

**UNIVERSITY OF KABIANGA**

**UNIVERSITY EXAMINATIONS**

**2016/2017 ACADEMIC YEAR**

**FIRST YEAR SECOND SEMESTER EXAMINATION**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 106**

**COURSE TITLE: INTRODUCTION TO REAL ESTATE**

**DATE: 21ST JUNE, 2017**

**TIME: 2.00 PM- 5.00 PM**

**INSTRUCTIONS:**

**ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS.**

 **QUESTION ONE (Compulsory)**

a) Explain the following terms in real estate;

i) Land. (3 marks)

ii) Freehold interest. (3 marks)

iii) Real estate financing. (3 marks)

iv) commercial land use. (6 marks)

b) Real estate properties are considered unique investments. Describe any five characteristics of real estate properties. (10 marks)

**QUESTION TWO**

a) Define mortgage market. (3 marks)

b) State six factors that determine the value of real estate property. (12 marks)

**QUESTION THREE**

a) Explain the following terms:

i) Highest Best Use. (2 marks)

ii) Market value. (3 marks)

b) Describe any five key participants in real estate development process. (10 marks)

**QUESTION FOUR**

Briefly explain the real estate financing process. (15 marks)

**QUESTION FIVE**

a) What do you understand by "Land development loan" (5 marks)

b) Despite many risks that are associated with real estate investments, many investors prefer it to other investment portfolio. State five advantages and five disadvantages of investigating in real estate. (10 marks)