



NATIONAL TEST TOPIC: ALL - 178 QUESTIONS
BROKER CANDIDATE
PRACTICE EXAM
2021 Practice Exam

- ___ 1. The gross rent multiplier is used as a guideline for estimating value based on the
- A) relationship of sales prices to the rental income.
 - B) capitalization of the annual gross rental income.
 - C) ratio of the gross rents to the net rents after expenses.
 - D) proportion of rents due to the actual rents collected.
- ___ 2. In absence of an agreement to the contrary, the mortgage having priority will be the one
- A) which was recorded first.
 - B) that is a construction loan.
 - C) for the highest amount.
 - D) which was signed first.
- ___ 3. A third party holds title to property on behalf of someone else through the use of a
- A) quitclaim deed.
 - B) bequest.
 - C) deed in trust.
 - D) devise.
- ___ 4. A broker employs several salespeople, one of whom, Mary, is a member of a protected group. The broker directs her to work only with members of her group and to solicit sales only in similar neighborhoods. Which of the following is *CORRECT*?
- A) The salesperson should be satisfied with the broker's policy.
 - B) The broker is entitled to direct Mary's activities this way.
 - C) The fair housing laws do not apply to the broker's practices.
 - D) The practice could establish or continue the unlawful practice of steering.
- ___ 5. A metes-and-bounds legal description
- A) must commence and finish at the same identifiable point.
 - B) is used to complete areas omitted from recorded subdivision plats.
 - C) is not acceptable in court in most jurisdictions.
 - D) can be made only in areas excluded from the rectangular survey system.
- ___ 6. An owner who is interested in selling his house is usually concerned about how much money he can get when it sells. A competitive market analysis may help the seller determine a realistic listing price. Which of the following is true?
- A) A competitive market analysis contains a compilation of facts about similar properties that have recently sold.
 - B) A competitive market analysis is what is prepared by a certified real estate appraiser.
 - C) A competitive market analysis is the same as an appraisal.
 - D) A broker, but not a salesperson, is permitted to prepare a competitive market analysis.

- ___ 7. Each of two brokerage companies claimed full commission for the sale of a property that was listed by both of the firms under open listing agreements. The broker who is entitled to the commission is the one who
- A) was the procuring cause of the sale.
 - B) listed the property.
 - C) advertised the property.
 - D) obtained the first offer.
- ___ 8. As an agent for the seller, a real estate broker can
- A) advise a prospective buyer as to the best manner of taking title to the property.
 - B) change the terms of the listing contract on behalf of the seller.
 - C) solicit an offer to purchase the property from a prospective buyer.
 - D) guarantee a prospective buyer that the seller will accept an offer at the listed price and terms
- ___ 9. Radon is
- A) easy to detect because of its odor.
 - B) a known human carcinogen.
 - C) not found in older homes.
 - D) only found in the eastern United States.
- ___ 10. A person who owns one unit in a multiunit structure together with a specified undivided interest in the common elements would own a
- A) condominium.
 - B) time-share interest.
 - C) share in a real estate investment trust.
 - D) cooperative.
- ___ 11. A real estate salesperson, classified by the IRS as an independent contractor, receives
- A) negotiated commissions on transactions.
 - B) a monthly salary or hourly wage.
 - C) company-provided health insurance.
 - D) company-provided automobile.
- ___ 12. A section
- A) contains 460 acres.
 - B) has a perimeter of 5,280 square feet.
 - C) can be any numbered anywhere from 1 to 50.
 - D) is 1 mile square.
- ___ 13. The purpose of a security deposit is to
- A) ensure that the lease is valid.
 - B) provide additional revenue for the landlord.
 - C) repair damage to the property caused by the tenant.
 - D) pay for the last month's rent.

- ___ 14. Lucas McCain and his son Mark (a cattle rancher) owns a parcel of land outside of Northfork Virginia on which oil is discovered. If the Lucas has not previously conveyed the oil rights, who owns the oil?
- A) The tenant to whom the property has been leased
 - B) The Virginia state government
 - C) The federal government
 - D) Lucus McCain and Mark
- ___ 15. A suit to quiet title refers to
- A) the deposit of a title with an escrow agent.
 - B) the removal of a cloud on the title by court action.
 - C) a mortgagor relinquishing title after foreclosure.
 - D) a title insurance company's search of the title.
- ___ 16. A landowner constructed a building 7 stories high. Several years later the municipality changed the zoning ordinance, prohibiting buildings that exceed 6 stories in height. Which of the following is true regarding the existing 7-story building?
- A) The owner must obtain a variance.
 - B) It is a conditional use.
 - C) It is a nonconforming use.
 - D) The building must be demolished.
- ___ 17. When demand for a commodity decreases and supply remains the same,
- A) the market becomes stagnant.
 - B) price tends to rise.
 - C) price tends to fall.
 - D) price is not affected.
- ___ 18. The condition of the seller's title is generally determined from a(an)
- A) escrow report prepared by an attorney.
 - B) title commitment or abstract of title
 - C) physical inspection of the property by the buyer.
 - D) closing statement prepared by an escrow agent.
- ___ 19. A person wants to ensure that the ownership of real property can be willed to her children. Which of the following forms of ownership would the person want?
- A) A joint tenancy
 - B) A conventional life estate
 - C) A license
 - D) A fee simple estate
- ___ 20. Your neighbors use your driveway to reach their garage which is on their property. Your attorney explains that ownership of the neighbors' real estate includes an easement appurtenant giving them the right to do this. Your property is the
- A) dominant tenement.
 - B) license property.
 - C) leasehold interest.
 - D) servient tenement.
- ___ 21. Federal income tax regulations allow homeowners to reduce their taxable income by amounts paid for
- A) real estate taxes.
 - B) principal and interest.
 - C) hazard insurance premiums.
 - D) repairs and maintenance.

