

Exam "A" 46, 49, 52, 66, 67, 73, 84, 100, 103, 105

46. During a period of time in which unemployment is declining and the gross national product is increasing:
- The value of single family residences would tend to increase in value
  - New home sales would tend to increase
  - Demand for existing housing would increase
  - \*All of the above would be true
49. The relationship of the escrow holder to the parties in the sale and purchase of real property is that of an:
- Advocate
  - Independent contractor
  - Employee
  - \*Agent
52. The Federal National Mortgage Association (FNMA) was created for the primary purpose of:
- Advancing funds to mass production builders in or near urbanized areas
  - Lending money on FHA Title II loans when banks, Savings and Loan Associations or private lenders were unwilling to do so
  - \*Increasing the amount of housing credit available to the economy
  - Supervise public lending agency associations
66. Archer sold his home to Baker who decided not to record his deed but took possession of the property as her residence. Archer sold the same property to Carter, who examined the county recorder's files but did not inspect the property. Carter received a deed from Archer and recorded it. Concerning the title to the property, which of the following is correct?
- Title vests in Carter
  - The priority of recordation prevails
  - Carter has recourse against Baker for failure to record
  - \*Baker remains the owner
67. The owner of a single family residence entered into an Exclusive Agency listing with a real estate broker. Even though the broker had spent a considerable sum of money advertising the property, the owners were able to sell the property themselves without the assistance of the broker. Under these circumstances the broker is entitled to:
- \*No commission
  - One-half of the commission
  - A full commission
  - Expenses

73. When real property is used as the security for a loan, the property is said to be:
- Pledged
  - \*Hypothecated
  - Assigned
  - Warranted
84. Mr. Able died leaving no heirs but had willed Blackacre Ranch to a Mr. Baker. Mr. Tabot was in possession of Blackacre under an existing lease that had ten years to run. During the probate of Mr. Able's estate, the court found the will to be invalid. Under these circumstances, title to Blackacre would:
- Pass to Baker since that was Able's intent
  - Pass to Talbot since he is in possession
  - \*Escheat to the state, subject to the existing lease
  - Pass to Able's estate
100. Broker Thompson, who held an exclusive authorization and right to sell listing, received an offer on the property under the exact terms and price of the listing. Before Thompson could present that offer, a cooperating broker gave Thompson another offer which was for the same price but with a slightly lower down payment. Under these circumstances, broker Thompson should:
- \*Present both offers to the seller at the same time
  - Present the offers to the seller in the order received
  - Refuse to submit the cooperating broker's offer and submit the offer that meets the exact terms of the listing
  - Hold the cooperating broker's offer and suggest to her buyer that they increase their offered price
103. Which of the following state agencies is empowered to prevent acts of discrimination in housing accommodations in California because of race, color, religion, national origin or ancestry?
- Real Estate Commission
  - Labor Commission
  - \*Department of Fair Employment and Housing
  - Division of Housing
105. The Alquist-Priola Special Studies Zones Act is designed to control development in the vicinity of hazardous:
- Flood areas
  - \*Earthquake faults
  - Fire zones
  - Toxic dumps

Examination "B"

3, 4, 5, 8, 10, 15, 16, 19, 21, 23, 28, 34, 39, 40, 68, 110

3. Mr. Jones owns a fee simple estate. If he leases it to Mr. Smith for ten years, Mr. Jones would then have:
  - a. An estate in remainder
  - b. An estate held in joint tenancy
  - c. A less than freehold estate.
  - d. \*A fee simple estate
  
4. Which of the following statements regarding deed restrictions is true?
  - a. A covenant is generally more severe than a condition.
  - b. To be legally enforceable, a private restriction must promote public health, safety, and welfare.
  - c. The term "covenant" is an all-inclusive word embracing both "restrictions" and "conditions"
  - d. A violation of a condition might result in loss of title\*
  
5. An appurtenant easement is:
  - a. An interest in land incapable of transfer
  - b. \*An interest in land capable of transfer
  - c. A possessory interest in the land of another person
  - d. Personal to the holder and incapable of transfer
  
8. A person who hires real property from the owner and is given the exclusive right to use it is known as:
  - a. \*A Tenant
  - b. A licensee
  - c. A lodger
  - d. None of the above
  
10. A sublessor is;
  - a. One who assigns his rights and his duties for the unexpired term of the lease
  - b. \*One who transfers his rights but not his duties with the right of return if the terms are breached
  - c. One who assigns his rights to one who accepts his duties with the right of return if the terms are breached
  - d. One who assigns and records a short form lease containing terms and conditions of the new lease

Examination “B” Continued

15. An easement:
- Is a possessory interest in the dominant tenement
  - \*Can be terminated with a merger of the dominant and servient tenement
  - Can be created only by deed
  - Can be distinguished from a license because a license is a non-possessory interest
16. An appraiser is preparing the income approach to an appraisal of income property. In his selection of a capitalization rate, he must recognize that the higher the rate used, the greater the implied:
- Income
  - Appreciations
  - \*Risk
  - Value
19. A real estate appraisal is an estimate of value:
- Based upon replacement cost:
  - \*Based upon analysis of fact as of specific date
  - Derived from income data covering at least the preceding six months
  - Derived from average tax assessments covering the past five years
21. Effective Gross Income is the:
- Spendable income after taxes
  - Gross income minus allowable expenses and payments of principle and interest
  - \*Gross income minus all allowance for vacancies
  - Gross income minus allowable expenses and depreciation
23. An appraiser was engaged to make an appraisal of a single family residence. He decided to take away a certain amount of value because of functional obsolescence. To which of the following was he referring?
- Dry rot
  - Poor neighborhood
  - Zoning
  - \*Single Car garage

