

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF FINANCE**  
**BACHELOR OF COMMERCE HONOURS DEGREE IN FINANCE**  
**PART IV –2<sup>ND</sup> SEMESTER SUPPLEMENTARY EXAMINATION – AUGUST 2006**  
**REAL ESTATE FINANCE [CFI 4205]**  
**TIME ALLOWED: 3 HOURS 10 MINUTES**

**INSTRUCTIONS**

1. The paper is 3 hours 10 minutes, of which 10 minutes is reading time.
2. This paper contains 6 questions
3. Answer any **five** questions.
4. Write legibly.

**Question 1**

Discuss the main reasons for the increase in use of Joint Venture arrangements in real estate development.

**[20 marks]**

**Question 2**

Outline the significance of corporate finance on the real estate market in Zimbabwe.

**[20 marks]**

**Question 3**

Distinguish between unitisation and securitisation in Real Estate Finance, clearly giving examples of each.

**[20 marks]**

**Question 4**

Discuss the importance of Real Estate Investment Trusts [REITs] in Real Estate Finance.

**[20 marks]**

**Question 5**

First Mutual Life [FML] intends to unbundle its operations by listing its properties portfolio separately. Discuss the main advantages and disadvantages of such a corporate restructuring arrangement.

**[20 marks]**

**Question 6**

“Derivatives in real estate markets in developing countries are non-existent”. Discuss.

**[20 marks]**