- ___ 22. A broker who is the agent of the buyer should do which of the following?
- A) Present to the seller only offers that are acceptable
 - B) Disclose to the seller that the buyer is a minority person
 - C) Advise the buyer if the listing price of the seller's house is unrealistic
 - D) Disclose to the seller the maximum price the buyer is willing to pay
- ___ 23. A deed must be signed by the
- A) grantee.
 - B) grantee and two witnesses.
 - C) grantor.
 - D) grantor and grantee.
- ___ 24. A joint tenancy with right of survivorship may be created
- A) by presumption if another form of ownership is not described.
 - B) by deed or will.
 - C) automatically if a deed is signed by both spouses.
 - D) automatically if the property is distributed to the surviving children.
- ___ 25. In the cost approach an appraiser uses which of the following?
- A) An estimate of the building's replacement cost
 - B) Sales prices of similar properties
 - C) The property's depreciated value as used for income tax purposes
 - D) The owner's original cost of construction
- ___ 26. To assign a contract for the sale of real estate means to
- A) allow the seller and the buyer to exchange positions.
 - B) record the contract with the county recorder's office.
 - C) permit another broker to act as agent for the principal.
 - D) transfer one's rights under the contract.
- ___ 27. The purpose of an appraisal is to
- A) set the market price of a property.
 - B) determine the projected income of a property.
 - C) set the amount of consideration the seller should accept from a purchaser.
 - D) estimate the value of a property.
- ___ 28. A real estate loan payable in periodic installments that are sufficient to pay the principal in full during the term of the loan is called a
- A) fully amortized loan.
 - B) partially amortized loan.
 - C) conventional loan.
 - D) straight loan.
- ___ 29. Which of the following is considered personalty ?
- A) Awnings made by Pella
 - B) Bathtubs with Kohler fittings
 - C) Patio furniture by Kendra
 - D) New Wood-burning fireplace by Hunder
- ___ 30. Priority of mechanic's liens is based on
- A) state law.
 - B) case law.
 - C) federal law.
 - D) common law.

- ___ 31. If a property sold at a mortgage foreclosure does not bring an amount sufficient to satisfy the outstanding mortgage debt, the mortgagor may be responsible for
- A) liquidated damages.
 - B) a default judgment.
 - C) punitive damages.
 - D) a deficiency judgment.
- ___ 32. A lease agreement is signed by a lessee who is 16 years of age. Which of the following is true?
- A) The lease agreement is valid provided the security deposit is increased.
 - B) A 16-year-old person cannot sign a lease.
 - C) The lease agreement is void.
 - D) The lease agreement is voidable.
- ___ 33. All of the following are typically found in a listing agreement EXCEPT?
- A) The commission rate to be paid to the listing broker
 - B) The responsibilities of the broker
 - C) The date the broker will schedule an open house
 - D) The price the seller is asking for the property
- ___ 34. The Americans with Disabilities Act requires
- A) all employers to adopt nondiscriminatory employment practices.
 - B) that reasonable accommodations be provided for people with disabilities.
 - C) that existing premises be remodeled for people with disabilities regardless of the cost involved.
 - D) all real estate to be free of barriers to people with disabilities.
- ___ 35. Which of the following is true about title insurance?
- A) It covers changes in land used brought about by zoning ordinances
 - B) It includes defects known to the buyer
 - C) It protects the insured from events before the policy was issued
 - D) It ensures against future losses
- ___ 36. The 'bundle of rights' of ownership of real property include all of the following EXCEPT the right of
- A) exclusion.
 - B) control.
 - C) compatibility.
 - D) disposition.
- ___ 37. Under a percentage lease, a commercial lessee may agree to pay
- A) insurance.
 - B) maintenance.
 - C) a percent of sales.
 - D) real estate taxes.
- ___ 38. Megan owns a triplex and rents out two of the units. She wishes no children or pets. She runs an ad which reads: "Two bedroom available but no children or animals allowed." Which of the following is true?
- A) Megan is not required to comply with the familial status requirement, but must allow service animals
 - B) Megan may not exclude animals or children from her rentals
 - C) Megan may not run discriminatory ads
 - D) Megan is exempt from the Fair Housing Act and this includes advertisements

- ___ 39. The purpose of a mortgage is to
A) create a lien on the property.
B) provide security for a loan.
C) convey title of the property to a lender.
D) restrict the borrower's use of the property.
- ___ 40. When a salesperson tells homeowners that minorities are moving into the area in order to get those homeowners to sell their properties, this activity is
A) discriminatory advertising. C) legal as long as it is true.
B) called blockbusting D) called power selling.
- ___ 41. The type of title insurance that will protect the owner and heirs is called a (n)
A) certificate of sale policy C) owner's policy
B) lender's policy D) leasehold policy
- ___ 42. In a closing statement, a prepaid item is a(n)
A) accrued expense. C) item that is prepaid by the seller
B) a charge to the seller D) item paid in advance by buyer
- ___ 43. Freddie Mac
A) operates mostly in the secondary mortgage market
B) guarantees payment of Freddie Mac mortgages.
C) buys mostly FHA loans.
D) operates mostly in the primary mortgage market.
- ___ 44. Contamination from underground storage tanks is
A) addressed by EPA regulations. C) easily detected and eliminated.
B) only caused by tanks currently in use. D) found only in petroleum stations.
- ___ 45. Under the terms of a trust established by a will, the trustee is required to sell the real estate the trust holds. The deed that will be delivered at settlement of such a sale is a
A) trustor's deed. B) trustee's deed. C) deed of release. D) warranty deed.
- ___ 46. A Bridgeport Apartment Complex property manager is hired to manage a property while the owner is overseas for two years. The property manager is a (n)
A) special agent B) attorney-in-fact C) general agent D) universal agent
- ___ 47. The covenant implied in a lease that ensures that the landlord will not interfere in the tenant's possession or use of the property is the covenant of
A) of quiet enjoyment. C) of seizin.
B) against encumbrances. D) of warranty forever.

