

**RPA Course Material
Review
Practice Questions**

March 2024

Copyright ©

Property Tax Education Coalition, Inc.

P. O. Box 9822

College Station, Texas 77842

Web Site: <http://www.ptectexas.org>

©All rights reserved. No part of this material may be reproduced in any form or by electronic or mechanical means, including information storage or retrieval systems, without permission in writing from PTEC.

ETHICS

- 1. If a public servant misuses government property, services or personnel, it is a violation of Section 39.02, which is?:**
 - a. Bribery
 - b. Conflict of Interest
 - c. Abuse of Powers
 - d. Abuse of Official Capacity

- 2. In the case of outside employment, the tax professional is obligated to:**
 - a. Conceals employment from the public
 - b. No outside employment is allowed
 - c. Full disclosure and compliance with local rules
 - d. Performs the employment in a creditable manner

- 3. According to TDLR Rule 94.7(e), a registrant must avoid manipulating data:**
 - a. To reach a pre-determined finding
 - b. To support a market value
 - c. To avoid a conflict of interest
 - d. To hide a personal interest

- 4. Principles of conduct that govern a group or organization are referred to as:**
 - a. Laws
 - b. Ethics
 - c. Rules
 - d. ideal but impossible behavior

- 5. Using one's position to determine a favorable outcome in a hearing on one's on property is:**
- a. Improper influence
 - b. Conflict of interest
 - c. Abuse of Powers
 - d. Misuse of Titles
- 6. Registrants should be guided by the principle that property taxation should be:**
- a. Accurate and equal
 - b. Fair and accurate
 - c. Accurate and uniform
 - d. Uniform and fair
- 7. Registrants should not use information received in connection with the duties of an appraiser for their own purposes unless:**
- a. They share it with other staff members
 - b. They do not use it for profit
 - c. Such information can be known by ordinary means to any ordinary citizen
 - d. Everybody else knows about it
- 8. Valuing property in the same economic area at different rates would be called?:**
- a. Discrimination
 - b. Abuse of Powers
 - c. Conflict of Interest
 - d. Unfair Treatment

TDLR

- 9. What is the name of the Act that requires certain government officials in the property tax profession to register and obtain certification?**
- a. The Tax Professional Act
 - b. The Property Tax Professional Certification Act
 - c. Tax Certification Act
 - d. Professional Employees Certification Act
- 10. After changing employers or becoming unsponsored, how many days does a person have to notify TDLR?**
- a. 60
 - b. 45
 - c. 30
 - d. 15
- 11. How long do Appraiser (RPA) candidates have to achieve their certification process?**
- a. 2 years from employment date
 - b. 5 years from employment date
 - c. 2 years from original registration issuance date
 - d. 5 years from the original registration issuance date
- 12. A registrant may act in purely private capacity regarding a personal tax matter so long as:**
- a. It is in a different county
 - b. They are not acting as a tax agent
 - c. He or she does not use their official position to influence the outcome of the dispute
 - d. The Chief Appraiser grants them permission

13. A registrant may not accept or solicit any benefit in return for?

- a. Sporting event tickets
- b. Reducing values
- c. Exemption approval
- d. Favorable treatment

14. A registrant must disclose in writing to whom any outside employment.

- a. The appraisal district or taxing entity
- b. The appraisal supervisor
- c. HR Department
- d. County Judge

15. A registrant in their official capacity must not endorse.

- a. Political candidate
- b. The services or products of any person or firm
- c. Spouse running for public office
- d. Anything for financial gain

16. According to TDLR Rules, to use the title “Registered Professional Appraiser,” a person must be actively registered, certified, and performing duties:

- a. For a governmental entity
- b. For an appraisal district
- c. As a property tax appraiser
- d. As an appraiser, assessor, or collector

USPAP

17. One source of generally accepted appraisal practice is:

- a. Uniform Standards of Appraisal
- b. Uniform Standards of Professional Appraisal Practice
- c. Appraiser's Guide to Standard Appraisal Practice
- d. Marshall & Swift Appraisal Guide

18. The USPAP STANDARD Rule that applies to Mass Appraisal Reporting is:

- a. STANDARD Rule 6
- b. STANDARD Rule 7
- c. STANDARD Rule 8
- d. STANDARD Rule 9

19. USPAP is developed, interpreted, and amended by the:

- a. Appraisal Subcommittee
- b. Appraisal Qualifications Board
- c. Appraisal Standards Board
- d. Appraisal Practices Board

20. The type and extent of research and analyses in an assignment defines which USPAP term?

- a. Workfile
- b. Valuation Services
- c. Appraisal Practice
- d. Scope of Work

21. Which of the following best defines an appraisal?

- a. An appraisal is an opinion and estimate of value arrived at by logical analysis of available data by an appraiser
- b. The land value estimate plus the improvement value estimate
- c. The calculation of market value using one of the three approaches to value
- d. An appraisal is a certified estimate of a property's value by a broker

22. What board develops, publishes, interprets and amends USPAP?

- a. Appraisal Standards Board
- b. Appraisal Qualifications Board
- c. Appraisal Foundation
- d. Texas Comptroller of Public Accounts

23. Which Texas Property Tax Code Section requires the appraisal districts to comply with USPAP?

- a. Sec. 6.05
- b. Sec. 23.01
- c. Sec. 25.18
- d. Sec. 25.25

PROPERTY TAX ADMINISTRATION

24. The appraisal phase of the Tax Cycle includes which of the functions below?

- a. Administration of exemptions
- b. Protest hearings.
- c. Certification of the appraisal roll
- d. Preparation of the tax roll

25. The process of recording property characteristics in the appraisal district is called:

- a. Listing
- b. Discovery
- c. Field work
- d. Identification

26. The 10% cap on appraisal increases applies to all:

- a. Property
- b. Real property
- c. Residences
- d. Residence homesteads

27. Which of the following best describes taxable value?

- a. Appraised value less the total amount of exemptions that apply
- b. Appraised value less mandatory deferrals
- c. Market value less percentage or lump sum exemptions
- d. Appraised value

28. Which of the following is not exempt under state law?

- a. Solar and wind-powered energy devices for personal use
- b. Implements of husbandry
- c. Farm products in the hands of the producer
- d. Electric generation equipment

29. The phase of the Tax Cycle in which the governing body sets the tax rate is:

- a. Appraisal
- b. Equalization
- c. Assessment
- d. Collections

30. The “Circuit Breaker” Law affects the following property if it has the same ownership as the prior year for 2024?

- a. All property in the CAD
- b. All property except homesteads with a value of less than \$10 million
- c. All property in the CAD with a value of \$5 million or less
- d. All property in the CAD except homesteads with a value of \$5 million or less

31. In most counties, the appraisal review board must complete substantially all hearings and approve the appraisal records by:

- a. May 15
- b. June 10
- c. July 20
- d. August 20

32. What is the value increase limitation in the “Circuit Breaker” Law?

- a. 25% from previous year plus new improvements
- b. 20% from previous year plus new improvements
- c. 10% from previous year plus new improvements
- d. 5% from previous year plus new improvements

33. Mr. Jones home has an appraised value of \$400,000. The exemptions for his school district are the \$100,000 homestead exemption and a 20% optional exemption. The school district’s tax rate is \$1.10 per \$100. What is Mr. Jones’ school tax amount?

- a. \$242.00
- b. \$264.00
- c. \$2,420.00
- d. \$2,640.00

34. Which of the following refers to a document prepared by the collector that shows the amount of delinquent tax, penalty, and interest due on a property?