Examination "B" Continued

28. A kiosk is a term used to identify:
- \*An information booth in a shopping center
  - Construction crane
  - An addition to a shopping center
  - A special compartment for a key
34. Mr. Able and Mr. Baker have recently purchased homes. Able made a small down payment while Baker made a substantial down payment. Both obtained loans from conventional sources. In comparison with Able, according to most analysts, Baker probably:
- Obtained financing that is economical
  - Will have a better record for making loan payments
  - Will maintain his property better
  - \*All of the above
39. A broker that has a listing from a prospective seller is the agent of the seller. The relationship to the seller of other licensees employed by the broker is that of:
- \*An agent
  - A subagent
  - An independent contractor
  - an employee
40. From a historical standpoint, the major function, objective, and aim of the Federal Housing Administration program has been provided by which of the following sections of the law?
- Title I
  - \*Title II
  - Title III
  - Title IV
68. In Title VIII of the Civil Rights Act of 1968, Congress declared a national policy providing fair housing throughout the United States. The policy applies to which of the following:
- Single-family dwelling, owned by private individuals who also own more than three such dwellings
  - Multi-family dwelling of six units where the owner occupies on such unit as his residence
  - Individually owned single-family residence offered for sale through a real estate broker
  - \*All of the above

Examination "B" Continued

110. An attorney in fact with general powers can do all of the following except:
- a. Sign the name of the principal
  - b. Perform certain acts under a general power of attorney
  - c. \*Deal in real estate without recording his power of attorney
  - d. Encumber his principal's property with a trust deed wherein some other person is the beneficiary

1. Two friends hold title to a home as joint tenants. One of them borrowed money and executed a note and deed of trust against the home. This action could:
  - a. Destroy one of the four entities of the joint tenancy
  - b. \*Place the beneficiary in a precarious position should the borrower die before the debt is paid
  - c. Invalidate the note since a lien can attach only to the undivided interest of all joint tenants.
  - d. Create a security interest in all other real property in which the borrower may have an interest
  
2. After the date of levy, and if no extension is granted by the courts, an attachment lien outlasts in:
  - a. One year
  - b. \*Two years
  - c. five years
  - d. Never
  
13. The basis to the market data approach to appraising is found in the principle of:
  - a. Change
  - b. \*Substitution
  - c. Conformity
  - d. Anticipation
  
35. Which of the following is necessary to create an agency?
  - a. Performance
  - b. Consideration
  - c. \*Offer and acceptance
  - d. All of the above
  
100. Alienation expresses a meaning most completely opposite to:
  - a. \*Acquisition
  - b. Ad valorem
  - c. Acceleration
  - d. Amortization

Exam "D" Questions 8 and 145

8. Which of the following statements is true with respect to the appraisal of single family residences?
- a. Capitalization of net income is the most accurate
  - b. You should appraise the property by at least three methods, total the results and divide by three
  - c. \*The reproduction cost method is a valid method on new properties where the cost of replacement of the building and value of the land can be ascertained
  - d. Capitalizing the average rent of the neighborhood properties is accurate
145. The presence of which of the following would indicate that one of the parties to a contract had not given consent:
- a. Incompetent grantee
  - b. Duress
  - c. Unlawful object
  - d. Tender

Exam "E"

5. The best appraisal method used to establish the current market value of a shopping center would be:
- a. \*Cost-Income
  - b. Market Data-Income
  - c. Income-Gross rent multiplier
  - d. Cost-Gross rent multiplier

Exam "F"

34. Which of the following appraisal reports would be the most comprehensive and complete?
- a. \*Narrative
  - b. Certificate
  - c. Letter
  - d. Printed form
55. "Duress" is a term which is most closely associated to matters concerning:
- a. Easements
  - b. \*Contracts
  - c. Condemnation
  - d. Adverse possession

Exam "G"

102. All of the following are considered encumbrances except:
- a. Easements
  - b. \*Homesteads
  - c. Restrictions
  - d. Encroachments

Exam. "H"

108. An attorney in fact can best be described as:
- a. A duly authorized person who has been granted both actual and implied powers to act as a principal for another
  - b. A properly authorized party that is acting as a dual agent
  - c. An attorney appointed by the court to administer an estate of a deceased person
  - d. \*A legally competent person who has been given the power of attorney by another competent person

Exam "T"

76. Which of the following loans would most likely be made without a down payment from the borrower:
- a. \*VA loan
  - b. FHA loan
  - c. Cal-Vet Loan
  - d. Conventional loan
99. The 1968 Civil Rights Act, Title VIII is also known as:
- a. Affirmative Action
  - b. The Open Housing Rule
  - c. \*The Federal Fair Housing Act
  - d. The California Antidiscrimination Law
111. Which of the following would be classified as a turnkey project?
- a. A vacant lot with complete architectural plans
  - b. \*A residential subdivision that is completed and ready for occupancy
  - c. A low income housing project subsidized by the government
  - d. An illegal subdivision

Question Reported on Test in January 2006

1. The maximum fine that may be imposed by the Real Estate Commissioner against a broker who pays an unlicensed person for soliciting borrowers or negotiating real estate loans is:
- a. \$1,000
  - b. \$5,000
  - c. \*\$10,000
  - d. \$50,000