- ___ 48. Shelly and Nadine bought a store building and took title as joint tenants. Nadine died testate. Shelly now owns the store
- A) in trust.
 - B) as a joint tenant with rights of survivorship.
 - C) in severalty.
 - D) as a tenant in common with Nadine's heirs.
- ___ 49. The term *improvements*, when referring to real estate, would include
- A) land boulders
 - B) shrubbery.
 - C) trees.
 - D) sidewalks.
- ___ 50. RESPA (The Real Estate Settlement Procedures Act) is a federal statute administered by the
- A) Office of the U. S. Attorney General.
 - B) Federal Trade Commission.
 - C) Department of Veteran Affairs.
 - D) Department of Housing and Urban Development.
- ___ 51. A broker took a listing and later discovered that the client had been declared legally incompetent before signing the listing. The listing is now
- A) renegotiable.
 - B) binding because the broker was acting as the owner's agent in good faith.
 - C) of no value to the broker because it is void.
 - D) the basis for the recovery of a commission if the broker produces a buyer.
- ___ 52. The pledging of property as security for payment of a loan without surrendering possession is
- A) equity.
 - B) subordination.
 - C) disintermediation.
 - D) hypothecation.
- ___ 53. Which of the following about a condominium is INCORRECT?
- A) Each owner has a proprietary lease with the association for his or her own unit.
 - B) A declaration must be filed before any units may be sold.
 - C) Each unit owner has a fractional undivided interest in the common elements.
 - D) Each owner receives a separate real estate tax statement.
- ___ 54. Generally, an oral lease for five years is
- A) renewable only in writing.
 - B) a short-term lease.
 - C) illegal.
 - D) unenforceable.
- ___ 55. A management agreement is to a property manager as a(n)
- A) lease is to a tenant.
 - B) deed is to a buyer.
 - C) assignment.
 - D) listing agreement is to a broker.
- ___ 56. Discrimination based on familial status was prohibited with the passage of the
- A) Fair Housing Amendments Act of 1988.
 - B) Civil Rights Act of 1866.
 - C) Civil Rights Act of 1964.
 - D) Fair Housing Act of 1968.

- ___ 57. Damage from which of the following is *NOT* covered in a basic homeowner's policy?
A) Explosion B) Windstorm and hail C) Flood D) Fire and lightning
- ___ 58. All of the following are required of a broker when seeking to collect a commission for brokering the sale of a property EXCEPT
A) Having been procuring cause in the transaction or having an exclusive-right-to-sell agreement
B) Complying with a set commission rate set by a trade organization
C) Having a valid real estate broker's license
D) Having had a contract of employment—an agency representation agreement
- ___ 59. There are no exceptions to fair housing law for
A) religious organizations. C) private clubs.
B) racial considerations. D) retirement communities.
- ___ 60. A licensed real estate professional acting as a point of contact between two or more people in negotiating the sale, rental, or purchase of a property is known as a(n)
A) appraiser. B) sales affiliate. C) broker. D) property manager.
- ___ 61. The best reason for a buyer to obtain title insurance is
A) to ensure that the seller can deliver marketable title.
B) to pay future liens that may be filed.
C) that the mortgage lender requires it.
D) to ensure that the abstractor has prepared a complete summary of title.
- ___ 62. A trust is a legal arrangement in which title to property is held for the benefit of a third party by a(n)
A) attorney in fact. B) beneficiary. C) trustor. D) trustee.
- ___ 63. A salesperson who represents the seller is showing a house to a prospective buyer-customer. The salesperson knows that the house has water problems in its basement. Which of the following is true?
A) Withholding the information prevents the buyer from making an informed decision.
B) Disclosing the information violates the salesperson's fiduciary duty to the seller.
C) Disclosing the information could create a fiduciary relationship with the buyer.
D) Withholding the information properly protects the confidence of the seller.
- ___ 64. A tenant's lease has expired, but the tenant has not vacated the premises or negotiated a renewal lease. The landlord has declared that the tenant is not to remain in the building. This situation is an example of
A) an estate from year to year. C) an estate for years.
B) tenancy at sufferance. D) tenancy at will.

- ___ 65. A tenant's lease does not terminate for five more years. The premises, however, have become too small to accommodate the tenant's growing business. Another business owner is interested in leasing the premises from the tenant for three years. Which of the following would the parties use for the tenant to lease the space to the business owner?
A) A sublease B) A tenancy at sufferance C) A novation D) An assignment
- ___ 66. A house with outmoded plumbing is suffering from
A) curable physical deterioration. C) functional obsolescence.
B) external depreciation. D) incurable physical deterioration.
- ___ 67. The primary intent of zoning ordinances is to
A) demonstrate the police power of the state.
B) protect residential neighborhoods from commercial encroachment.
C) assure that proposed land uses conform with the master plan.
D) limit the amount and types of businesses in a given area.
- ___ 68. Real estate that is inherited from a person who died testate is referred to as a
A) demise. B) legacy. C) bequest. D) devise.
- ___ 69. Broker Sven, in the course of selling a home to customer Nancy, told her that the foundation was "solid as a rock" when he knew for a fact that it was slowly sinking into the landfill on which it was built. Now that the sale is settled, which of the following is *LEAST LIKELY* to happen to Sven?
A) Successful defense against all charges based on loyalty to his client-seller
B) Being charged with intentional misrepresentation
C) Suit to recover money damages experienced by Nancy due to basement leakage
D) Revocation of his license for failure to disclose a material fact
- ___ 70. Grantee is to a deed as devisee is to a
A) will. B) leasehold. C) trust. D) estate.
- ___ 71. MaryBeth conveys a life estate to her grandson and stipulates that upon her death the estate will pass to her son-in-law. The son-in-law has a(n)
A) legal life estate. C) remainder interest
B) reversionary interest D) estate for years.
- ___ 72. A trust that is established after the death of the owner is called a
A) beneficial trust. B) living trust. C) testamentary trust. D) trust by will.
- ___ 73. Fixtures are generally
A) considered to be chattels.
B) removable by a tenant before the expiration of the lease.
C) removable by a tenant after the expiration of the lease.
D) treated as real property.