- a. Tax lien
- b. Tax warrant
- c. Tax certificate
- d. Tax voucher

35. What is the value limitation for binding arbitration?

- a. No limitation
- b. \$5,000,000
- c. Residence homestead or \$3,000,000
- d. Residence homestead or \$5,000,000

36. The Chief Appraiser must certify the appraisal roll or a certified estimate, to all the taxing jurisdictions by:

- a. May 15
- b. June 10
- c. July 20
- d. July 25

37. The Equalization Phase of the Tax Cycle begins of which date??

- a. October 1
- b. January 1
- c. May 15
- d. July 25

38. The Chief Appraiser must turn the records over to the Appraisal Review Board on what date?

- a. April 1
- b. April 15
- c. May 15 or soon thereafter as possible
- d. May 31

39. In what phase of the Tax Cycle are the records approved by the ARB?

- a. Appraisal
- b. Equalization
- c. Assessment
- d. Collections

40. Who has control over the appraisal records during the Equalization Phase?

- a. Appraisal Review Board
- b. Chief Appraiser
- c. Taxing Units
- d. ARB Attorney

41. When are tax bills due?

- a. October 1
- b. February 1
- c. 30 days after receipt
- d. Upon receipt

42. Who approves the tax roll?

- a. ARB
- b. Chief Appraiser
- c. Governing Body
- d. Tax Assessor / Collector

43. A governing body is responsible for all of the following except:

- a. Adopt a tax rate each year
- b. Approve a budget each year
- c. Approve the tax roll
- d. Approve the appraisal roll

PROPERTY TAX APPRAISAL

44. “Accepted appraisal practice” means producing an estimate of value through:

- a. Methods and techniques ordered by the chief appraiser
- b. The procedures which have been approved by all taxing units
- c. Methods which are unique to the particular property
- d. An orderly set of steps which eliminate bias and enable testing

45. Which of the following is most likely to be a market-value transaction?

- a. The children of Mrs. House sold her home to the son of the person who took care of her for 20 years before she died
- b. A buyer moves to Texas from a different state with much higher property values and does not research the market before buying
- c. The last pad site is sold in a very desirable commercial area
- d. After many years of running her business, Jane decides to sell her real estate and retire to Florida

46. Land value may be estimated using the:

- a. Market or Cost Approach
- b. Cost Approach only
- c. Market Approach only
- d. Market or Income Approach

47. Mike bought a house with land for \$180,000. He spends \$15,000 to paint the house and make other repairs, and then sells the property for \$225,000. What economic principle explains the difference between the cost of the repairs and the increase in the sale price?

- a. Contribution
- b. Conformity
- c. Supply and demand
- d. Balance

48. What is the bundle of rights?

- a. No property owner can give up one right in property without giving up others
- b. Ownership of property consists of owning a number of distinct and separable rights
- c. Property owner's rights cannot be restricted unless they sell or lease one or more of those rights
- d. Individuals always share property ownership with the government

49. A value schedule will reflect the value of a structure would have if it were:

- a. Normally depreciated
- b. Totally depreciated
- c. Physically depreciated
- d. 100% good

50. The chief appraiser must, under law, use the income approach when appraising:

- a. Residential property
- b. Income producing property
- c. Properties that qualify for special-use valuation
- d. All commercial property

COST APPROACH TO VALUE

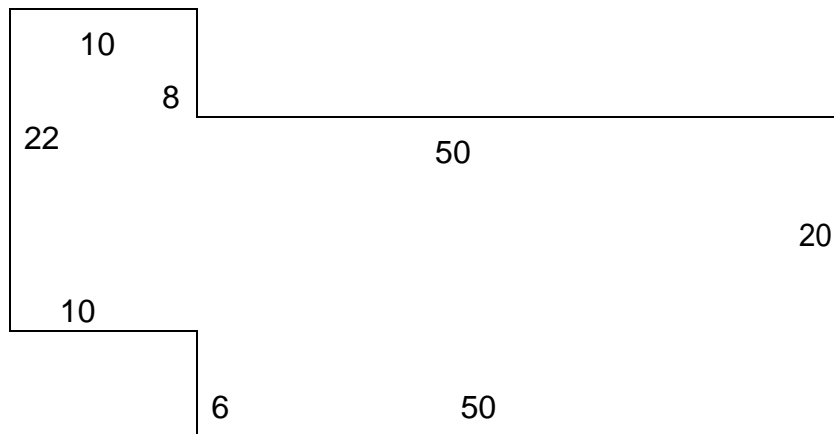
Below is a schedule of unit costs for various construction components.

- a. Use it to estimate RCN for property A.

COMPONENTS	GOOD	AVERAGE	POOR
Foundation/sq. ft.	\$14.49	\$12.08	\$10.50
Flooring/sq. ft.	\$10.35	\$8.63	\$7.50
Walls/lin. ft.	\$144.90	\$120.75	\$105.00
Roof/sq. ft.	\$62.10	\$51.75	\$45.00
Windows	\$89.70	\$74.75	\$65.00
Picture Windows	\$172.50	\$143.75	\$125.00
Exterior Doors	\$345.00	\$287.50	\$250.00
Interior Doors	\$103.50	\$86.25	\$75.00
Sliding Glass Doors	\$310.50	\$258.75	\$225.00
Decorative Doors	\$897.00	\$747.50	\$650.00

- b. Total direct costs from table above; then add 21% for indirect costs.

PROPERTY A



All components of Property A are of average quality, except the roof and the slab, which are good

quality and covers 1,550 square feet. The house has ten (10) interior doors, one (1) sliding glass door, two (2) exterior doors, eight (8) windows, and one (1) picture window.

All components are AVERAGE Quality except the roof and slab – it is GOOD Quality

ANSWER SPACE:

COST APPROACH QUESTIONS:

51. What is the direct cost of the foundation?

- a. \$17,677.80
- b. \$14,767.60
- c. \$12,810.00
- d. \$12,627.00

52. What is the direct cost of the walls?

- a. \$7,920.00
- b. \$18,480.00
- c. \$21,252.00
- d. \$25,502.40

53. What is the total Direct Cost of the improvement?

- a. \$129,162.50
- b. \$148,151.40
- c. \$154,995.12
- d. \$112,310.00

54. What is the total Indirect Cost of the improvement?

- a. \$23,585.10
- b. \$27,124.15
- c. \$32,585.10
- d. \$31,111.79

55. What is the total RCN of the improvement?

- a. \$179,263.19
- b. \$156,286.75
- c. \$187,544.10
- d. \$135,895.10

56. Depreciation refers to an improvement's loss of value:

- a. Because of changes in the surrounding area
- b. Because of physical defects
- c. From all causes
- d. Because it is out of style

57. Adjustments must always be made, or at least considered when adjusting the value schedule to reflect the subject property's:

- a. Actual age
- b. Appreciation
- c. Sale price
- d. Depreciation

58. Most appraisal districts base value schedules for residential properties on a combination of:

- a. Market Approach and Income Approach
- b. Cost Approach and Income Approach
- c. Cost Approach and Market Approach
- d. Previous year's value and present value

59. When the most probable use of a property is single-family residential, the use is:

- a. Productive
- b. Investment
- c. Consumptive
- d. Special

60. Calculate the area of a circle if the diameter is 25 feet? (Pi = 3.1416)

- a. 490.88 Sq Ft
- b. 516.25 Sq Ft
- c. 625.00 Sq Ft
- d. 1,963.5 Sq Ft

61. If a circle has diameter of 25 feet, what is the square footage of $\frac{1}{2}$ of the circle?

- a. 981.75
- b. 491.38
- c. 245.44
- d. 122.72

62. When a person owns property, the person has six basic rights. These are often called the bundle of rights. Which of the following is the bundle of rights?

- a. Sell, lease, use, give, enter, & remodel
- b. Sell, lease, use, give, exit, & refuse
- c. Sell, lease, use, give, enter, & refuse
- d. Sell, loan, gift, exit, & refuse

62. Choose the correct types of governmental restrictions that may limit the exercise of the bundle of rights.

- a. Taxation, eminent domain, police power, escheat
- b. Taxation, mowing liens, zoning, curfew.
- c. Taxation, eminent domain, police power, zoning
- d. Taxation, egress, ingress, police power

SALES COMPARISON OR MARKET APPROACH

63. Cash equivalency analysis requires adjusting the sales price of a comparable when:

- a. Seller pays points on the buyer's new loan to provide the buyer with a below market interest rate
- b. Buyer assumes an existing mortgage at a current market rate
- c. There are no unusual financing considerations
- d. There are no significant time factors before the date of sale and date of appraisal

64. Sale Price = \$ 125,000 Monthly Rent = \$1,250. What is the annual potential GRM?

- a. 8.33
- b. 10%
- c. 10
- d. 100

65. Which of the following statement best explains "value in use"?

- a. Establishes value based upon the highest and best use of the property
- b. Value is only placed on the property when it is "in use"
- c. Always is equal to market value
- d. Value is based upon a specific land use for the property

66. Sale Price = \$350,000 Annual Rent = \$36,000. What is the monthly Potential Gross Rent Multiplier?

- a. 9.72
- b. 10
- c. 116.67
- d. 120

67. “The value in the marketplace” refers to:

- a. Market value
- b. Investment value
- c. Taxable value
- d. Assessed value

68. Which of the following explains the theory of consistent use?

- a. The improvement must be the same as the use creating the land’s value
- b. For specific properties – value is maximized when the size and type of improvements are proportional to each other as well as to the land
- c. The value of a property depends upon its relationship to its surroundings
- d. The cost of a property depends upon its relationship to its surroundings

69. A riparian right allows the holder of the right access to or use of:

- a. A road through another property
- b. Minerals under the surface
- c. A body of water
- d. An unused easement

70. In an area possessing overall conformity of average value properties a higher valued property experiences:

- a. Substitution
- b. Renovation
- c. Progression
- d. Regression

71. According to the principle of “contribution,” the value of any feature of a property equals:

- a. The amount it adds to market value
- b. The amount it costs the owner to add the feature
- c. The average amount which such features add to such properties
- d. The value which the feature would have separately

72. In the final step of the sales comparison approach, estimating the subject’s value, what does appraisal text state that SHOULD NOT be done in arriving at an estimate of the subject’s value?

