

14-HR Continuing Education

Real Estate

Practice Exam 1

1. The type of knowledge that relates to prospecting for listings is called
- marketing knowledge.**
 - product knowledge.
 - technical knowledge.
 - time management.

A

2. The major reason that listings expire is
- property condition.
 - poor marketing effort.
 - overpricing**
 - uncooperative owner.

C

3. The Wilsons have contracted to purchase a home for \$412,000, contingent on the property appraising for the offered price. When the appraisal comes in at \$400,000, the contract is
- anceled.
 - invalid.
 - void.
 - voidable.**

D

4. When showing property, the sales associate should NOT
- a. request that the sellers vacate the house during the showing.
 - b. suggest that the sellers remove dogs or restrain them before showing.
 - c. **ask the sellers whether they would consider a lower price offer.**
 - d. call the sellers after leaving the last house to give notice that their house will be shown next.

C

5. A buyer may expect from the single agent seller's broker the duty of
- a. **disclosure of material facts affecting the property value.**
 - b. obedience.
 - c. loyalty.
 - d. confidentiality.

A

6. A property that sold is ruled out as a comparable sale. The most likely reason is that the home
- a. has a different floor plan than the subject property.
 - b. **is in a different neighborhood, even though there are many comparable sales in the subject property's neighborhood.**
 - c. has a swimming pool if the subject property does not have a pool.
 - d. has four bedrooms if the subject property has only three bedrooms.

B

7. Which contract requires only one party to perform?

- a. **Option**
- b. Sales
- c. Exclusive-right-of-sale listing
- d. Lease

A

8. When preparing an offer on a Contract for Sale and Purchase, the sales associate should

- a. **ensure that each buyer shown in the contract signs the signature line of the contract.**
- b. give quasi-legal advice to the buyers about taking title as tenants in common or as joint tenants with rights of survivorship.
- c. require that all parties who may take title in the future sign the contract.
- d. refuse to write an offer unless all parties that may be on the title sign the contract

A

9. A residential broker may work with a buyer in all of the following ways EXCEPT

- a. as a single agent.
- b. with no representation.
- c. as a transaction broker.
- d. **as a designated sales representative.**

D

10. If owners must be members of a community association, the seller must disclose all of the following except which to the buyer

- a. that recorded covenants govern the use and occupancy of the property.
- b. **the previous sale price of the home.**
- c. that the property owner must be a member of the association.
- d. that the property owner must pay an assessment to the association and failure to pay could result in a lien being place on the property by the association.

B

11. Members of the Florida Real estate Commission may serve no more than _____ consecutive terms

- a. 5
- b. 1
- c. 8
- d. 2

D

12. A licensee that fails to renew when required to do so will have his or her license placed on which status?

- a. Inactive
- b. Null and Void
- c. Expired
- d. **Involuntary inactive**

D

13. The Division of Real Estate (DRE) is an administrative part of the Department of:

- a. State
- b. Commerce
- c. Banking
- d. **Business and Professional Regulation**

D

14. A sales associate is of what relationship to his or her broker?

- a. An affiliate
- b. A client
- c. A partner
- d. **A subagent**

D

15. The brokerage relationship that includes fiduciary responsibility is

- a. Transaction broker
- b. No brokerage relationship
- c. **Single agent**
- d. Customer

C

16. Which of the following relationships is supportive rather than adversarial?

- a. arms length
- b. buyer beware
- c. **caveat emptor**
- d. fiduciary

D

17. Discrimination based on religion is prohibited by the:

- a. Civil Rights Act of 1866
- b. **Civil Rights Act of 1968**
- c. Civil Rights Act of 1964
- d. Fair Housing Amendments of 1988

B

18. Three components of Real Estate do not include which of the following:

- a. Air
- b. Surface
- c. Subsurface
- d. **Reflection**

D

19. A tenant at sufferance is one who

- a. Is in the process fulfilling a valid lease term
- b. Has obtained ownership by unlawful possession of the property
- c. Is a beneficiary of a will that inherited the property
- d. **Is an unauthorized occupant of property**

D

20. A mortgage in which changes in the interest rate may cause changes in the monthly payment amount is called a(n)

- a. escalator mortgage
- b. graduated-payment mortgage
- c. a fixed-rate mortgage
- d. **adjustable-rate mortgage**

D

21. A sales associate is a transaction broker. If a prospective buyer asks why the seller is selling, the sales associate

- a. **may not disclose the motivation because of the duties of limited confidentiality.**
- b. may tell the buyer a fictitious reason so that it doesn't compromise the seller's position.
- c. may disclose the seller's motivation if known.
- d. must withdraw from the transaction.

A

22. When the supply of listed homes increases without a corresponding increase in sales, lower prices result. This is an example of the principal of

- a. substitution.
- b. balance.
- c. **supply and demand.**
- d. change.

C

23. The brokerage relationship notice that must be signed by the customer is the

- a. no brokerage relationship notice.
- b. transaction broker relationship notice.
- c. **consent to transition to transaction broker notice.**
- d. single agent notice

C

24. A seller's equity is the

- a. **property value less mortgage balances.**
- b. net proceeds from the sale after paying expenses but not prorations.
- c. net proceeds from the sale after paying expenses and prorations.
- d. total house value.

A

25. Open listings

- a. are limited to one broker.
- b. protect the listing broker if another broker sells the property.
- c. require the owner to notify the broker when the property has been sold.

d. **allow the owner to personally sell the property without paying a commission.**

D

26. Under the Americans with Disabilities Act, architectural barriers must be removed to maximize accessibility if it is readily achievable to do so. The purpose of this rule is to:

- a. **create equal access and opportunity**
- b. control expenses associated with property development
- c. enhance building structures in a way that is not always practical but necessary
- d. to comply with the Civil Rights Act of 1866

A

27. Excel Realty is a transaction broker for buyer Andrew. Andrew wants to purchase a new home so that sales associate takes him to three model centers listed by three competing real estate companies. The sales associate must give the no brokerage relationship notice to

- a. Andrew.
- b. the model home employees at each model center.
- c. **no one.**
- d. the owner-developer of each new homes subdivision.

C

28. A transaction broker does NOT have which duty?

- a. Duty of using skill, care, and diligence in the transaction.
- b. Duty of accounting for all funds
- c. Duty to disclose all known facts that materially affect the value of residential real property and are not readily observable to the buyer
- d. **Full fiduciary duties to both the buyer and the seller**

D

29. A real estate licensee is obligated to communicate to the seller

a. all oral offers, unless specifically instructed by the seller to accept on his or her behalf.

b. only all written offers.

c. **all oral and written offers, regardless of how worthy they may be in the broker's opinion.**

d. all offers up until such time as there is a contract pending.

C

30. A single agent broker received an offer on a listed property at the seller's price and terms. Before informing the seller, the broker received a higher offer. She submitted only the first offer, and the seller, her principal, accepted it. The broker

a. **has violated her fiduciary duty to her principal.**

b. is guilty of conversion.

c. has fulfilled her duty to the seller because the offer was for the seller's full price and terms.

d. is not required to submit the second offer.

A