- ___ 74. The manager of a commercial building has many responsibilities in connection with the operation and maintenance of the structure. The manager would normally be considered the agent of
- A) the building's tenants.
 - B) both the owner and the tenants.
 - C) neither the owner nor the tenants.
 - D) the building's owner.
- ___ 75. All of the following are economic characteristics of land *EXCEPT*
- A) permanence of investment.
 - B) area preference.
 - C) scarcity.
 - D) uniqueness.
- ___ 76. A violation of the Fair Housing Act could result in a penalty of
- A) whatever the administrative law judge determines is fair.
 - B) \$25,000 (\$27,500 new) for the third offense
 - C) \$10,000 (\$11,000 new) for the first offense
 - D) \$100,000 for any offense
- ___ 77. What action returns a contract's parties to their position before the contract, including return of any deposit?
- A) Rescission
 - B) Subordination
 - C) Cancellation
 - D) Substitution
- ___ 78. A tenant agrees to rent on a month-month basis after the termination of the original lease. This is known as an
- A) Estate from period to period.
 - B) Estate at sufferance.
 - C) Estate for years.
 - D) Estate at will.
- ___ 79. In a limited partnership
- A) all the partners participate in running the business.
 - B) the general partners run the business.
 - C) investors may participate with only a small amount of capital but with unlimited liability.
 - D) the number of investors is limited to 10.
- ___ 80. All of the following are categories of the uses of real property EXCEPT
- A) Agricultural
 - B) Residential
 - C) Industrial
 - D) Developmental
- ___ 81. Upon discovering a latent defect in a property, the Broker Patricia should discuss the problem with seller Joan Hidente and then
- A) inform any prospective buyers of the defect.
 - B) contact the city building inspector about the defect.
 - C) arrange for the repairs herself.
 - D) tell him that the defect must be repaired.

- ___ 82. A salesperson who is employed by a broker told a prospective buyer that the house she was looking at is "the best house in the area." Because of this statement,
- A) the salesperson would be guilty of fraud only if the buyer purchased the house.
 - B) the salesperson was practicing puffing.
 - C) the salesperson was guilty of fraud.
 - D) the broker was guilty of fraud because the employing broker is responsible for the actions of the sales person.
- ___ 83. Lonnie conveys the ownership of his house to his mother and stipulates that upon her death he will recapture ownership. The interest Lonnie has in the property is a
- A) reversionary interest
 - B) legal life estate.
 - C) remainder interest
 - D) curtesy estate.
- ___ 84. The water rights of an owner of property located along the banks of a river are called
- A) prior appropriation rights.
 - B) riparian rights.
 - C) hereditaments.
 - D) littoral rights.
- ___ 85. The owner of a house wants to fence the yard for his new terrior (dog). When the fence is erected, the fencing materials are converted to real estate by what process:
- A) annexation.
 - B) immobility.
 - C) indestructibility.
 - D) severance.
- ___ 86. If a Norwalk homeowner's insurance policy provides coverage for less than 80 percent of the full replacement cost of the dwelling, then the loss of the residence will be settled for
- A) the lowest repair bid.
 - B) the total replacement cost.
 - C) the market value of the property less the land value.
 - D) either the actual cash value or the prorated repair cost.
- ___ 87. Under an existing ordinance no signs that extend more than 3 feet above the highest point of a roof may be placed on any building. An owner wants to erect a 9-foot-high revolving sign on the roof of his store. In order to do this legally, the owner must get a
- A) nonconforming use permit.
 - B) court order.
 - C) variance.
 - D) deed to the air rights.
- ___ 88. In a land trust all of the following are true EXCEPT
- A) Public records list all the beneficiaries.
 - B) The property can be pledged as security for a loan without recording a mortgage.
 - C) The beneficiary is usually the trustor.
 - D) The beneficial interest can be transferred by assignment.
- ___ 89. The mixing of trust funds with a broker's personal funds is
- A) permitted in offices with fewer than three agents
 - B) legal in most states
 - C) conversion
 - D) commingling

- ___ 90. All the following clauses in a loan agreement enable the lender to demand the entire remaining debt be paid immediately *EXCEPT* a(an)
- A) acceleration clause.
 - B) due-on-sale clause.
 - C) alienation clause.
 - D) defeasance clause.
- ___ 91. Gina owns 50 acres of land with 500 feet of frontage on a desirable recreational lake. She wishes to subdivide the parcel into salable lots, but she wants to retain control over the lake frontage while allowing lot owners to have access to the lake. Which of the following types of access rights would provide the greatest protection for a prospective lot purchaser?
- A) An appurtenant easement
 - B) An easement by necessity
 - C) A license
 - D) An easement in gross
- ___ 92. A life estate conveys to the life tenant
- A) a legal life estate.
 - B) a leasehold for life.
 - C) ownership for life.
 - D) a reversionary interest.
- ___ 93. A buyer has signed an agreement with a broker to compensate the broker even if the buyer purchases the property from a relative. This is called a (n)
- A) exclusive buyer agency agreement
 - B) open buyer agency agreement
 - C) invalid agreement
 - D) exclusive-agency buyer agency agreement
- ___ 94. All of the following are a form of *notice* of rights or interests in real property EXCEPT
- A) Inquiry notice
 - B) Delinquency notice
 - C) Constructive notice
 - D) Actual notice
- ___ 95. Fannie Mae, Ginnie Mae, and Freddie Mac all
- A) guarantee existing mortgage loans.
 - B) insure residential mortgage loans.
 - C) originate residential mortgage loans.
 - D) purchase existing mortgage loans.
- ___ 96. The details of a closing are always governed by
- A) the wishes of the buyer as expressed orally.
 - B) the escrow instructions that both the seller and the buyer sign.
 - C) the terms of the properly executed purchase contract.
 - D) the wishes of the seller as expressed orally.
- ___ 97. Real property can become personal property by
- A) attachment.
 - B) hypothecation.process
 - C) severance.
 - D) purchase agreement
- ___ 98. An example of a *kickback* that is prohibited by RESPA is
- A) a fee paid by a surveyor to a broker for referring a property to be surveyed.
 - B) a fee paid by Broker A to Broker B for referring a buyer to Broker A.
 - C) a flower arrangement that a salesperson sends to the buyer as a housewarming gift.
 - D) a share of the commission paid by Broker A to her salesperson.