- a. Average the prices of the adjusted comparables to estimate the subject’s value
- b. Consider the number of adjustments made to the comparable
- c. Consider the total dollar amount of adjustments made to the comparable
- d. Select the most comparable property

73. The sales comparison approach applies to:

- a. Land only properties
- b. Improvements only
- c. Any kind of property with an active market
- d. Non-income producing properties

74. The first factor to consider in analyzing comparable properties in the sales comparison approach relates to:

- a. Market Conditions
- b. Locations
- c. Date they were sold
- d. Physical difference

75. Calculate the property value by use of a Monthly Gross Rent Multiplier (GRM):

Data:

- Sale #1 sold for \$151,250 and rents for \$1,375 per month.
 $\$148,500/\$1,375 = 110 \text{ GRM}$
- Sale #2 sold for \$35,000 and rents for \$17,100 per year.
 $\$156,750/(\$17,100/12)= 110 \text{ GRM}$
- Sale #3 sold for \$154,000 and rents for \$1,400 per month.
 $\$7,500/60 = 110 \text{ GRM}$
- Subject: Market rent is \$ per month

Value = Rent x GRM Value = \$1,400 x 110 Value = \$154,000

76. What is the calculated Monthly GRM in Question 69?

- 110
- 120
- 125
- 175

77. What is the subject property's value in Question 76 using the GRM method?

- \$148,500
- \$151,250
- \$154,000
- \$156,750

78. The percentage of overall changes in a time adjustment equals the amount of price change:

- Divided by the last sale price
- Divided by the earlier sale price
- Plus, the original sale price
- Subtracted from the last sale price

79. Adjusting for time is considered what type of adjustment?

- a. Cash equivalency.
- b. Subject-related.
- c. Market-related
- d. Market-condition

80. Which principal states that the value of property derives from the future benefits buyers would expect from the property?

- a. Anticipation
- b. Substitution
- c. Contribution
- d. Supply and Demand

81. An area of complimentary land uses in which all properties are similarly affected by physical, governmental, social, and economic forces is a:

- a. Unit of analysis
- b. Boundary
- c. Neighborhood
- d. Topography

82. Economic forces which have the greatest effect on property values are those operating at the level of the:

- a. Nation
- b. State
- c. Locality
- d. Region

83. Stability of currency (US dollar trading on world markets) is what type of force?

- a. National
- b. Political
- c. International
- d. Governmental

Schedule Building:

84. Problem: Develop a unit cost for the market-based mass appraisal schedule for residential frame, quality class 3 (RF-3) in the 1501-1599 square foot range. Complete the chart on the next page.

Practice Questions

Student

NOTE: Market research indicates that a one percent (1.5%) per month time adjustment is applicable in this area for appreciation.

	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5
Sale Price	\$187,200	\$170,025	\$197,850	\$155,700	\$141,000
Date of Sale	6 mos.	3 mos.	2 mos.	current	current
Time Adjust					
Time Adjust Sale Price					
Contributory Land Value 1/1	\$40,810	\$35,535	\$40,361	\$31,140	\$28,200
Contributory Imp Value 1/1					
Additives					
Living Area Value					
Percent Indicated RCN of the Improvement	90%	87%	94%	76%	65%
Sq. Ft. of Living Area	1,587	1,505	1,566	1,535	1,590
Price per Sq. Ft.					

Fireplace - \$3,500

HVAC - \$5,500

Pool - \$7,500

Patio - \$3,500

Use the mean price per sq ft =

Sales Adjustment Grid

85. Complete the sales adjustment chart below estimating the value of the subject property by direct sales comparison. Answer the questions on the following page.

	Subject	#1	#2	#3
Sale Price		\$ 34,900	\$ 30,650	\$ 31,800
Date of Sale		1 Year	Current	2 Years
Age of Imps	10 Yrs	16 Years	9 Years	10 Years
Area of Imps	1,500 SF	1,700 SF	1,400 SF	1,450 SF
Heating & Cooling	HVAC	C/H Only	C/H Only	HVAC
Garage	2 Car	2 Car	None	1 Car
# of adj				
Total Adj				
Indicated Value				

Assume:

Property values are increasing \$600 per year.

Age Adjustment is \$450 per year.

Size Adjustment \$20 per square foot.

HVAC is \$800 more than central Heat only (C/H only).

Garages are worth \$1,000 per car stall.

Market Approach Sales Grid Problem Questions:

86. What is the time adjustment amount for Comparable Sale #2?

- a. \$0
- b. \$600
- c. \$1,200
- d. \$2,400

87. How many adjustments were made to Comparable # 1 including time?

- a. 1
- b. 2
- c. 3
- d. 4

88. What is the net adjustment amount of Comparable Sale #3 including time?

- a. \$1,200
- b. \$2,000
- c. \$2,200
- d. \$3,200

89. What is the net adjustment amount of Comparable Sale #2?

- a. \$100
- b. \$2,200
- c. \$3,200
- d. \$4,350

90. What is the indicated market value of the subject property?

- a. \$33,800
- b. \$34,550
- c. \$35,000
- d. \$35,900

COST APPROACH TO VALUE

91. Replacement cost new is the cost to construct:

- a. An exact replica of the subject improvements
- b. The existing building including any outdated features and material
- c. A building to equal utility
- d. The subject improvements based on historic cost

92. Which of the following is an indirect cost?

- a. Bricks and mortar
- b. Land cost.
- c. Carpenter's wages
- d. Engineering fees

93. The roof of a single-family residence sags considerable and the owner states that several rafters are broken. It would cost \$12,500 to repair the roof. Repairs would add \$15,000 to the market value of the property. What kind of depreciation is this?

- a. Curable physical short-lived deterioration
- b. Incurable physical short-lived deterioration
- c. Curable functional obsolescence
- d. Incurable functional obsolescence

94. Which one of the following is an advantage to the Cost Approach?

- a. Computer driven
- b. Requires limited knowledge of market
- c. Can be applied to virtually any type of property
- d. Cost guides do the hard work in building schedules

95. Percent good is the percentage of a property's value:

- a. That remains after depreciation
- b. At the end of its physical life
- c. At the end of its actual life
- d. Remaining at the end of its functioning life

96. The economic life of an asset refers to the:

- a. Actual life of an asset
- b. Remaining life of an asset
- c. Number of years over which an asset is useful
- d. Age of the asset based on the appraiser's estimate of its actual condition and usefulness

97. Depreciation is best described as:

- a. The amount of functional obsolescence both curable and incurable
- b. The amount of physical deterioration both curable and incurable
- c. A reduction or loss in value from all causes
- d. The amount of external obsolescence

98. Allocation by ratio is a technique for arriving at:

- a. Improvement value
- b. Land value
- c. Market value
- d. Appraised value

99. Ideally, to build the most accurate cost schedule for each benchmark property, which RCN method would be used:

- a. Square foot method
- b. Unit-in-place method
- c. Quantity-survey method
- d. Historical cost method

- 100. In constructing a cost schedule, the major effort is given to distinguishing between:**
- a. Construction types
 - b. Size of structures
 - c. Uses of land
 - d. Uses of structures
- 101. The Cost Approach is most effective if the property use is:**
- a. Investment
 - b. Productive
 - c. Economic
 - d. Consumptive
- 102. The key concept in replacement cost new is:**
- a. Equal size
 - b. Exact replica
 - c. Equal utility
 - d. Wholesale pricing
- 103. Cost-index trending gives an estimate of:**
- a. Replacement cost only
 - b. Reproduction cost only
 - c. Both replacement cost and reproduction cost
 - d. Neither replacement nor reproduction cost

- 104. Functional obsolescence is curable or incurable because of the relationship between the cost of repair and the:**
- a. Loss in market value without the cure
 - b. Overall replacement cost
 - c. Loss in appraised value
 - d. Gain in market value after the cure
- 105. The form of depreciation that influences land and improvement value is:**
- a. Physical deterioration
 - b. Functional curable obsolescence
 - c. Functional incurable obsolescence
 - d. External obsolescence
- 106. A problem inherent in the use of the cost approach to value is it:**
- a. Will not value unique or complex properties
 - b. Values only investment use properties
 - c. Requires either market or income approach to estimate depreciation
 - d. Requires either market or income approach to value land
- 107. What is the first step in the Cost Approach?**
- a. Define the problem.
 - b. Estimate the total cost new of the improvements.
 - c. Develop cost schedules for the different classes of improvements.
 - d. Estimate the land (site) value as if vacant and available for development to its highest and best use.

