECHNOLOGY

(A constituent unit of MAHE, Manipal)

## **II SEMESTER M.TECH. (CONSTRUCTION ENGINEERING AND MANAGEMENT)**

# **MAKEUP EXAMINATIONS, JUNE 2019**

#### PROGRAMME ELECTIVE III

#### SUBJECT: VALUATION TECHNIQUES IN ENGINEERING [CIE 5240] REVISED CREDIT SYSTEM (17 / 06 / 2019)

Time: 3 Hours

MAX. MARKS: 50

### Instructions to Candidates:

✤ Answer ALL the questions.

✤ Missing data may be suitably assumed.

1A.	Explain (i) Goodwill Value (ii) Deferred land value	04	CO1
1B.	Briefly explain sinking fund and the method of depreciation based on this with an example	03	CO1
1C.	What is Market value? Explain Fair market value and Open market value	(01+02 =03)	CO2
2A. 2B	A RCC framed structure is let out at Rs. 4, 74,600/- per month in a business locality of a city. The ground floor is used as shops and the upper floors are used as residential units. Calculate the standard rent for each floor with the following carpet areas. Carpet areas: Ground floor – 600 sqm First floor – 600 sqm, Second floor – 600 sqm Fourth floor – 480 sqm What is plinth area? Write a note on the measurement of carpet area as per BIS rules given in JS 3861- 1966	03	CO2 CO2
2D.	A property consists of basement, ground and one upper floor. The plot area is 1800 sqm. The built up area of each floor is 450 sqm. The basement and the ground floor are rented on lease to a Bank for an annual net rent of Rs. 2,00,000/ The lease period is of 5 years and can further be extended for a term of another 5 years at the option of the lessee. The lease period of 2 years has already expired. The first floor is occupied by the owner and its net fair annual letting value may be estimated at Rs. 90,000/ Work out the value of the properly. YP may be calculated @ 10% on capital and 5% for redemption for the first 3 years. For the owner occupied portion, capitalize in perpetuity with YP.	05	CO3



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3A.	<ul> <li>Value the following property as of April 2019 using composite rate method <ul> <li>a) Land extent- 60 ft x 40 ft</li> <li>b) Plinth area constructed- 1400 sft</li> <li>c) Year of construction- 2000 in Manipal</li> <li>d) Composite rate of a property with nearly identical construction adjacent to this property = 1500(land)+1800(building) = Rs 3300/sft</li> <li>e) FSI allowed for the building to be valued= 1.50</li> <li>f) FSI achieved by the building under comparison= 1.50</li> <li>g) Useful life of the building under valuation = 65 Years</li> </ul> </li> </ul>	05	CO3
3B.	A Restaurant is constructed on a free hold plot of land in the business centre of a city. The gross receipt during a particular year is Rs. 90 Lakhs. The owner has to spend Rs. 25 Lakhs for the purchase of food stuff items. If the owner has to pay an amount of Rs. 45,000 towards insurance premium, municipal tax etc., calculate the value of the property. Other outgoings may be assumed at 10% of gross income. Assume suitable working expenses. YP may be calculated at 12% in perpetuity.	05	CO3
4A.	A lessee has constructed a building worth Rs.5 Lakhs on a lease hold land held by him on 99 years lease with a ground rent of Rs.500 per month. The lease has 50 years of un-expired period. The building has been let out on a net rent of Rs.4500 per month for the first 20 years of un-expired period and thereafter for remaining period the net rent will be Rs.6000 per month. Work out the lessee's interest in the property. The free holder expects at least 8% return. Adopt 5% for redemption of capital	05	CO3
4B.	A person purchases a leasehold property for Rs.8 Lakhs, lease period being 55 years of which 30 years already expired. What is the amount to be provided annually for redemption of capital at 3%? Suppose the person decides to sell of his/her interest after 10 years, what is the amount of accumulated sinking fund at that stage?	03	СОЗ
4C	A plot of land has been given on building lease on a ground rent of Rs. 3600 per month. The lease is for a period of 99 years out of which there remains only 21 years of un-expired period. The free hold present market value of the property is Rs. 9 Lakhs. Under the terms of the lease the building constructed by the lessee will revert to the lessor on the expiry of the lease period. What are the present values of the Lessor's interest in the property? Consider PV of Re. 1 per annum @ 6% and PV of Re. 1 per annum receivable after 21 years at 7%.	02	CO3
5A.	Discuss the methods of valuation of Agricultural/Farm lands	05	CO4
5B.	Discuss about the essential characteristics of easement	03	CO5
5C	What are the purposes of valuation of house properties under the Income-tax Act?	02	CO5