



## Chapter 16 Quiz

1. Which of the following would be considered part of the income approach?
  - A. Depreciation
  - B. Rent loss
  - C. Reproduction method
  - D. Land value
2. The three variables in the formula used in the income approach are
  - A. income, rate, and value.
  - B. rate, value, and expenses.
  - C. rate, value, and gross rent multiplier.
  - D. value, income, and expenses.
3. The two characteristics of real estate that govern the way the market reacts to supply and demand are
  - A. financing and appraisal.
  - B. mobility and conformity.
  - C. uniqueness and immobility.
  - D. demographics and interest rates.
4. When the supply of housing decreases,
  - A. prices tend to rise.
  - B. prices tend to drop.
  - C. demand tends to rise.
  - D. demand tends to drop.
5. The income approach to value would be most important in the appraisal of
  - A. a condominium.
  - B. an office building.
  - C. a single-family residence.
  - D. a vacant residential lot.
6. In an old retail building, which of the following would most likely be the cause of incurable functional obsolescence?
  - A. Deficient and inadequate lighting
  - B. Closely-spaced internal support columns
  - C. An unattractive store front
  - D. A decrease in the area's population

Quiz 16, Page 2

7. The income approach as used by an appraiser makes use of which of the following?
  - A. Equalization
  - B. Depreciation
  - C. Appreciation
  - D. Capitalization
  
8. Both licensed and certified residential appraisers may conduct appraisals of residential properties that are valued of
  - A. of more than \$1 million.
  - B. of no more than \$1 million.
  - C. between \$2 and \$5 million.
  - D. any amount.
  
9. Reconciliation is best described as
  - A. selecting the highest value given by the three approaches to value.
  - B. comparing comparable properties and identifying their amenities.
  - C. determining the final value by selecting one value from those given.
  - D. analyzing the results obtained from the three approaches to value.
  
10. If the lender agrees, in a New Jersey federally related loan transaction, a real estate broker may be paid for
  - A. supplying comparables to a licensed appraiser.
  - B. supplying a comparative market opinion.
  - C. a broker price opinion.
  - D. supplying mortgage leads to a financial institution.