

Sample 14 questions from 100 question practice exam

1. Which of the following is the best example of a party wall? (A) a wall just inside the boundary of your land; (B) a wall separating two units in a condominium complex; (C) a wall between a bedroom and living room; (D) any wall which runs parallel to most of the walls in the neighborhood.
2. Who signs a Request for Full Reconveyance when a trust deed has been paid in full? (A) trustor; (B) beneficiary; (C) trustee; (D) mortgagor.
3. The person who loans money secured by a trust deed on a parcel of real property is called a: (A) trustor; (B) trustee; (C) mortgagor; (D) beneficiary.
4. A charge imposed on property is called: (A) an encumbrance; (B) a quitclaim; (C) a lien; (D) a covenant not to impose encumbrances.
5. Anyone who sells a second trust deed for less than its value is: (A) leveraging an investment; (B) liquidating a piece of real property; (C) discounting a note; (D) subordinating a debt.
6. The ALTA policy of title insurance (insuring the lender) goes beyond the protection afforded to the grantee by a CLTA policy in that the ALTA policy also insures against damages caused by: (A) existing liens and encumbrances as disclosed in public records; (B) the location of property lines according to a formal survey; (C) a reconveyance deed issued by a minor; (D) an error in the sequence of recording trust deed loans.
7. Mineral rights in land are: (A) automatically transferred; (B) not leased; (C) kept by the original owner; (D) conveyed apart from the surrounding land.
8. When a building earns sufficient income to justify its continued operation, this is called: (A) earning life; (B) productive life; (C) economic life; (D) none of the above.
9. The right or power to sell property in the event of default under the terms of the trust deed are given by: (A) trustee to trustor; (B) buyer to beneficiary; (C) buyer to seller; (D) trustor to trustee.
10. A residential property is 15 years old and has an average projected physical life of 40 years. This particular property has been superbly maintained and appears as if it were just 5 years old. This represents the concept of: (A) effective age; (B) physical age; (C) actual age; (D) progressive age.
11. Conversion of apartments to community apartment projects and condominiums come within the provisions of the California Real Estate Subdivided Lands Law when they contain how many units? (A) two or more; (B) three or more; (C) five or more; (D) all subdivisions come within that law.
12. A fee simple may be described as: (A) a title without limitations; (B) an estate for years; (C) a life estate; (D) the greatest interest one may hold in land.
13. A 36-mile square contains how many townships? (A) 1 township; (B) 6 townships; (C) 18 townships; (D) 36 townships.
14. When the value of real property increased because of an increase in population, this could be classified as: (A) economic valuation; (B) economic obsolescence; (C) unearned increment; (D) none of the above.

Answers for Sample questions

1. B A party wall is a wall built on the line between two adjoining properties, which are under different ownership, for the use of both properties. A wall separating two units in a condominium complex may be described as a party wall.
2. B The beneficiary (lender in a trust deed) signs the Request for Full Reconveyance when the debt has been paid in full.
3. D The beneficiary is the lender in a trust deed.
4. C A lien can be described as a charge on property.
5. C A loan is discounted whenever it is sold for less than the face amount or current loan balance.
6. B An ALTA policy protects against damages resulting from encroachments over the property lines disclosed in a survey, a CLTA policy does not.
7. A Mineral rights in land are automatically transferred with the land, unless expressly excluded by a grantor.
8. C The economic life of an improvement is the period of time in which the building earns sufficient income to justify its continued operation.
9. D The trustor (borrower) gives the trustee the power to sell the property in the event of default.
10. A The effective age of an improvement reflects how well it has been maintained by the owner. A well maintained structure may have an effective age which is far less than its physical age.
11. C Conversion of apartments to community apartment projects and condominiums comes within the provisions of the California real estate Subdivided Lands Law when it contains five or more units.
12. D A fee simple estate is the greatest interest one may hold in land.
13. D A 36-mile square measures 36 miles by 36 miles and contains 36 townships.
14. C An unearned increment is an increase in value due to no effort on the part of the owner, such as an increase in population.