- ___ 99. At closing, the listing broker's commission generally appears as a
- A) credit to the buyer.
 - B) credit to the seller.
 - C) debit to the buyer.
 - D) debit to the seller.
- ___ 100. Land is considered to be
- A) a wasting asset.
 - B) immune to the forces of supply and demand.
 - C) subject to personal property rights.
 - D) indestructible.
- ___ 101. A Milford broker who represents a seller under an Exclusive-Agency Listing Agreement (EA) receives two offers for the property at the same time, one from one of his salespeople and one from the salesperson of a cooperating broker in New Haven. What should the broker do?
- A) Submit both offers at the same time
 - B) Submit the higher offer first
 - C) Submit the offer from his salesperson first
 - D) Submit the offer from the other salesperson first
- ___ 102. The road to John's hunting cabin is windy and long, and the shorter, more direct route, is across Sam's land. John has never seen Sam and hopes to eventually gain an easement by
- A) condemnation
 - B) license
 - C) perscription
 - D) necessity
- ___ 103. What is the difference between a general lien and a specific lien?
- A) A specific lien covers real estate, while a general lien covers personal property.
 - B) A general lien cannot be enforced in court, while a specific lien can be enforced.
 - C) A specific lien is held by one person, while a general lien is held by at least two persons.
 - D) A general lien affects all of a debtor's property, while a specific lien affects only a certain piece of property.
- ___ 104. Which of the following is not a form of co-ownership?
- A) Ownership in severalty
 - B) Community property
 - C) Tenancy in common
 - D) Tenancy by the entirety
- ___ 105. Electromagnetic fields
- A) are produced only by large electrical appliances.
 - B) from high power transmission lines are suspected of causing cancer and other health problems.
 - C) are a major national public health concern.
 - D) have been proven to cause serious health problems in humans and animals.
- ___ 106. Which of the following is a voluntary lien?
- A) Real estate tax lien
 - B) Mortgage lien
 - C) Judgment lien
 - D) Estate tax lien

- ___ 107. Three years ago Ray Charles, his wife and family moved from the house they had owned for 20 year in Westport Connecticut, but did not sell it. They decided to travel and bought a new home in Greenwich Connecticut to live in. They now sell the house. How much of their capital gain on the house will be taxable?
- A) None of it, if it is less than \$500,000
 - B) All of it, if it is over \$500,000
 - C) 15 percent, depending on Ray's tax bracket
 - D) 28 percent, depending on Ray's tax bracket
- ___ 108. All of the following liens need to be recorded to be valid EXCEPT
- A) Mechanic's lien
 - B) Mortgage lien
 - C) Real estate tax lien
 - D) Judgment lien
- ___ 109. According to Connecticut state law, a "trade fixture" is usually treated as
- A) an easement.
 - B) personalty.
 - C) a license.
 - D) a fixture.
- ___ 110. Jamal, Morton, and Herb are joint tenants in a parcel of land. Herb conveys his interest to his long-time friend Walid. After the conveyance, Jamal and Morton
- A) become joint tenants with Walid.
 - B) remain joint tenants owning a two-thirds interest.
 - C) continue to be joint tenants with Herb.
 - D) become tenants in common.
- ___ 111. Which of the following is the best way to ensure that there are no encroachments and verify the boundaries of a parcel of land?
- A) Find the monuments
 - B) Write a legal description
 - C) Verify the benchmarks
 - D) Get a spot survey
- ___ 112. All of the following are duties of a property manager EXCEPT
- A) complying with legal requirements.
 - B) repairing tenant fixtures.
 - C) preparing a budget.
 - D) renting space to tenants.
- ___ 113. Normally a deed will be considered valid even if
- A) the grantor is not a legal entity.
 - B) the grantor did not deliver the deed.
 - C) it is signed by the attorney-in-fact of the seller.
 - D) the grantor is a minor.
- ___ 114. The practice of channeling families with children away from other buildings into an apartment building where other families with children reside is
- A) illegal discrimination
 - B) most practical.
 - C) blockbusting.
 - D) redlining.

