

SECTION V.

BROKER PRACTICE QUESTIONS

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Published in USA by
The Real Estate Centre
1-310-410-9718

Broker Exam Analytical Practice Exam

This is a special test designed to identify exactly which portions of the course outline where you need help. The goal is to push you back into the areas of the outline where you are weakest. Unlike the real exam, the questions in this practice exam are in order by subject matter.

Take the entire test as you would a real test. Then grade yourself. The answers which follow the test will also direct you to the outline page containing the information you lack. When you are grading this test, go back and re-read the outline pages containing the knowledge to answer the questions you missed.

Remember: Never mark your answers directly on any of our practice exams. Keep track of your answers on a separate piece of paper.

43. Clauses in a rental agreement for residential real estate which make a security deposit nonrefundable are: (A) permitted only if the contract includes a provision that the deposit may be used only to offset damages to the property; (B) enforceable if the security deposit does not exceed \$1,000; (C) valid if printed in 10-point typeface and initialed by the parties; (D) prohibited by law.

44. What lease would most likely make the lessor feel secure that he has gotten the greatest income from the productivity of a property being leased? (A) percentage lease; (B) graduated payment lease; (C) step-up lease; (D) index lease.

45. When a probate case is filed, how long do creditors with claims against the estate of the deceased person have to file their "Creditor Claims?" (A) 1 month, (B) 4 months; (C) 6 months; (D) 1 year.

46. The purpose of requiring an environmental impact report is to: (A) determine whether the proposed project harms the environment; (B) make recommendations as to how an environmental impact can be mitigated; (C) discuss alternative uses, including "no use;" (D) all of the above.

47. When appraising real estate, appraisers attempt to estimate value. The value arrived at by appraisers is: (A) based solely upon the replacement cost; (B) based upon an analysis of facts as of a given date; (C) derived from income data covering the preceding nine months; (D) projected from original cost minus depreciation and inflation.

Answers to Analytical Practice Exam

43. Ans-D California law provides that security deposits on residential property are refundable if the tenant complies with the terms of the lease. Pg 1-12

44. Ans-A A percentage lease would assure the lessor he is receiving the greatest income from the productivity of the property being leased. Pg 1-13

45. Ans-B When a probate case is filed, creditors with claims against the estate of the deceased person have four months to file their Creditor Claims. Pg 1-13

46. Ans-D The purpose of requiring an environmental impact report is to determine whether the proposed project harms the environment, make recommendations as to how an environmental impact can be mitigated, and discuss alternative uses, including "no use."
Pg 1-14

47. Ans-B When appraising real estate, appraisers attempt to estimate value based upon an analysis of facts as of a given date. Pg 2-1

Broker Practice Exam #2

28. Agent Able sold a home to Buyer Bill, without disclosing that the home had a leaky roof. The buyer discovered the leaking roof and sued both Agent Able and Seller Sam. Seller Sam then sued Agent Able, because Seller Sam had told Agent Able that the roof needed to be replaced. During the trial it was established that Agent Able was aware of the problem with the roof, but never disclosed the problem to Buyer Bill, because Buyer Bill never asked about the condition of the roof. What is the most likely outcome of the lawsuit? (A) both the seller and agent will be held liable for damages to the buyer; (B) both the seller and agent will be held liable for damages to the buyer, but the seller will recover damages against the agent; (C) only the agent will be liable for damages; (D) neither the seller nor the agent will be liable.
29. The maximum commission which can be charged by a real estate broker in the sale of residential income property is: (A) limited by California real estate law; (B) negotiable between the principal and broker; (C) limited to no more than 9 percent of the total sales price; (D) set by local custom.
30. A real estate broker was helping his brother find a home. The broker, representing his brother, negotiated a lease with an option to buy from the owner/seller of a home. The real estate broker must disclose that he is the brother of the tenant/optionee to: (A) the owner/seller of the home; (B) the seller's broker or agent; (C) the multiple listing service; (D) nobody.
31. The buyer of a business, in order to avoid "successor's liability" for unpaid sales tax, should require the seller to provide escrow with a "certificate of clearance," issued from what agency? (A) Internal Revenue Service; (B) State Board of Equalization; (C) Secretary of State; (D) Alcoholic Beverage Control Board.
32. A parcel of land which makes a 36 mile square would contain how many townships? (A) 1; (B) 18; (C) 36; (D) 72.

Answers to Broker Practice Exam # 2

28. B Both the seller and agent will be held liable for damages to the buyer, but the seller will recover damages against the agent.
29. B The amount of commission in most real estate transactions is not set by local custom or limited by law. The commission is set by negotiation between principal and broker.
30. A The broker must disclose any special relationship with the buyer/tenant/optionee when representing his brother in negotiations with a seller/ landlord/optionor.
31. B The State Board of Equalization issues an certificate of clearance (clearance receipt) to show that the seller of a business opportunity has paid all sales taxes which were due.
32. C There are 36 townships in a 36 mile square.