NAME: ______________________________
(Please print your name here)

PLEDGE: ____________________________
(Sign your name here)

1. The exam is **closed book and closed notes**. You can bring in one page, double-sided, 8×11 formula sheet.

2. You can (and probably have to) use a calculator.

3. You have a total of 90 minutes for the exam.

4. The whole exam has a total of 25 questions. It will count **40%** for your final course grade. There are total of 25 multiple choices questions. Questions 1-10 are 1 point each. Question 11-25 are 2 points each.

5. **Do not** separate the exam book. Turn in the entire exam at the end.

6. Budgeting your time efficiently.

7. Good luck.
Please use the following table for your answer to the multiple choice questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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Total
1. Which of the following cannot be shown as operating expenses?
   a. Property taxes
   b. Management expenses if owner self-manages the property
   c. Utilities paid by tenants
   d. Advertising expenses

2. Which of following expenses is a function of tenant turnover?
   a. Leasing commissions
   b. Property insurance
   c. Property taxes
   d. Roof repair

3. Which of the following gives the maximum allowable vacancy for property to be able to take care of all
   the cash needs?
   a. Expense ratio
   b. Cash on Cash
   c. Return on asset
   d. Break even point

4. Which of the following gives an indication on initial (going-in) profitability of a property for the investor?
   a. Expense ratio
   b. Cash on Cash
   c. Return on asset
   e. Break even point

5. In calculating the reversion value, the NOI in the year following the sale is typically divided by the:
   a. Cash rate
   b. Internal Rate of Return
   c. Equity Base
   d. Going out Cap Rate
Use the following table for the next 5 questions:

The following table presents information on six sales that an appraiser considers comparable to the single-family residence being appraised. Use the following order for adjustment in deriving your final appraisal value: date, size, location, age, and basement.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Sale 1</th>
<th>Sale 2</th>
<th>Sale 3</th>
<th>Sale 4</th>
<th>Sale 5</th>
<th>Sale 6</th>
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<tbody>
<tr>
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<td>$74,000</td>
<td>$70,000</td>
<td>$80,000</td>
<td>$82,000</td>
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<td>Date</td>
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<tr>
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6. Compare sale 1 and sale 2. How should you adjust the sale 4 for date of sale?
   a. Up by $1,000
   b. Down by $1,000
   c. Down by $5,000
   d. No adjustment needed

7. Compare 2 and 3 next. How should you adjust the sale 1 for size?
   a. Up by $5,000
   b. Down by $5,000
   c. Up by $4,000
   d. No adjustment needed

8. Compare 1 and 4 next. What is the implied location premium in the sales price of 4?
   a. $0
   b. $4,000
   c. $5,000
   d. $6,000

9. Compare 5 and 6 next. What is the implied new construction premium in sales 5?
   a. $0
   b. $3,000
   c. $6,000
   d. $9,000
10. What is the appraised value for the subject property?
   a. $73K
   b. $74K
   c. $75K
   d. $76K

   For additional practice questions, see quiz 1, quiz2 and midterm practice questions.

   Suggested answer: CADBD ADDDA

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<th></th>
<th>Subject</th>
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