109. Which cost method is most often used in Mass Appraisal?

- a. Quantity Survey Method
- b. Unit in Place Method
- c. Marshal & Swift
- d. Comparative Unit Method

110. What is the formula for land valuation using Allocation by Abstraction?

- a. Sale price minus Reproduction Cost new = Land Value
- b. Sale price minus RCNLD = Land Value
- c. Property Value times land ratio = Land Value
- d. Sale price minus building allocation = Land Value

111. The typical land to property ratio in the area is 1:5. An improved property is appraised at \$150,000. What is the land value?

- a. \$120,000
- b. \$90,000
- c. \$60,000
- d. \$30,000

112. Values in a market area are increasing at 2.00% per month. Subject property sold four months before the appraisal date for \$100,000. What is the sale price adjusted for time?

- a. \$92,000
- b. \$102,000
- c. \$104,000
- d. \$108,000

113. **Cost schedules typically reflect?**

- a. Cost per square foot per Marshall & Swift
- b. Reproduction Cost New
- c. Appraisal District Cost Schedules
- d. Replacement Cost New

114. **Book construction cost index for property constructed in 1982 is 1020.8 and current cost index for 2022 is 1200.4. Structure cost \$157,500 in 1982. What is the present reproduction cost new?**

- a. \$133,938
- b. \$154,382
- c. \$160,682
- d. \$185,204

115. **What is the depreciation (lump sum) of the following property using both the physical age/life and the effective (economic) age/life method?**

RCN = \$100,000 Actual Age = 10 years

Effective Age = 5 years Economic Life = 50 years

- a. Physical .20 \$20,000 and Economic .10 \$10,000
- b. Economic .20 \$20,000 and Physical .10 \$10,000
- c. Physical. 25 \$25,000 and Economic .20 \$20,000
- d. Economic .20 \$20,000 and Physical .25 \$25,000

Breakdown Method of Depreciation

A seven (7) year old office building is being appraised and has an estimated replacement cost new (RCN) of \$43,800.

CURABLE PHYSICAL DETERIORATION:

Painting interior, \$800 is estimated to be the cost to cure;

Repairing tile ceiling, \$1,200 is estimated to be the cost to cure;

Replacing slab of concrete at the entrance, \$125 is estimated to be the cost to cure.

Each of these costs to cure items also makes up the same amount in the RCN.

INCURABLE PHYSICAL (SHORT LIVED) DETERIORATION:

ITEM	RCN	EFF AGE	ECO LIFE
Floor Cover	\$1,800	5	15
Plumbing Fixtures	\$2,100	5	20
Heating Unit	\$2,400	5	20
Roof Cover	\$2,800	5	25
Electrical Fixtures	\$1,000	5	15
Interior Hardware	\$ 300	5	25

INCURABLE PHYSICAL (LONG LIVED) DETERIORATION:

The effective age of the basic structure is estimated to be six (6) years, after the curing of the items of deferred maintenance. The total economic life of the structure is sixty (60) years.

PROBLEM:

116. Estimate the total amount of Incurable physical deterioration suffered by the office building.

Physical Incurable Short-Lived:

Physical Incurable Long-Lived:

Total Physical Incurable:

Problem 116 Workspace:

117. What is the total amount of curable physical deterioration?

- a. \$2,000
- b. \$2,125
- c. \$10,400
- d. \$43,800

118. What is the total amount of Incurable short-lived depreciation?

- a. \$2,500
- b. \$2,678
- c. \$4,300
- d. \$10,400

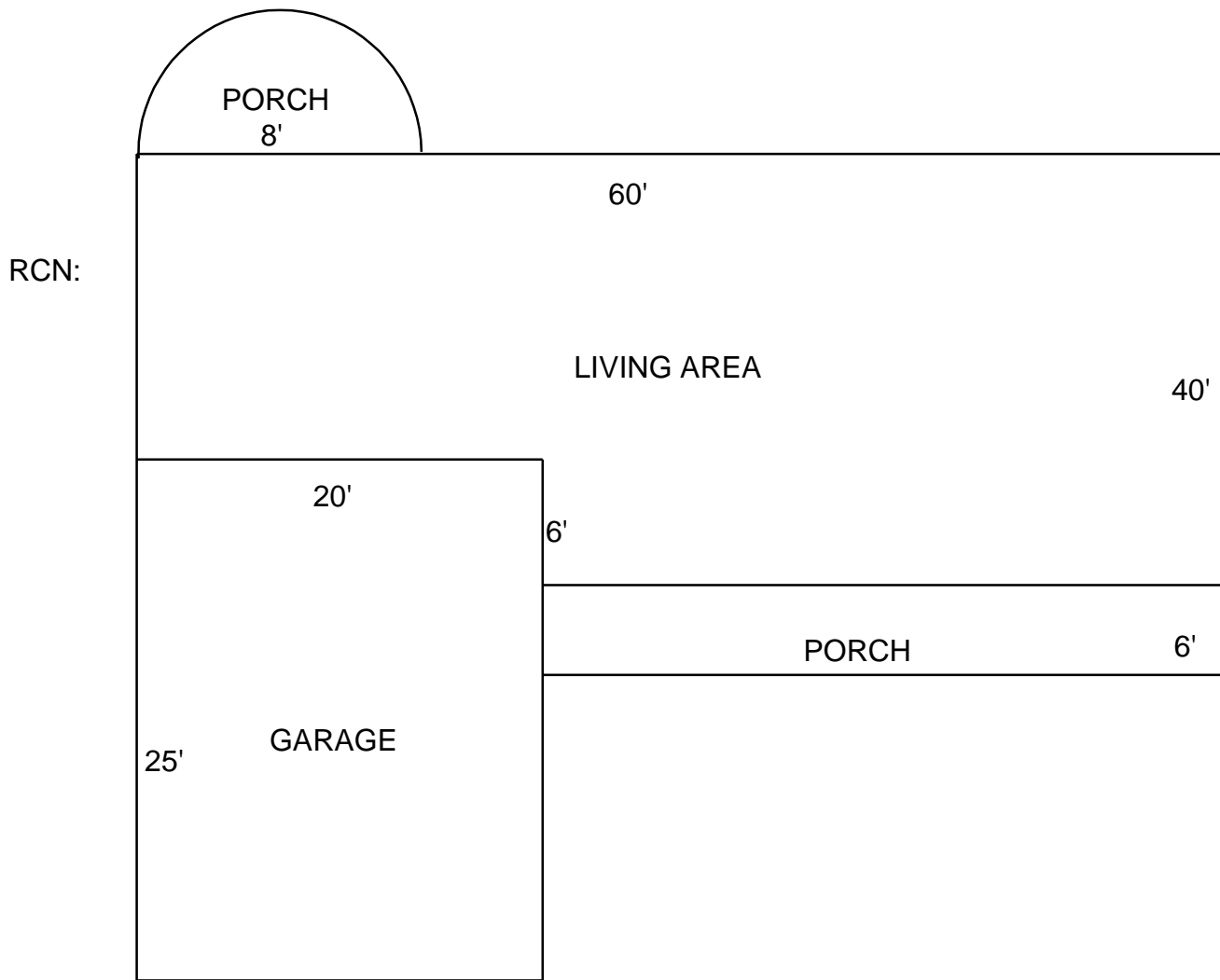
119. What is the total amount of Incurable long-lived depreciation?