- ___ 115. Broker Bob (of RealtyPlus) was accused of violating antitrust laws. Of the following, he was most likely accused of
- A) price fixing.
 - B) not having an equal housing opportunity sign in his office front window.
 - C) dealing in unlicensed exchange services.
 - D) undisclosed dual agencies.
- ___ 116. The provision in a listing agreement that gives additional authority to the broker and obligates the broker to distribute the listing to other brokers is a(n)
- A) multiple listing clause.
 - B) open listing clause.
 - C) joint listing clause.
 - D) net listing clause.
- ___ 117. All of the following are requirements for acquiring ownership of property by adverse possession EXCEPT
- A) The person in possession must occupy the property openly rather than secretly.
 - B) The person in possession must compensate the owner.
 - C) Occupancy of the property must be without the owner's consent.
 - D) Occupancy must be continuous and over a specified period of time.
- ___ 118. Unless some other written agreement has been made, Broker Bob of RealtyPlus will usually receive his brokerage commission when
- A) the transaction is closed.
 - B) an offer, procured from a ready, willing, and able buyer, has been accepted by the seller.
 - C) the seller lists the property with the broker.
 - D) the purchaser takes possession of the property.
- ___ 119. Rent would best be defined as
- A) all monies paid by the lessor to the lessee.
 - B) the total balance owed under the terms of a lease.
 - C) consideration for the use of real property.
 - D) contractual consideration to a third party.
- ___ 120. The owner has a large parcel of land surveyed into lots and streets and files a subdivision plat. Each lot can be legally described by use of which of the following?
- A) Lot and block
 - B) Street address
 - C) Government survey
 - D) Metes and bounds
- ___ 121. What is the basic purpose of acknowledgment before a notary public in signing a deed?
- A) To assure that the title is valid
 - B) To prove that the property has not been encumbered
 - C) To make the deed eligible for recording
 - D) To show the genuineness of the grantor's signature

- ___ 122. A property owner signed a 90-day listing agreement with a broker. The owner was killed in an accident before the listing expired. Now the listing is
- A) binding only if the broker can produce offers to purchase the property.
 - B) terminated automatically because of the death of the principal.
 - C) still in effect as the owner's intention was clearly defined.
 - D) binding on the owner's spouse for the remainder of the 90 days.
- ___ 123. With a tenancy for years
- A) no notice is required to terminate the lease.
 - B) a 30-day notice is required to terminate the lease.
 - C) the lessee has a freehold estate.
 - D) the term of the lease must be for at least one year.
- ___ 124. A bill of sale is used to transfer the ownership of
- A) appurtenances. B) real property. C) fixtures. D) personal property.
- ___ 125. The purchaser of a property in a PUD (planned unit development) will usually *NOT* receive
- A) a share in the control of the commonly-owned elements.
 - B) title to the land on which the unit is built.
 - C) an interest in the unit owners' association.
 - D) a direct ownership interest in the common areas.
- ___ 126. The Real Estate Settlement Procedures Act states all of the following EXCEPT
- A) a uniform settlement form must be used at loan closings.
 - B) a special information booklet with information about settlement costs be given to applicants.
 - C) lenders must provide borrowers with a good-faith estimate of closing costs.
 - D) the borrower may cancel the loan transaction within three days after settlement.
- ___ 127. All of the following are treated as personal property EXCEPT
- A) Emblements B) Fructus naturales C) Trade fixtures D) Chattels
- ___ 128. In parts of the country where there are many lakes and rivers, the rectangular survey system designations will often include
- A) mean water-line sections. C) meander-line sections.
 - B) fractional sections. D) hyphenated sections.
- ___ 129. Restrictive covenants
- A) can be removed by a court of competent jurisdiction.
 - B) are no longer effective when the title is transferred.
 - C) apply to and bind successive owners of the property.
 - D) apply only until the developer has conveyed the title.

- ___ 130. A tax lien on the property can hinder the sale of a property because it is
- A) an encumbrance
 - B) a monetary charge that the purchaser must satisfy
 - C) an appurtenance that does not affect the title
 - D) an encroachment
- ___ 131. Most homeowner's insurance policies contain which of the following clauses?
- A) A co-ownership clause
 - B) A property devaluation clause
 - C) A coinsurance clause
 - D) A property improvement clause
- ___ 132. A standard rectangular survey system section contains
- A) 160 acres.
 - B) 36 townships.
 - C) 640 acres.
 - D) 160 government lots.
- ___ 133. Victor and Norman are co-owners in fee simple of a small office building. Norman dies intestate and leaves nothing to be distributed to his heirs. Victor is neither related to Norman nor his creditor. Which of the following would explain why Victor acquired Norman's interest?
- A) Foreclosure
 - B) Adverse possession
 - C) Reversionary rights
 - D) Joint tenancy
- ___ 134. Broker Smith is helping a buyer and seller fill out a sales contract, but is not representing either party. Broker Smith is a(n)
- A) designated broker
 - B) unlicensed broker
 - C) transactional broker
 - D) traditional broker
- ___ 135. CERCLA regulations for administration of the *Superfund*, which helps pay for cleanup of uncontrolled hazardous waste sites,
- A) make no provision for recovering Superfund expenses incurred in cleanup operations.
 - B) impose strict, joint and several, and retroactive liability on potentially responsible parties.
 - C) release from liability owners of contaminated property who did not actually cause the contamination.
 - D) exempt from responsibility sites that contaminate neighboring properties.
- ___ 136. Taxes levied on a property owner to pay for installation of sidewalks or sewers are called
- A) general property taxes.
 - B) special assessments.
 - C) ad valorem taxes.
 - D) special excise taxes.
- ___ 137. Detailed information about the age, education, behavior, and other characteristics of members of a population group is called
- A) family lifestyles.
 - B) population.
 - C) households.
 - D) demographics.
- ___ 138. An option
- A) binds the optionor for a specified time.
 - B) makes the seller liable for a commission.
 - C) gives the optionee an easement on the property.
 - D) requires the optionee to complete the purchase.

