

SPECIAL EXAMS – AUGUST 2023

BFIN 3202: REAL ESTATE AND ALTERNATIVE INVESTMENTS

Attempt Question ONE and Any TWO Others

Time: 2 Hrs

Question One; Compulsory

- a) Explain the main Institutions involved in the Real Estate Capital Markets. (10 Marks)
- b) Distinguish between Freehold and Leasehold in Real Estate Finance. (10 Marks)

ABC fund plans to replace its fleets of trucks in three years at an estimated cost of Sh. 140,000. The company established a sinking fund in an account that earns interest at 9% compounded semi-annually.

Required:

Compute the amount of the payment at the end of each six months. (10 Marks)

Question Two

- a) Describe at least four (4) characteristics of easements in real estate finance. (8 Marks)
- b) Distinguish between the following in real estate practice
- i) Real property and personal property (8 Marks)
 - ii) Freehold and leasehold (4 Marks)

Question Three

- a) Describe the main classification of Estates in practice. (8 marks)
- b) Makena was paying a mortgage by depositing Shs. 1,000 in a savings institutions. Each payment is made at the end of the year. Required compute amount, if the payment due deposited earns 6% interest compounded at 10 years (12 Marks)

Question Four

- a) Describe FOUR (4) alternative workouts in the event of mortgage default or foreclosure. (8 Marks)
- b) Discuss various forms of tenancy in reference to Real Estate Finance. (8 Marks)
- c) Explain the main characteristics of Easements in Real Estate Finance. (4 Marks)