- a. \$2,500
- b. \$2,678
- c. \$3,128
- d. \$5,806

120. What is the total amount of physical incurable depreciation?

- a. \$2,500
- b. \$3,128
- c. \$4,380
- d. \$5,806

121. What is the percentage amount of physical incurable long lived depreciation suffered by the office building?
- a. 9%
 - b. 10%
 - c. 11%
 - d. 15%
122. Using the information and measurements provided on the next page, calculate the square footage of the improvement and its' RCN:



Living Area = \$87.50 per square foot
Garage Area = \$39.00 per square foot
Porch Area = \$36.25 per square foot

Problem 122 workspace:

Calculate area and RCN for:

—

INCOME APPROACH TO VALUE

- 123. Which of the following is the best definition of an income-producing property?**
- a. Residential rental property
 - b. Commercial office space
 - c. Real estate that is purchased for investment
 - d. Property that is appraised using a gross rent multiplier
- 124. The Income Approach to Value:**
- a. Does not require an estimate of net operating income of property
 - b. Translates the ability of a property to generate income into an indication of value
 - c. Is used to value only productivity property
 - d. Is not used in mass appraisal
- 125. What term describes the use of debt capital to acquire an income-producing asset?**
- a. Liquidation
 - b. Leverage
 - c. Joint venture
 - d. Syndication
- 126. Income from property operations before expenses are deducted is referred to as:**
- a. Net operating income
 - b. Effective gross income
 - c. Before-tax cash flow
 - d. Debt service

- 127. The primary difference between potential gross rent and effective gross rent is:**
- a. Vacancy loss
 - b. Collection loss
 - c. Vacancy and collection losses
 - d. Operating expenses
- 128. A "normalized" income stream defines:**
- a. Net operating income
 - b. Secondary income
 - c. Effective gross income
 - d. Potential gross income
- 129. In appraisal, to "capitalize" means to:**
- a. Invest money in a business venture
 - b. Convert an income stream into an indicated value
 - c. Divide income by value to find a rate
 - d. Derive an income stream based on a property's value
- 130. Which principal states that the value of property derives from the future benefits buyers would expect from the property?**
- a. Anticipation
 - b. Substitution
 - c. Contribution
 - d. Supply and Demand

- 131. The primary distinction between traditional and yield capitalization is:**
- a. Yield capitalization employs the residual technique
 - b. Traditional capitalization relies more heavily on sales information
 - c. Yield capitalization is appropriate for a wider variety of property types
 - d. Yield capitalization explicitly accounts for anticipated income over a specified holding period while traditional capitalization uses one year's income stream
- 132. In the Income Approach, value is equal to:**
- a. Income divided by cap rate
 - b. Income multiplied by cap rate
 - c. Cap rate divided by income
 - d. Value times cap rate
- 133. Which of the following does not make up part of a property's return rate?**
- a. Non-Liquidity Rate
 - b. Mortgage Amortization Rate
 - c. Risk Rate
 - d. Safe Rate
- 134. How would one categorize the expense of constructing a new parking garage for an existing office building?**
- a. Risk
 - b. Reserve for replacement
 - c. Capital expenditure
 - d. Allowable expense

135. Which of the following is a form of yield capitalization?

- a. GRM Method
- b. $\text{Value} = \text{Income} / \text{Rate}$
- c. $\text{Value} = \text{Sale Price per unit times number of units}$
- d. Discounted Cash Flow

136. Which of the following best defines "net operating income"?

- a. Actual gross income less vacancy and collections less operating expenses
- b. Potential gross rent less vacancy and collections losses plus net secondary income
- c. Potential gross rent less vacancy and collections plus net secondary income minus operating expenses
- d. Actual rental income less operating expenses

137. A reversion is:

- a. A lump sum benefit an investor receives at the end of a holding period
- b. Another term for the owner's equity in an investment property
- c. The portion of each mortgage payment that reduces the outstanding principal
- d. A clause in a lease contract that requires a tenant to pay a percentage of his or her profits or a minimum rent amount

138. The basic general formula for establishing a GRM is:

- a. Sale price divided by gross rent
- b. Gross rent divided by sale price
- c. Sale price divided by net rent
- d. Net rent divided by sale price

139. Multiplying a property's overall cap rate times the property value would be the?

- a. Amount needed each year to repay the annual interest on the loan
- b. Income for recapture
- c. Income to the property
- d. Amount of NOI

140. Which is the best definition of economic rent?

- a. The rent specified in an actual lease agreement
- b. The rent level that is most economical for the tenants
- c. The rent that a property owner must receive in order to cover the costs of operating the property
- d. The rent level that represents the amount a prudent landlord would charge, and a prudent tenant would pay

Calculate the following using the IRV formulas:

Property Value - \$345,000

Overall Cap Rate - 13%

141. What is the property's income?

- a. \$34,500
- b. \$44,850
- c. \$2,653,850
- d. \$3,450,000

Property value	-	\$635,000
Net Operating Income	-	\$182,500

142. What is the property's overall rate?

- a. 3.5%
- b. 10%
- c. 12.99%
- d. 28.74%

Overall Cap Rate = 9%

Net Operating Income = \$500,000

143. What is the property's value?

- a. \$500,000
- b. \$555,555
- c. \$5,555,556
- d. \$55,555,556

Net Operating Income Before taxes - \$255,000

Indicated cap rate – 8%.

Effective tax rate - \$2.00 / \$100 of value

144. What is the property's value?

- a. \$2,550,000
- b. \$2,833,333
- c. \$3,123,750
- d. \$12,750,000

Net Operating Income After taxes - \$300,000

Overall cap rate – 10%

Effective tax rate - \$2.00 / \$100 of value

145. What is the property's value?

- a. \$2,500,000
- b. \$3,000,000
- c. \$4,500,000
- d. \$15,000,000

Calculate the following overall cap rates by Band of Investment.

Assume:

First Mortgage = 50% value

First Mortgage Cap Rate = .118134

Second Mortgage = 25% value

Second Mortgage Cap Rate = .142284

Equity Cap Rate = 14%

146. What is the overall cap rate?

- a. 3.50%
- b. 12.97%
- c. 40.04%
- d. 91%

Data for problem:

Discount (Return) Rate = 9%

Recapture Rate = 4%

Land-to-Building Ratio = 1:4

Building Rate = Return + Recapture

Land Rate = Return Only

147. What is the overall rate?

- a. 5%
- b. 12.20%
- c. 12.30%
- d. 13%

Data for problem:

Land Cap Rate = 10%

Building Cap Rate = 15%

Building-to-property Ratio = 4:5

148. What is the overall rate?

- a. 13.75%
- b. 14%
- c. 17.50%
- d. 22%

Data for problem:

Land Ratio	=	25%
Building Ratio	=	75%
Recapture Rate	=	2.5%
Building Cap Rate	=	12.5%

149. What is the overall cap rate?

- a. .0963
- b. .1188
- c. .1500
- d. .2250

Data for problem:

Land to Property Ratio	=	1:4
Discount (Return) Rate	=	12%
Recapture Rate	=	2.5%

150. What is the overall cap rate?

- a. .1200
- b. .1350
- c. .1388
- d. .1450

151. What is the primary difference between the effective gross rent and the effective gross income?

- a. Operating expenses
- b. Vacancy & collection loss
- c. Secondary income
- d. None, just different name

152. What is the formula for calculating the Effective Gross Income?
- a. $PGR - VCL$
 - b. $PGR - VCL - SI$
 - c. $PGR - VCL + SI$
 - d. $EGR - VCL + SI$
153. What is the formula for calculating the NOI?
- a. $PGR - VCL + SI - OE$
 - b. $PGR - VCL - SI - OE$
 - c. $PGR + SI - OE$
 - d. $EGR - VCL + OE$
154. Which of the following components make up the built-up discount rate used to estimate a discount rate?
- a. Safe rate, liquidity rate, money management rate, and T-bill rate
 - b. Risk rate, safe rate, liquidity rate, and money management rate
 - c. Risk rate, safe rate, liquidity rate, and investors survey rate
 - d. Risk rate, safe rate, liquidity rate, and equity cap rate

Facts for problem 155:

A small office building contains 5,000 square feet of leasable space. The lease calls for the landlord to furnish the offices and to pay all utilities and janitorial fees. Typical rents for comparable properties in the area are \$0.75 (monthly) per square foot for furnished office space; the landlord pays utilities and janitorial fees. The appropriate vacancy and collections loss are 6%. Management is 4% of effective gross income. The following expense statement from the property owner was submitted. Given the available information on the next page, what is the property's net operating income?

