

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

1. Before reconciliation begins, the appraiser should review the overall appraisal process.
True False
2. Reconciliation is defined as estimating value.
True False
3. *Appraising the appraisal* means to evaluate each value approach, the data used, and the range of indicated value.
True False
4. If the data reviewed for one value approach is marginally reliable, the resulting value is still given equal weight.
True False
5. The quantity of data collected is not a factor in reviewing the results of a particular value approach.
True False
6. If large adjustments were required in any approach, the value indicated by that approach should be totally ignored.
True False
7. The value opinion should fall within the range of value indications from the approaches applied.
True False
8. The sales comparison approach is considered the most direct of the three approaches.
True False
9. The final value opinion should be an average of the three approaches to value.
True False
10. Rounding the final answer to a large number of significant digits adds professionalism to the appraisal.
True False

Multiple Choice Questions. Indicate the best answer.

1. Reconciliation of the value indications produced in an appraisal helps the appraiser
 - a. Arrive at a single conclusion of value
 - b. Decide on the appraisal format
 - c. Average the value conclusion
 - d. None of the above
2. Before the tentative value conclusions are reconciled, it is recommended that the appraiser
 - a. Perform a general review of the completed work
 - b. Apply an additional approach
 - c. Eliminate the weakest approach
 - d. Consult with the client
3. The appraiser should check for consistent use and interpretation of data throughout the appraisal. Such a procedure is part of
 - a. The analysis of data
 - b. The technical review
 - c. The value conclusion
 - d. The review of the appraisal process
4. The reconciliation process weighs the
 - a. Applicability of each approach
 - b. Adequacy and reliability of data
 - c. Range of value indicated
 - d. All of the above
5. The applicability of any approach is said to be dependent upon all the following except
 - a. The purpose of the appraisal
 - b. How many approaches have been applied
 - c. The strengths and weaknesses of the approach
 - d. The state of the market
6. In a single-family residential appraisal, the greatest weight should be given to the value indicated by the sales comparison approach
 - a. When the quantity and quality of data support it
 - b. Unless the improvements are new
 - c. In all cases
 - d. Regardless of the market activity
7. Which of the value approaches is considered to be the most direct?
 - a. Cost
 - b. Income
 - c. Sales comparison
 - d. A combination of the above

8. The income approach should probably be emphasized in the appraisal of a 6-unit apartment
- In all appraisals
 - When the cost approach is not applicable
 - When such property is bought and sold primarily for income
 - When vacancy rates are low

9. The cost approach would be given the most weight in the appraisal of a new building when
- There is a scarcity of good comparables
 - The property is not adapted to investment purposes
 - Direct and indirect costs can be estimated
 - All of these conditions are met

10. An application of the three approaches in the appraisal of a new residence has developed the following value indications:

Cost Approach	\$275,000
Sales Comparisons Approach	\$245,000
Income Approach	\$220,000

If we assume that all approaches were equally reliable, the range of indicated value for this appraisal is suggested as

- \$220,000 to \$275,000
 - \$220,000 to \$265,000
 - \$245,000 to \$275,000
 - None of the above
11. The following indications of value have resulted from a tentative application of the three approaches in an appraisal of an old and partially obsolete commercial property in your city:

Cost Approach	\$800,000
Sales Comparison Approach	\$600,000
Income Approach	\$400,000

If we assume that market data seems to support both the sales comparison and income approaches, and that the land value for the cost approach was based on the sale of a similar, nearby vacant site, which of the following would be suggested to reconcile the value estimates?

- Value it at \$800,000
 - Lean toward \$500,000
 - Appraise at \$400,000
 - Perform a technical review
12. If the final conclusion figure in an appraisal falls between \$500,000 and \$1,000,000, most appraisers would round it to the nearest
- \$ 50,000
 - \$ 10,000
 - \$100,000
 - \$ 1,000