

Answer and Bring to class 3

1. The system of ownership of real property in the United States is mostly
 - a. incorporeal
 - b. allodial
 - c. inchoate
 - d. feudal

2. A person who receives property by will is called a
 - a. testator
 - b. devise
 - c. hypothecate
 - d. devisee

3. The highest type of interest a person may hold in real estate is a
 - a. life estate
 - b. fee simple
 - c. legal life estate
 - d. base fee

4. A broker was employed by an owner to sell her home. All of the following statements correctly describe the broker's relationship to the owner EXCEPT:
 - a. The broker has become the seller's agent
 - b. The broker owes fiduciary duty to the seller
 - c. The broker is a special agent
 - d. The broker is a general agent

5. According to the law of agency, a real estate broker does NOT owe the principal the duty of
 - a. exercising reasonable care
 - b. acting in good faith
 - c. conforming with the principal's instructions
 - d. offering legal advice

6. When she died, a broker had exclusive-right-to-sell listings on 20 residential properties. Her daughter took over the business as the new broker. With respect to these 20 listings, the new broker must now
 - a. file a court action to transfer the listings to herself
 - b. advise the owners that the original broker's death will have no effect on the listings as far as the owners are concerned
 - c. negotiate new listing agreements with each property owner
 - d. notify each property owner that because she has inherited the business, all commissions due the original broker are now due her

7. The maximum commission a broker may charge for the sale of a single-family home is
 - a. determined by the real estate licensing board
 - b. determined by the professional organization of real estate brokers of which the broker is a member
 - c. determined by the local multiple listing service
 - d. determined by the broker's contract with the principal

8. Which of the following would make a contract unenforceable?
 - a. legal object
 - b. good consideration
 - c. lack of performance
 - d. incompetent principal

9. A man has his property listed with a broker. On June 23, a fire causes considerable damage to the property. On June 25, the owner revokes the listing. On June 29, the broker is deemed incompetent. Two days later, on July 1, the listing expires. On what date was the listing terminated?
- June 23
 - June 25
 - June 29
 - On the expiration date included in the listing agreement
10. An enforceable contract may contain all of the following as consideration EXCEPT:
- money
 - love
 - affection
 - duress
11. A grantor wishes to convey title to a grantee in a deed that creates the least protection for the grantee. The grantor should give the grantee a
- bargain and sale deed
 - quitclaim deed
 - general warranty deed
 - special warranty deed
12. A claim based on adverse possession of property must not be
- notorious
 - open
 - hostile
 - secretive
13. A broker is acting as agent for a seller. The broker must
- refuse to submit offers below the listed price
 - disclose the seller's financial condition
 - accept a commission from a buyer without informing the seller
 - reveal the physical characteristics of the property
14. An arrangement in which brokers pool their listings and commissions are divided between the listing broker and the selling broker is
- an open listing
 - a multiple listing system
 - an exclusive-agency listing
 - an exclusive-right-to-sell listing
15. An estate in land refers to all of the following measures of interests in land EXCEPT:
- extent
 - degree
 - nature
 - physical quantity
16. You have an exclusive-right-to-sell listing on a house when you are informed by your aunt that one of her coworkers would be interested in buying the house. Your aunt wants \$1,000 for providing the name of the coworker to you. Which of the following statements correctly describes the situation?
- You may pay the finder's fee
 - You may not pay the finder's fee. In most states, however, you could buy her a television set
 - You may not pay the finder's fee to your aunt, but you could pay it to the co-worker, should the coworker buy the house

- d. You may not legally pay a finder's fee to your aunt
17. Salesperson A for broker B has listed a home. Salesperson C for broker D is trying to sell the home to his own buyer. Salesperson C is primarily responsible to
- a. his own buyer
 - b. salesperson A
 - c. broker B
 - d. broker D
18. Which of the following best describes a life estate
- a. an estate conveyed to A for the life of Z
 - b. an estate held by lease
 - c. an estate without condition
 - d. a fee simple estate
19. A father conveys ownership of his residence to his daughter but reserves for himself a life estate in the residence. The interest the daughter owns during her father's lifetime is
- a. pour autre vie
 - b. a remainder
 - c. a reversion
 - d. a leasehold
20. The right of a government body to take ownership of real estate for public use is called
- a. escheat
 - b. eminent domain
 - c. condemnation
 - d. police power