

**Question #28**

The construction of a building costing \$12,000,000 started in Year 1 and was completed and occupied in Year 2 (two years constructions). \$8,000,000 of the construction costs was incurred in Year 1 and the balance in Year 2.

Using the old rules or system (5% CCA rate, declining balance method, full year rule and no put-in-use), what is the capital cost allowance (CCA) in Year 3?

- a. \$551,000
- b. \$570,000
- c. \$561,000
- d. \$598,500

**Question #29**

The construction of a building costing \$12,000,000 started in Year 1 and was completed and occupied in Year 2 (two years constructions). \$8,000,000 of the construction costs was incurred in Year 1 and the balance in Year 2.

Using the new rules or system (4% CCA rate, declining balance method, half-year rule and put-in-use in effect), what is the capital cost allowance (CCA) in Year 3?

- a. \$480,000
- b. \$467,200
- c. \$451,600
- d. \$470,400

**Question #30**

Which of the following does consider the time value of money, when applying the decision-making criteria in the real estate investment process?

- a. Rules of thumb techniques
- b. Cost approach
- c. Discounted payback period
- d. Sales or market comparable approach

**Question #31**

All costs are required to be accumulated before the calculations of capital cost allowance. This concept is called:

- a. Gross income multiplier
- b. Deferred annuity
- c. Overall capitalization rate
- d. Put-in-use