- ___ 139. All of the following are types of listing contracts EXCEPT?
A) Exclusive-agency B) MLS C) Open D) Exclusive-right-to-sell
- ___ 140. All of the following affect how quickly the forces of supply and demand work EXCEPT
A) Degree of standardization of the product's price
B) Degree of standardization of the product
C) Mobility of the parties to the transaction
D) Mobility of the product (not mobility of parties)
- ___ 141. When compared with a 30-year payment period, taking out a loan with a 20-year payment period would result in
A) higher monthly payments. C) slower equity buildup.
B) lower monthly payments. D) greater impound requirements.
- ___ 142. The type of maintenance that is most often neglected is
A) deferred. B) routine. C) preventive. D) corrective.
- ___ 143. Which of the following best describes a voidable contract?
A) A contract that has been accepted but the acceptance has not been communicated to the offeror
B) A contract that has no legal effect and never had any
C) An oral contract with no witnesses to the agreement
D) A contract that may be either enforced or declared void by one of the parties
- ___ 144. The phrase "bundle of legal rights" is properly included in
A) a legal description. C) leases for less than one year.
B) real estate transactions. D) the definition of real property.
- ___ 145. General real estate taxes are also known as
A) general, voluntary liens C) ad valorem taxes
B) special assessments D) appropriation funds
- ___ 146. Generally, chattels can be distinguished from real property by its
A) cost. B) greater variety. C) multiplicity of use. D) mobility.
- ___ 147. Which of the following is a lien on real estate?
A) A restrictive covenant C) An easement
B) An encroachment D) A recorded mortgage
- ___ 148. The recordation of a warranty deed
A) provides defense against adverse possession.
B) prevents claims of parties in possession.
C) gives actual notice of the grantee's rights
D) gives constructive notice of an individual's interest

- ___ 149. When Broker Bob was told by his principal not to advertise her property in a certain newspaper, which was out of the area, Broker Bob complied because he
- A) was NOT intending to advertise the property at all.
 - B) had never advertised in that newspaper anyway.
 - C) is allowed to advertise only in local newspapers.
 - D) must obey the lawful instructions of his principal.
- ___ 150. Special assessments initiated by a public agency
- A) statutory liens. B) equitable liens. C) general liens. D) voluntary liens.
- ___ 151. All of the following are types of Buyer Agency Agreements EXCEPT
- A) a net buyer agency agreement.
 - B) an exclusive buyer agency agreement.
 - C) an exclusive agency buyer agency agreement.
 - D) an open buyer agency agreement.
- ___ 152. Rights or privileges which are connected or included with real property, are
- A) restricted to air and water rights C) improvements
 - B) not conveyed with the real estate D) appurtenances
- ___ 153. A bilateral contract is one in which
- A) a restriction is placed in the contract by one party to limit the performance by the other.
 - B) only one of the parties is obligated to act.
 - C) the promise of one party is given in exchange for the promise of the other party.
 - D) something is to be done by one party only.
- ___ 154. In order for a contract to be valid, the offeree must accept the offer before
- A) the close of the 10th business day following the offer.
 - B) the offeror makes a similar offer to a third party.
 - C) the offer expires.
 - D) the payment of any money.
- ___ 155. A home with its kitchen next to the master bedroom would be considered
- A) economically obsolete. C) diminished.
 - B) physically obsolete. D) functionally obsolete.
- ___ 156. Tenancy with *survivorship* means
- A) the tenant's heirs are survivors.
 - B) this is not a legal tenancy.
 - C) the tenancy interest will pass to the surviving tenants upon the death of one.
 - D) the tenancy interest will be inherited.

- ___ 157. Mrs. Robinson has owned her house for over 50 years. It has fallen into disrepair, but because she lives on a fixed income, she does not have the money to make the needed repairs. She has a considerable amount of equity in the house. What type of loan best suits her needs?
- A) A blanket loan
B) A home equity loan
C) An open-ended loan
D) A reverse annuity mortgage
- ___ 158. The uniqueness (not immobility or indeductibility) of land and its inability to be substituted is known as
- A) Scarcity
B) Permanence of investment
C) Nonheterogeneity
D) Nonhomogeneity
- ___ 159. Steve's has been making periodic payments of principal and interest on a loan, but the final payment will be larger than the others. This is a (n)
- A) fully amortized loan
B) straight loan.
C) balloon payment loan
D) FHA loan
- ___ 160. All of the following should be a consideration in selecting a tenant for the property except
- A) Compatibility of the tenant's business with those of other tenants
B) Size of the available space relative to the tenant's requirements
C) Ethnic background of the tenant and his or her employees
D) Tenant's ability to make the rental payments
- ___ 161. The Real Estate Settlement Procedures Act (RESPA) provides that
- A) real estate syndicates must comply with the disclosures required by "blue sky" laws.
B) all real estate purchasers must receive their closing statements.
C) real estate advertisements must include the annual percentage rate, including all charges.
D) the borrower must be given an estimate of the closing costs before the time of the closing.
- ___ 162. A common feature of an adjustable rate mortgage (ARM) is
- A) automatic conversion to a fixed-rate loan
B) the interest rate is fixed for a maximum of five years
C) there is negative amortization if rates decrease
D) a rate cap on the amount the rate may increase
- ___ 163. Maria leases store space to Spiros for a Greek Restaurant, and Spiros installs his ovens, booths, counters, and other equipment. When would these items become real property?
- A) If Spiros does not remove them by lease expiration date.
B) After they are installed
C) After Spiros defaults on his rental payments
D) After the lease takes effect
- ___ 164. The method of describing land that uses degrees, feet, and monuments is known as the
- A) metes-and-bounds system.
B) rectangular-survey system.
C) lot-and-block system.
D) angular system.

