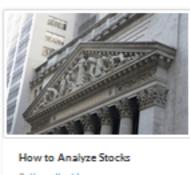
# Part III: Short Answer Questions (20 points, 10 points each question):

# Author: David Geltner

## Professor @MIT Massachusetts Institute of Technology

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4. Chapter: Part III: Short Answer Questions (20 points, 10 points each question):
1. Part III: Short Answer Questions (20 points, 10 points each question): Questions
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4.1.1. What are the major line items in the operating budget of a developm...

### **Author: David Geltner**

Choose 2 out of the 3 questions below, and answer each question in the space provided below that question.

Please be sure it is clear to us which question you DON'T want to be graded.

If the TA cannot figure it out, we will grade only the first four.

What are the major line items in the operating budget of a development project, and why might it make sense for such a budget to consider only a single year's operation of the building?

Check the answer of this question online at QuizOver.com:

Question: What are the major line items in the operating Choose 2 out of 3

Flashcards:

http://www.quizover.com/flashcards/what-are-the-major-line-items-in-the-operating-choose-2-out-of-3?pdf=3044

Interactive Question:

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4.1.2. Why is it that construction loans are almost always used to finance...

### Author: David Geltner

Choose 2 out of the 3 questions below, and answer each question in the space provided below that question.

Please be sure it is clear to us which question you DON'T want to be graded.

If the TA cannot figure it out, we will grade only the first four.

Why is it that construction loans are almost always used to finance all or most of the construction costs in a development investment, even when the investor has plenty of cash that could be used to pay for construction?

Check the answer of this question online at QuizOver.com:

Question: Why is it that construction loans are almost Choose 2 out of the

Flashcards:

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http://www.quizover.com/question/why-is-it-that-construction-loans-are-almost-choose-2-out-of-the?pdf=3044

4.1.3. Is it appropriate, and if so, why is it appropriate, to apply a ris...

### Author: David Geltner

Choose 2 out of the 3 questions below, and answer each question in the space provided below that question.

Please be sure it is clear to us which question you DON'T want to be graded.

If the TA cannot figure it out, we will grade only the first four.

Is it appropriate, and if so, why is it appropriate, to apply a riskless or nearly riskless OCC to construction cost cash flows in the typical development project?

Check the answer of this question online at QuizOver.com:

Question: Is it appropriate and if so why is it appropriate Choose 2 out of

Flashcards:

http://www.quizover.com/flashcards/is-it-appropriate-and-if-so-why-is-it-appropriate-choose-2-out-of?pdf=3044

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