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PRACTICE QUESTIONS

Alabama Real Estate Appraiser Program

AAGYZZQL

Certified General Appraiser Examination

EDITION	QUESTIONS	FORMAT
Demo	9	Limited Edition PDF

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Before you begin

What this is

9 practice questions for Alabama Real Estate Appraiser Program `AAGYZZQL`, each with its answer key and an explanation. Answer a question before you read its key — the explanation is worth more once you have committed.

If something looks wrong

Send us three things and we will check it:

- the exam code, `AAGYZZQL`
- the question number
- the email address on your order

Write to **support@mometrix.net**. We reply within one business day.

QUESTION 1 SINGLE CHOICE

Under USPAP Standards Rule 2-2(a), a written appraisal report for a real property assignment must clearly and conspicuously include certain required elements. Which of the following must be included?

A The appraiser's marketing plan for the subject property

B Information on the client's intended use of the appraiser's opinions and conclusions

C The personal financial position of the property owner

D A forecast of national interest rates for the next 12 months

ANSWER **B**

WHY USPAP Standards Rule 2-2(a)(x) requires the written report to include information about the client's intended use of the appraiser's opinions and conclusions. Marketing plans, owner financial position, and interest-rate forecasts are not required report elements under SR 2-2(a).

QUESTION 2 SINGLE CHOICE

In reconciling the final opinion of value developed through the Sales Comparison, Cost, and Income Capitalization approaches, the appraiser is primarily attempting to:

A Determine which approach produced the highest value indication and discard the others

B Average the three indications mathematically without qualitative weighting

C Analyze the relative strength and applicability of each approach to derive a single supported opinion of value

D Confirm that the cost approach value always controls for newer properties

ANSWER **C**

WHY Reconciliation involves analyzing the quality, quantity, and applicability of the data and methodology behind each approach, then weighing them to arrive at a single, well-supported opinion of value. It is not a mechanical process, nor is any single approach always controlling.

QUESTION 3 SINGLE CHOICE

A Certified General appraiser is analyzing the highest and best use of a vacant urban site. Which test must the use satisfy to be considered the highest and best use of the site as though vacant?

- **A** **Legal permissibility, financial feasibility, and maximum productivity**
- **B** Physical possibility, legal permissibility, and immediate saleability at any price
- **C** Legal permissibility, physical possibility, and conformity with the existing neighborhood
- **D** Financial feasibility, immediate construction start, and tax abatement eligibility

ANSWER **A**

WHY The four tests of highest and best use as though vacant are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Saleability and neighborhood conformity are not part of the formal HBU test criteria under standard appraisal practice.

QUESTION 4 SINGLE CHOICE

Which statement correctly distinguishes direct capitalization from yield capitalization (DCF) in the income approach?

- A **Direct capitalization converts a single year's income expectancy into an indication of value using a capitalization rate, while yield capitalization discounts periodic cash flows plus a reversionary value over the holding period.**
- B Yield capitalization ignores future income and relies solely on current rent, while direct capitalization forecasts multi-year cash flows.
- C Direct capitalization and yield capitalization are interchangeable terms for the same procedure under USPAP.
- D Yield capitalization is used only for owner-occupied properties, while direct capitalization is used only for investment properties.

ANSWER **A**

WHY Direct capitalization divides a representative single-year income by an overall capitalization rate to produce a value indication. Yield capitalization (a form of discounted cash flow analysis) converts multiple periodic cash flows and a reversion over a projected holding period into a present value. The two methods are distinct and are applied to different property types and data sets.

QUESTION 5 SINGLE CHOICE

When developing adjustments in the sales comparison approach, the appraiser's quantitative adjustments should be supported primarily by:

- A The appraiser's personal opinion of market conditions
- B **Paired sales, grouped data analyses, or other market-derived statistical evidence**
- C The income the seller reportedly earned from the property
- D A standard table published by the state real estate commission

ANSWER **B**

WHY Quantitative adjustments in the sales comparison approach must be supported by market-derived evidence such as paired sales analysis, sales grouped by the variable being measured, or regression and other statistical techniques. Unsupported opinions or unrelated state-published tables are not acceptable support under USPAP.

QUESTION 6 SINGLE CHOICE

In the cost approach, total accrued depreciation is generally defined as the difference between:

- A The land value and the improvement value
- B **The reproduction or replacement cost new of the improvements and their estimated value as currently existing**
- C The contract rent and the market rent
- D The gross living area and the net living area

ANSWER **B**

WHY Total accrued depreciation represents the difference between the cost to reproduce or replace the improvements new and the value of the improvements as they exist at the appraisal date, reflecting all forms of deterioration and obsolescence.

QUESTION 7 SINGLE CHOICE

Under USPAP Standards Rule 1-4(b), when developing an opinion of the market value of real property, an appraiser must identify the property, the property rights involved, and which of the following?

A The name of the buyer's lender

B The effective date of the appraisal and the relevant characteristics of the property

C The planned renovation schedule for the improvements

D The borrower's credit score

ANSWER **B**

WHY SR 1-4(b) lists elements that must be identified in the development of a market value opinion, including the effective date of the appraisal and the relevant property characteristics. Lender identity, renovation plans, and borrower credit information are not required by this rule.

QUESTION 8 SINGLE CHOICE

Under the USPAP Ethics Rule, an appraiser is required to keep confidential the client's information unless disclosure is required by law or ethics. Which of the following would NOT be considered confidential client information under the Confidentiality section of the Ethics Rule?

A The client's intended use of the appraisal report

B The existence of the appraisal assignment itself

C The appraiser's opinions and conclusions developed under the assignment

D Information the appraiser obtains from the client about the property's physical characteristics

ANSWER **C**

WHY The USPAP Ethics Rule's Confidentiality section identifies specific categories of confidential information, including the client's intended use, the existence of the assignment, and information obtained from the client about real or personal property. The appraiser's own opinions and conclusions are the work product communicated to the client and are not confidential in the sense the rule addresses.

QUESTION 9 MULTIPLE CHOICE

When developing an opinion of market value for a real property assignment under USPAP Standards Rule 7-1, the appraiser must identify and consider several specific elements. Which of the following items must the appraiser identify as part of the problem identification? (Choose two.)

- A **The intended use of the appraiser's opinions and conclusions**
- B The client's preferred marketing strategy for the subject property
- C **The intended user(s) of the appraiser's opinions and conclusions**
- D The appraiser's recommended list price for the subject property
- E Any relevant property tax appeals history of the subject property

ANSWER A · C

WHY Standards Rule 7-1(a) explicitly requires the appraiser to identify the client and any intended users, the intended use, the type and definition of value, the effective date of the appraisal, and relevant property characteristics. The intended use (A) and intended user(s) (C) are both required elements. Marketing strategy, list price recommendations, and tax appeal history are not required elements of problem identification under SR 7-1.