		Owner Data	
		\$	39,000.00
Rent			
VCL			
EGR			
SI			
EGI			
Expenses			
	Debt Service	\$	12,000.00
	Management	\$	5,280.00
	Insurance	\$	1,600.00
	Property Taxes	\$	4,280.00
Depreciation	Building	\$	8,000.00
	HVAC*	\$	2,000.00
	Carpets*	\$	200.00
	Roof*	\$	240.00
	Furniture Rental	\$	2,200.00
	Utilities	\$	3,000.00
	Janitorial	\$	790.00
	Grounds Maintenance	\$	500.00
	Advertising	\$	250.00
	Miscellaneous	\$	800.00
		\$	41,140.00
*Reserves Recalculation			
HVAC	\$20,000/10 years		
Carpets	\$15,500/15 years		
Roof	\$10,000/25 years		

HVAC has a ten-year life and an RCN of \$20,000. Carpets have a fifteen-year life and RCN of \$15,500. The roof has a twenty-five-year life and an RCN of \$10,000.

155. Using the operating statement on the previous page, what is the property's net operating income?
- a. \$18,341
 - b. \$15,755
 - c. \$20,167
 - d. \$23,755

Direct Capitalization

Calculate the property value using Direct Capitalization.

Data for Questions 156-160.

The subject property has an NOI after taxes of \$90,000.

The typical land-to-building ratio for the subject property is 1:4.

The appropriate discount (return) rate is 10%.

The recapture rate is 2.5%.

The effective tax rate is \$1.00 per \$100 of value.

Use the band of investment to develop an overall rate.

Band of Investment Rate Development

Answer the following questions by calculating the data.

156. What is the Land Cap Rate?

- a. 12.5%
- b. 10%
- c. 2.5%
- d. 2.0%

157. What is the building cap rate?

- a. 12.5%
- b. 10%
- c. 2.5%
- d. 2.0%

158. What is the overall cap rate?

- a. 2.0%
- b. 10%
- c. 12%
- d. 12.5%

159. What is the land value?

- a. \$150,000
- b. \$173,000
- c. \$187,500
- d. \$750,000

160. What is the building's value?

- a. \$562,500
- b. \$577,000
- c. \$600,000
- d. \$750,000

161. Which of the following explains the expenses that fall under "Reserves for Replacement"?

- a. All expenses that are necessary to maintain the property's income stream.
- b. The cost of replacing short-lived items necessary to maintaining current operations, divided by the life of the items.
- c. All cost arising from depreciation of the building and its components.
- d. Money set aside to fund expansion.

163. Discounted Cash Flow may be preferable to traditional capitalization when economic conditions are:

- a. Changing rapidly
- b. Stable
- c. Changing slowly
- d. Stagnant

PERSONAL PROPERTY

- 164. Personal property is classified in the broad, general categories of:**
- a. LIFO and FIFO
 - b. Fixtures and Realty
 - c. Tangible and Intangible
 - d. Value in Use
- 165. Furniture, fixtures, equipment, machinery, and inventory are examples of:**
- a. Tangible personal property
 - b. Diverse property
 - c. Special use property
 - d. Intangible personal property
- 166. Inventory items are appraised at the level of trade of the:**
- a. Consumer
 - b. Owner
 - c. Investor
 - d. Banker
- 167. Which of the following statements best explains “Value in Use”?**
- a. Establishes value based upon the highest and best use of the property
 - b. Considers all potential uses for the land and improvements
 - c. Always is equal to market value
 - d. Value is estimated based upon a specific use for the property

- 168. A Density Schedule for Inventory has only two dimensions. Why?**
- a. There is no agreement in the appraisal profession on the depreciation of inventory
 - b. Inventory never depreciates
 - c. For most Mass Appraisal applications, inventory is treated as if new and in marketable condition
 - d. There are no price guides for inventory
- 169. Personal property discovery is more difficult than real property discovery because:**
- a. Personal Property is usually moveable
 - b. Much of Personal Property is exempt
 - c. Personal Property may be intangible
 - d. Personal Property may be affixed to Real Estate
- 170. The loss of value in equal increments down to an estimated salvage value is an example of:**
- a. Observed condition method.
 - b. Age life depreciation**
 - c. Straight-line depreciation
 - d. Appreciation
- 171. An item that can be owned but does not fit the definition of real property is:**
- a. An improvement
 - b. A fixture
 - c. Personal property
 - d. Standing timber

Make the following calculations and answer the questions after each problem:

An audit of the books and records of the AAA Company reveals the following information. Calculate the value of the January 1, 2024, inventory using Gross Margin Method:

Fiscal year is.....	July 1, 2022, through June 30, 2023
Actual Physical Inventory at cost on 7/1/23 was.....	\$217,820
Purchases (July-December 2023) at cost were.....	\$653,460
<u>Sales</u> (July-December 2023) <u>at retail</u> were.....	\$762,370
The typical cost to sales ratio for this business.....	0.714286

Convert Retail Sales to Cost of Sales Using the Gross Margin Method
(Work problem in space below, then answer questions)

172. What is the book cost of the inventory on January 1, 2024?

- a. \$108,910
- b. \$326,730
- c. \$544,550
- d. \$871,280

AVERAGE COST METHOD

Total purchase amount	-	\$5,940,500
Total # units purchased	-	10,900
Units on hand January 1st	-	787

173. What is the cost of the inventory?

- a. \$393,500
- b. \$428,915
- c. \$594,050
- d. \$5,940,000

174. A four-year-old toy store with 1,400 square feet has average quality inventory at low density. Using the below density schedule, what is the market value of this inventory if no depreciation or accounting adjustments are required?

- a. \$21,000
- b. \$25,200
- c. \$32,200
- d. \$35,000

NOTE: Use the density schedule on the next page.

**TOY STORE INVENTORY
QUALITY**

Density	Fair	Average	Good
		Toys-R-Us	Circus World
	Locally owned	Chad's Rainbow	Toys by Roy
Low	15.00	23.00	30.00
Average	18.00	25.00	35.00
High	23.00	28.00	40.00

175. A ten-year-old locally owned toy store that contains 1,550 square feet, has good quality and low-density inventory. Using the above density schedule, what is the value of the inventory assuming no other adjustments need to be made?

- a. \$35,650
- b. \$38,750
- c. \$43,400
- d. \$46,500

176. A Toy World Store has average quality and average density furniture, fixtures, and equipment. This 1,583 square foot store is two (2) years old.

NOTE: Use the following density schedule and depreciation guide below.

QUALITY

DENSITY	Fair	Average	Good
		Toys-R-Us	Circus World
	Locally owned	Chad's Rainbow	Toys by Roy
Low	6.00	10.00	16.00
Average	7.00	12.00	19.00
High	8.00	14.00	22.00

177. What is the RCN of the FF&E at this store?

- a. \$15,830
- b. \$15,957
- c. \$18,616
- d. \$18,996

178. What is the percent good of the FF&E?

- a. 79%
- b. 80%
- c. 84%
- d. 89%

179. What is the market value of FF&E at this store?

- a. \$15,830
- b. \$15,957
- c. \$18,616
- d. \$18,996

**Depreciation Guide
Percent Good Table**

EFFECTIVE AGE IN YEARS	TYPICAL LIFE EXPECTANCY							
	5	8	10	12	15	20	25	30
1	.85	.90	.92	.94	.95	.97	.98	.98
2	.69	.79	.84	.87	.90	.93	.95	.97
3	.52	.67	.76	.80	.85	.90	.93	.95
4	.34	.54	.67	.73	.79	.86	.90	.93
5	.23	.43	.58	.66	.73	.82	.87	.91
6	.18	.33	.49	.58	.68	.78	.84	.89
7		.26	.39	.50	.62	.74	.81	.86
8		.22	.30	.43	.55	.70	.78	.84
9		.20	.24	.36	.49	.65	.75	.82
10			.21	.29	.43	.60	.71	.79
11			.20	.24	.37	.55	.68	.76
12				.22	.31	.50	.64	.74
13				.20	.26	.45	.60	.71
14					.23	.40	.56	.68
15					.21	.35	.52	.65
16					.20	.31	.48	.61
17						.27	.44	.58
18						.24	.39	.54
19						.22	.34	.51
20						.21	.30	.47
22							.26	.40
24							.23	.34
26							.21	.28
28								.23
30								.21

180. Using the straight-line depreciation method for valuing a business personal property item given the following information: New machine cost \$85,000, estimated salvage value is \$5,000, 20 year estimated useful life. What is the estimated annual depreciation?
- a. \$4000
 - b. \$4250
 - c. \$4500
 - d. \$4750

Calculate the value of the Freeport exemption given the following facts:

Inventory cost on 01/01/2022	\$100,000
Cost of goods sold during 2021	\$1,000,000
Cost of Freeport goods sold in 2021	\$800,000

181. What is the value of the Freeport Exemption for 2022?

- a. \$20,000
- b. \$80,000
- c. \$125,000
- d. \$720,000

182. Using the allocation of value method to determine the value of a truck with a market value of \$50,000 that travels regularly between Chico, Texas and Oklahoma City, Oklahoma. It is estimated that vehicle travels 150,000 miles each year with only 30,000 of those miles driven in Texas. What would the allocated value be for the truck in Texas?

