

Topic 8 Quiz

- T F 1. Value is the power of a good or service to command other goods or services in exchange.
- T F 2. For anything to have value, it must be available in abundance.
- T F 3. In estimating market value, the appraiser assumes that buyers and sellers behave in a rational manner, neither being under undue pressure, and that normal financing conditions prevail.
- T F 4. Market price should be the same as market value, but in actuality, the selling price may reflect financing terms or unusual conditions.
- T F 5. The principle of contribution holds that the value of a component part of a property depends upon how much it contributes to the value of the whole property.
- T F 6. The principle of regression states that properties of higher value will enhance the value of properties of lower value in their proximity.
- T F 7. An appraisal is an estimate of the value of a property as of a specified date.
- T F 8. The method of computing value based on anticipated net operating income is called capitalization.
- T F 9. The cost approach to appraising is derived from the principles of substitution and contribution.
- T F 10. Functional obsolescence is the loss of value due to influences external to the subject property.
- T F 11. Economic obsolescence is loss of value due to the change in technology, materials or tastes.
- T F 12. To be an appraiser, one must hold a real estate broker's license.

Answers to Topic 8 Quiz:

1. T
2. F
3. T
4. T
5. T
6. F
7. T
8. T
9. T
10. F
11. F
12. F