

Circle *True* or *False* as the better answer.

1. The sales comparison approach is based on the principle of substitution.  
True                      False
2. The first step in the sales comparison approach is to research comparable sales.  
True                      False
3. The sales comparison approach has no statistical connections.  
True                      False
4. In the analysis of sales transaction data, the actual date that the sale was agreed upon is the theoretical date of sale.  
True                      False
5. USPAP requires that any current listing or recent sale of the subject property be considered in the appraisal.  
True                      False
6. A sale between the property owner and a tenant can be assumed to be an open market transaction.  
True                      False
7. Even though listings and offers may be available, they are of no significant use to an appraiser.  
True                      False
8. Sales data published and/or available online for the use of subscribing appraisers is often generated by cooperating lenders and appraisers.  
True                      False
9. Data resources on the internet provide general data on the economy and regulatory information of use to the appraiser.  
True                      False
10. A neighborhood sales study finds selling prices of \$150,000, \$157,500, \$159,000, \$162,000, and \$164,000 for homes similar to the subject property. The median price of this sample is \$158,500.  
True                      False

**Multiple Choice Questions. Indicate the best answer.**

1. The sales comparison (or market) approach is
  - a. The most direct of the value approaches
  - b. The most easily understood approach
  - c. Based on the principle of substitution
  - d. All of the above
2. To qualify as a comparable, a sale must be all of the following except
  - a. A competitive property
  - b. An open market transaction
  - c. Exactly equal to the subject property
  - d. Recent in time of sale
3. A competitive property means one that
  - a. A prospective buyer would consider as an alternative purchase
  - b. Has superior features
  - c. Is more attractively priced
  - d. Appeals to a different sub-market
4. The Uniform Standards of Professional Appraisal Practice require that prior sales of the subject property be considered when they have occurred
  - a. Within three years for one-to-four family residential
  - b. Within 3 years for all other property
  - c. Both of the above
  - d. None of the above
5. A comparable recently sold at a price well below the typical price for the neighborhood. You find that the property was bought by a neighbor. You discard the sale on the basis that it was probably not:
  - a. A competitive property
  - b. An open market transaction
  - c. Recent in time of sale
  - d. A high enough price
6. The number of comparable sales needed for the sales comparison approach is dependent on
  - a. How good the comparables are
  - b. The reliability of the data
  - c. The intended use of the appraisal
  - d. All of the above
7. Required data about a comparable sale should include
  - a. Sale transaction data
  - b. Physical characteristics
  - c. Legal characteristics
  - d. All of the above

8. Listing and refused offers are sometimes helpful because
  - a. Asking prices suggest an upper limit of value
  - b. Refused offers suggest a lower limit of value
  - c. Both of the above
  - d. None of the above
9. The purpose of verifying with a party to a transaction is to
  - a. Confirm your opinion of value
  - b. Improve the reliability of your market data
  - c. Comply with a rigid requirement
  - d. Establish the motives of the seller
10. Market data sources available to the appraiser include
  - a. Public records
  - b. Multiple listing services
  - c. Profit and non-profit data services
  - d. All of the above
11. If a documentary transfer tax of \$275.00 is at the rate of \$1.10 per \$1,000 of cash consideration, what is the indicated price of the sale, assuming cash to a new loan?
  - a. \$275,000
  - b. \$302,000
  - c. \$250,000
  - d. \$200,000
12. One statistical technique looks for a “central tendency” among the sales. Which of the following would describe a sale with as many sales at a higher price as at a lower price among the sales?
  - a. Mean sales price
  - b. Median sales price
  - c. Mode or modal sales price
  - d. The standard deviation