- a. \$50,000, situs home base is in Texas
- b. \$40,000
- c. \$10,000
- d. \$0, majority of miles are driven out of state

- 183. The “mobilia rule” states that personal property is taxable at the:**
- a. Base for property mobility
 - b. Point of maximum use
 - c. Domicile of the owner
 - d. Jurisdiction of principal use
- 184. Consigned goods are listed on personal property records under the:**
- a. Holder
 - b. Shipper
 - c. Owner
 - d. Seller
- 185. What is the current RCNLD of the equipment using the information below?**

Equipment cost in 2005 - \$548,935.

Cost Index 2005 – 912.8

Cost Index 2018 – 1183.4

- a. \$501,067
- b. \$423,414
- c. \$649,910
- d. \$711,667

**The following two sections are for students studying for
the Class IV exam**

(If you are close to your Class IV exam date also,
please feel free to review)

MASS APPRAISAL CONCEPTS

186. Which USPAP Standard covers Mass Appraisal, Development?
- a. Standard One
 - b. Standard Three
 - c. Standard Five
 - d. Standard Six
187. The number calculated by summing the observations and dividing by the number of observations is the:
- a. Mode
 - b. Median
 - c. Mean
 - d. Weighted mean
188. Which formula is used to calculate the Price-Related Differential?
- a. Weighted mean ratio divided by mean ratio
 - b. Mean ratio divided by the weighted mean ratio
 - c. Median ratio divided by the weighted mean ratio
 - d. Weighted mean ratio divided by the median ratio
189. Which of the following best defines the term “mass appraisal”?
- a. The appraisal of a universe of properties for the purposes of ad valorem taxation
 - b. The appraisal of a universe of properties by use of a property classification system and a schedule of unit values
 - c. The appraisal of properties through statistical means that can be evaluated
 - d. A systematic appraisal of a universe of properties, as of a given date, derived through means that can be statistically tested

- 190. A single piece of data that is part of a larger sample is called a (an):**
- a. Array
 - b. Observation
 - c. Coefficient
 - d. Deviation
- 191. Which of the following is the most basic test of appraisal performance?**
- a. Ratio study
 - b. Linear regression
 - c. Coefficient of dispersion
 - d. Mean appraisal ratio
- 192. Full-scale reappraisal requires a district to:**
- a. Develop time adjustments
 - b. Re-define location boundaries
 - c. Re-build improvement quality categories
 - d. Update schedules to reflect current market values
- 193. Which of the following is a measure of central tendency?**
- a. Deviation
 - b. Range
 - c. Average Absolute Deviation
 - d. Median

194. Which of the following explains the difference between appraisal accuracy and appraisal uniformity?
- a. Appraisal accuracy is measured with the range and COD and appraisal uniformity with measures of central tendency
 - b. Appraisal accuracy is about market value; appraisal uniformity is about the level of appraisal within categories and from one category to another
 - c. Appraisal accuracy tells is about bias in the mass appraisal and appraisal uniformity identifies the source of the bias
 - d. Appraisal accuracy is measure by measures of dispersion and appraisal uniformity is measured by measures of central tendency
195. A statistically derived number that relates directly to appraisal accuracy is a:
- a. Coefficient of Dispersion
 - b. Derivation
 - c. Universe
 - d. Measure of Central Tendency
196. In appraisal, “bias” refers to:
- a. A kind of intangible personal property
 - b. A predictable, systematic error in estimates of market value
 - c. Any error in an appraisal that produces inaccurate value estimates.
 - d. an appraisal error that cannot be explained
197. The distance between a single observation and a measure of central tendency is:
- a. Absolute value
 - b. Median
 - c. Deviation
 - d. Mean

- 198. In mass appraisal, the primary use of simple linear regression is to:**
- a. Allocate values between land and improvements
 - b. Correlate improvement values with size
 - c. Analyze land value fluctuations within a neighborhood
 - d. Determine the value that individual amenities add to the base improvement
- 199. Below are descriptions of five appraisal errors. Which one does not arise from bias?**
- a. Masonry-veneer improvements are appraised at higher ratios than those with wood siding
 - b. A field appraiser consistently puts improvements in Location A into quality categories that are too high
 - c. Small commercial properties on the borders of residential neighborhoods are consistently under appraised
 - d. A field appraiser under appraises a property in Neighborhood A because he fails to notice a new addition
- 200. Which of the following is the first step in completing a reappraisal?**
- a. Collect cost information to build a cost schedule
 - b. Collect information on sales of vacant land to identify neighborhoods and assist in allocating values
 - c. Conduct a ratio study to identify areas of inaccuracy
 - d. Evaluate available resources to develop a schedule for completion
- 201. Which of the following is a measure of appraisal uniformity?**
- a. Deviation
 - b. Weighted Mean Appraisal Ratio
 - c. Median Appraisal Ratio
 - d. Coefficient of Dispersion

- 202. A measure of dispersion tells an appraiser:**
- a. Which number in a group of numbers is most typical
 - b. How much bias is present in a property sample
 - c. How much variation occurs within a set of observations
 - d. How much a single observation varies from a measure of central tendency
- 203. A group of appraisal ratios that has been ranked from highest to lowest or lowest to highest is called a(an):**
- a. Range
 - b. Array
 - c. Price-related differential
 - d. Dispersion
- 204. High or low numbers at the ends of an array which fall well outside the normal range the other numbers establish are called:**
- a. Errors
 - b. Deviations
 - c. Variance
 - d. Outliers
- 205. What sample size of sales is needed to appraise of a group of 30,000 properties?**
- a. 6,000
 - b. 3,000
 - c. 2,000
 - d. 1,500

206 – 212. Below is a set of sales prices and appraised values. Identify the mean, median, mode, and weighted mean ratios. Calculate the PRD and the COD about the median.

#	SALE PRICE	CAD VALUE
1	\$ 295,000	\$ 260,000
2	\$ 305,000	\$ 265,000
3	\$ 287,000	\$ 315,000
4	\$ 265,000	\$ 325,000
5	\$ 310,000	\$ 270,000
6	\$ 250,000	\$ 395,000
7	\$ 365,000	\$ 325,000
8	\$ 325,000	\$ 275,000
9	\$ 225,000	\$ 287,500

MEAN RATIO

206.

#	SALE PRICE	CAD VALUE	A:S RATIO
1	\$ 295,000	\$ 260,000	
2	\$ 305,000	\$ 265,000	
3	\$ 287,000	\$ 315,000	
4	\$ 265,000	\$ 325,000	
5	\$ 310,000	\$ 270,000	
6	\$ 250,000	\$ 395,000	
7	\$ 365,000	\$ 325,000	
8	\$ 325,000	\$ 275,000	
9	\$ 225,000	\$ 287,500	
		MEAN RATIO	

207. MEDIAN RATIO

#	SALE PRICE	CAD VALUE	A:S RATIO
8	\$ 325,000	\$ 275,000	
2	\$ 305,000	\$ 265,000	
5	\$ 310,000	\$ 270,000	
1	\$ 295,000	\$ 260,000	
7	\$ 365,000	\$ 325,000	
3	\$ 287,000	\$ 315,000	
4	\$ 265,000	\$ 325,000	
9	\$ 225,000	\$ 287,500	
6	\$ 250,000	\$ 395,000	
	MEDIAN RATIO SALE 7		

MODE

208.

#	SALE PRICE	CAD VALUE	A:S RATIO
8	\$ 325,000	\$ 275,000	
2	\$ 305,000	\$ 265,000	
5	\$ 310,000	\$ 270,000	
1	\$ 295,000	\$ 260,000	
7	\$ 365,000	\$ 325,000	
3	\$ 287,000	\$ 315,000	
4	\$ 265,000	\$ 325,000	
9	\$ 225,000	\$ 287,500	
6	\$ 250,000	\$ 395,000	
		MODE	

WEIGHTED MEAN

209.

