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(Knowledge for Development)

KIBABII UNIVERSITY

UNIVERSITY EXAMINATIONS

2017/2018 ACADEMIC YEAR

FOURTH YEAR SECOND SEMESTER

MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCF 446E

COURSE TITLE: REAL ESTATE FINANCE

DATE: 06/08/2018

TIME: 9.00 A.M- 11.00 A.M

INSTRUCTIONS TO CANDIDATES

Answer Question One in Section A and Any other TWO (2) Questions in Section B

TIME: 2 Hours

KIBUCO observes ZERO tolerance to examination cheating

SECTION A (COMPULSORY)

Question one (30mks)

- a. Real Estate exhibits a number of features which make them distinct from other types of investments. Identify and explain any five of the features given by international real estate investors (10mks)
- b. Real estate investment is determined by a variety of factors of demand which should be taken into consideration by investors before investing their funds in any of them. Explain any five of these determinants of the real estate demand (10mks)
- c. Real estate brings together various players on one market who buy, sell or consume real market products. Identify and explain any five of these of these players. (10mks)

SECTION B (CHOOSE ANY TWO QUESTIONS)

Question two (20mks)

Building Societies Act is a well structured and balanced Organism that spells out different functions. Identify and describe the organization and management of building society firms (20mks)

Question three (20mks)

Write short notes on the following

- i. Saving and loan association (7mks)
- ii. Commercial banks(7mks)
- iii. Mortgage bankers and brokers (6mks)

Question four (20mks)

Explain how the following are fundamental in appraising income property

- A. potential gross income (16mks)
- B. Net operating income (4mks)

Question five (20mks)

Explain the theory of planned behavior in real estate investment (6mks)

Explain the determinants of investor behavior in real estate (14 marks)