- ___ 165. A condominium rule prohibits pets. Arlis, a prospective buyer with a physical disability, relies on an animal to assist him. Which of the following is *CORRECT*?
- A) This restriction is unenforceable only if the animal is used to assist people with visual impairments.
 - B) The condominium can waive the enforcement of the covenant only if there are suitable accommodations in the complex for an animal.
 - C) A condominium has the right to establish such a private restriction if it chooses.
 - D) This restriction is unenforceable when a person uses an animal for disability-related assistance in any way.
- ___ 166. When a tenant holds possession of a landlord's property without a definite lease term but with the consent of the landlord, this is called
- A) trespass.
 - B) tenancy at will.
 - C) tenancy in common.
 - D) tenancy at sufferance.
- ___ 167. Carbon monoxide is not
- A) a natural result of combustion.
 - B) easy to detect.
 - C) a result of incomplete combustion.
 - D) quickly absorbed in the body.
- ___ 168. A homestead exemption protects against judgments
- A) that result from foreclosure of a mortgage.
 - B) that result from the costs of improvements.
 - C) that result from unpaid taxes.
 - D) of unsecured creditors.
- ___ 169. The property manager's chief concern should be that
- A) the property is managed to achieve the highest overall rate of return possible on the owner's investment.
 - B) the property exhibits the proper amount of the owner's pride of ownership.
 - C) the property is seldom vacant because it is consistently rented at the lowest possible rents.
 - D) the property manager's time is maximized in his or her management of the property.
- ___ 170. All of the following would affect supply EXCEPT
- A) Construction costs
 - B) Government controls
 - C) The labor force
 - D) Population
- ___ 171. Homeowners may deduct all of the following expenses when preparing their income tax return EXCEPT
- A) mortgage interest on a first home.
 - B) mortgage interest on a third home.
 - C) real estate taxes.
 - D) mortgage interest on a second home.

- ___ 172. When a tenant sublets all or any part of the premises rented under a written lease,
- A) the original lease is automatically canceled and the sublessee takes possession of the property on a month to month basis.
 - B) the tenant assigns all rights, title, and interests in the rented property to the new lessee.
 - C) the original lease is unaffected unless it contains a provision that prohibits such subletting.
 - D) the sublessee becomes primarily responsible to the landlord for the payment of rent and maintenance of the property.
- ___ 173. A broker has an exclusive-right-to-sell listing on a building. The owner is out of town when the broker gets an offer from a buyer to purchase the building providing the seller agrees to take a purchase money mortgage. The buyer must have a commitment from the seller before the seller is scheduled to return to the city. Under these circumstances the
- A) the buyer is obligated to keep the offer open until the seller returns.
 - B) broker may enter into a binding agreement on behalf of the seller.
 - C) the broker must obtain the signature of the seller to effect a contract.
 - D) broker may collect a commission even if the transaction falls through because of the seller's absence from the city.
- ___ 174. A lease that will terminate within one year of its inception
- A) must be in writing.
 - B) may be oral.
 - C) violates the provisions of the statute of frauds.
 - D) is invalid.
- ___ 175. Under the federal Fair Housing Act it is illegal to discriminate because
- A) a person has AIDS.
 - B) a person has a history of dangerous behavior.
 - C) a person has been convicted of distributing a controlled dangerous substance.
 - D) of a person's marital status.
- ___ 176. A document that protects against hidden risks such as forgeries and loss due to defects in the title, subject to specific exceptions, is called a(n)
- A) certificate of title.
 - B) title insurance policy.
 - C) abstract of title.
 - D) chain of title.
- ___ 177. A wooded area with biking and hiking trails is situated between old cotton mills and a housing development. This area is considered a
- A) variance to the existing zoning
 - B) buffer zone
 - C) designated park required under federal guidelines
 - D) utility easement
- ___ 178. Under an exclusive buyer agency agreement the real estate broker would be entitled to a commission EXCEPT
- A) if the property is a FSBO.
 - B) if the buyer finds a suitable property without the broker.
 - C) if the buyer cancels the agreement of sale.
 - D) if the broker sells the buyer a listing from another firm.

Answer Key - 178 BROKER CANDIDATE PRACTICE EXAM

1. D
2. A
3. C
4. D
5. A
6. A
7. A
8. C
9. B
10. A
11. A
12. D
13. C
14. D
15. B
16. C
17. C
18. B
19. D
20. D
21. A
22. C
23. C
24. B
25. A
26. D
27. D
28. A
29. C
30. A
31. D
32. D
33. C
34. B
35. C
36. C
37. C
38. C
39. B
40. B
41. C
42. C
43. A
44. A
45. B
46. C
47. A
48. C
49. D
50. D
51. C
52. D
53. A

- 54. D
- 55. D
- 56. A
- 57. C
- 58. B
- 59. B
- 60. C
- 61. A
- 62. D
- 63. A
- 64. B
- 65. A
- 66. C
- 67. C
- 68. D
- 69. A
- 70. A
- 71. C
- 72. C
- 73. D
- 74. D
- 75. D
- 76. C
- 77. A
- 78. A
- 79. B
- 80. D
- 81. A
- 82. B
- 83. A
- 84. B
- 85. A
- 86. D
- 87. C
- 88. A
- 89. D
- 90. D
- 91. A
- 92. C
- 93. A
- 94. B
- 95. D
- 96. C
- 97. C
- 98. A
- 99. D
- 100. D
- 101. A
- 102. C
- 103. D
- 104. A
- 105. B
- 106. B
- 107. A
- 108. C
- 109. B

- 110. B
- 111. D
- 112. B
- 113. C
- 114. A
- 115. A
- 116. A
- 117. B
- 118. A
- 119. C
- 120. A
- 121. D
- 122. B
- 123. C
- 124. D
- 125. D
- 126. D
- 127. B
- 128. B
- 129. C
- 130. A
- 131. C
- 132. C
- 133. D
- 134. C
- 135. B
- 136. B
- 137. D
- 138. A
- 139. B
- 140. A
- 141. A
- 142. C
- 143. D
- 144. D
- 145. C
- 146. D
- 147. D
- 148. D
- 149. D
- 150. A
- 151. A
- 152. D
- 153. C
- 154. C
- 155. D
- 156. C
- 157. D
- 158. D
- 159. C
- 160. C
- 161. D
- 162. D
- 163. A
- 164. A
- 165. D

- 166. B
- 167. B
- 168. D
- 169. A
- 170. D
- 171. B
- 172. C
- 173. C
- 174. B
- 175. A
- 176. B
- 177. B
- 178. B