#	SALE PRICE	CAD VALUE	A:S RATIO
8	\$ 325,000	\$ 275,000	
2	\$ 305,000	\$ 265,000	
5	\$ 310,000	\$ 270,000	
1	\$ 295,000	\$ 260,000	
7	\$ 365,000	\$ 325,000	
3	\$ 287,000	\$ 315,000	
4	\$ 265,000	\$ 325,000	
9	\$ 225,000	\$ 287,500	
6	\$ 250,000	\$ 395,000	
	\$ 2,627,000	\$ 2,717,500	
			WTD MEAN

AVERAGE ABSOLUTE DEVIATION

210.

#	SALE PRICE	CAD VALUE	A:S RATIO	MCT	DEVIATION
8	\$ 325,000	\$ 275,000	0.85	0.89	
2	\$ 305,000	\$ 265,000	0.87	0.89	
5	\$ 310,000	\$ 270,000	0.87	0.89	
1	\$ 295,000	\$ 260,000	0.88	0.89	
7	\$ 365,000	\$ 325,000	0.89	0.89	
3	\$ 287,000	\$ 315,000	1.10	0.89	
4	\$ 265,000	\$ 325,000	1.23	0.89	
9	\$ 225,000	\$ 287,500	1.28	0.89	
6	\$ 250,000	\$ 395,000	1.58	0.89	
	\$ 2,627,000	\$ 2,717,500		TAD	
				AAD	

211. COD

#	SALE PRICE	CAD VALUE	A:S RATIO	MCT	DEVIATION
8	\$ 325,000	\$ 275,000			
2	\$ 305,000	\$ 265,000			
5	\$ 310,000	\$ 270,000			
1	\$ 295,000	\$ 260,000			
7	\$ 365,000	\$ 325,000			
3	\$ 287,000	\$ 315,000			
4	\$ 265,000	\$ 325,000			
9	\$ 225,000	\$ 287,500			
6	\$ 250,000	\$ 395,000			
	\$ 2,627,000	\$ 2,717,500			

212. PRD = Mean/Weighted Mean

213. Which of the following are measures of central tendency (accuracy)?

- a. Mean, median, mode, and weighted mean
- b. Range, quartiles, COD, COV, & PRD
- c. Mean, median, mode, and COD
- d. COD, COV, & PRD

214. Which of the following are measures of dispersion (uniformity)?

- a. Mean, median, mode, and weighted mean
- b. Range, AAD, COD, COV, & PRD
- c. Mean, median, mode, and COD
- d. COD, COV, and PRD

215. What is difference between assemblage and plottage?

- a. None, both are combining two or parcels into one parcel and ownership
- b. Assemblage is simply combining two or more properties under a single ownership while plottage is combining two or more parcels in order to develop one site with greater utility and unit value in the aggregate than the individual parcels
- c. Both are combining two or more parcels into one. Assemblage is for development purposes and plottage is strictly for ownership purposes.
- d. Plottage is for developmental purposes and assemblage is for ownership purposes only

PROPERTY TAX LAW

- 216. Under “Open Records “, all persons are entitled to full information unless:**
- a. The agency declares it confidential
 - b. Access is denied by law
 - c. Access could result in legal action
 - d. The persons motives are suspect
- 217. A “meeting”, in the Open Meetings statute, means any deliberation between:**
- a. A quorum of members of a governmental body
 - b. All members of a governmental body
 - c. Any members of a governmental body and the public
 - d. Any government officials
- 218. The custodian of records may inquire of the person seeking records as to:**
- a. His/her identity and the reasons for the request
 - b. Records requested and purpose of viewing or copying
 - c. Detailed description of records requested
 - d. His/her identity and records requested
- 219. Any public meeting must be recorded by means:**
- a. Written notes
 - b. Pre-approved sound equipment
 - c. Record not required.
 - d. Typewritten notes or the agency's tape recorder

- 220. No member of a governing body shall participate in a closed meeting knowing that a certified agenda is not being kept and that the:**
- a. Governor's office has not approved a closed meeting
 - b. Meeting is not limited to personnel matters
 - c. Proceedings are not being recorded
 - d. Session does not have a quorum
- 221. "Confidentiality" of information should only be promised if confidentiality:**
- a. Is protected by law
 - b. Can be assured
 - c. Is reasonably certain
 - d. Is permitted by the governing body
- 222. The annual protest deadline to appeal appraised values is:**
- a. Until the taxes become delinquent
 - b. Prior to June 1 or 30 days after the appraisal notice is mailed whichever is later
 - c. May 31 of the tax year
 - d. No deadline exists
- 223. According to Tax Code, Sec. 1.11 (e) an agreement between the chief appraiser and the property owner or their agent is binding:**
- a. Only on the chief appraiser
 - b. Only on the property owner or their agent
 - c. On all parties to the agreement
 - d. Agreements only if agreed to by the ARB

- 224. In order to correct an excessive appraisal after the protest deadline the appraised value of a residence homestead must be higher than the correct value by more than:**
- a. Double
 - b. Two-thirds
 - c. One-third
 - d. One-fourth
- 225. The Tax Code requires the appraisal district to adopt a biennial plan for reappraisal of all property in the district every three years by resolution of the board of directors each:**
- a. Even numbered year
 - b. Odd numbered year
 - c. Tax year values increase by more than 10%
 - d. Time the district fails the Property Value Study
- 226. According to Property Tax Code Sec. 22.07 (b) which of the following is NOT a requirement for the chief appraiser or his representative to have authority to inspect a business property?**
- a. When it is convenient
 - b. Must be during normal business hours
 - c. At a time, agreeable to the chief appraiser (or his representative)
 - d. At a time, agreeable to the person in control of the premises
- 227. What document does Property Tax Code Sec. 6.05 require the board of directors of an appraisal district to develop according to the requirements of Property Tax Code Sec. 25.18?**
- a. Chief Appraiser annual review
 - b. Mass Appraisal Report
 - c. Biennial reappraisal plan not later than September 15th of each even-numbered year
 - d. Annual Report

- 228. Who appoints the Appraisal Review Board in an appraisal district subject to Tax Code Sec. 6.03?**
- a. Local administrative judge
 - b. By a majority of the Appraisal District board of directors
 - c. Taxing units
 - d. County Commissioners
- 229. Property Tax Code Sec. 6.42 states that a majority of the Appraisal Review Board constitutes a quorum. How many members is sufficient for a recommendation, determination, decision, or other action by the board?**
- a. Majority of the Appraisal Review Board members appointed
 - b. Majority of the Appraisal Review Board members present
 - c. Majority of the Appraisal Review Board members elected
 - d. Majority of the Appraisal Review Board members in good standing
- 230. Property Tax Code Sec. 23.01 (b) states that the market value of property shall be determined the application of?**
- a. Appraisal District cost manuals
 - b. Comptroller method and procedures
 - c. Generally accepted methods and techniques
 - d. IAAO procedures
- 231. Property Tax Code Sec. 25.19 states that notices of appraised value for single family residential homestead property shall be sent by?**
- a. April 1 or as soon thereafter as practicable
 - b. May 1 or as soon thereafter as practicable
 - c. May 1 for all type of property regardless of type
 - d. May 15 or as soon after as practicable

- 232. Property Tax Code Sec. 25.25 (d) states that any time prior to the date taxes become delinquent the property owner of a non-residence or chief appraiser may file to correct an error that resulted in:**
- One-fourth the correct appraised value
 - One-third the correct appraised value
 - One-fourth the market value
 - One-third the market value
- 233. Property Tax Code Sec. 41.4111 states that a property owner is entitled to protest before the appraisal review board?**
- The failure of the chief appraiser or the appraisal review board to provide or deliver any notice to which the property owner is entitled
 - Denial of an exemption
 - Market value or value not equal
 - Other concerns related to property
- 234. Property Tax Code Sec. 41.A01 states that a property is entitled to appeal through binding arbitration the following:**
- Property that qualifies as the owner's residence homestead under Sec. 11.13, or any property valued at \$5 million or less
 - Any property valued less than \$10 million or less
 - The appraised or market value, as applicable, of the property as determined by order is \$3 million or less
 - Any commercial property valued at \$3 million or less
- 235. Property Tax Code Secs. 41A01 and 42.01 states that the property owner is entitled to an appeal (arbitration or litigation) but must file the appeal within:**
- 30 days
 - 45 days
 - 60 days
 - 90 days