

Sample 12 questions from 150 question practice exam

Salesperson Practice Exam #1

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. If a lease requires a tenant to pay certain expenses, such as taxes or insurance in addition to the rent, the lease may be called: (A) a gross lease; (B) a net lease; (C) a percentage lease; (D) a flat lease.
4. Private restrictions on real property can be created: (A) only by deed; (B) only by zoning; (C) by deed or by written agreement; (D) by deed, written agreement, or zoning ordinances.
5. Mr. Smith is the vendor in a land contract selling his home. One day, shortly after entering into the contract, he noticed that a plumber was installing new plumbing in the home. To protect himself, he should: (A) post a notice of completion; (B) record a notice of non-responsibility once the job has been completed; (C) post and record a notice of non-responsibility within ten days; (D) do nothing, since he has already sold the home.
6. The primary purpose of city building codes is to establish minimum: (A) ceiling heights; (B) fees paid to the city; (C) construction standards for buildings within the city; (D) sewer pipe diameters.
7. A real estate broker must hold all real estate documents for how long? (A) one year; (B) two years; (C) three years; (D) four years.
8. A "hard money" loan secured by a note and trust deed most nearly means: (A) a purchase money first trust deed; (B) a purchase money second trust deed; (C) a signature loan; (D) a cash loan.
9. A real estate salesman tried to obtain listings by warning owners that minority groups were moving into the area and values would decline. This behavior is: (A) not a violation of any legal or ethical standards; (B) grounds for discipline by the Real Estate Commissioner; (C) unethical, but not grounds for discipline by the Real Estate Commissioner; (D) standard practice and acceptable behavior.
10. Which of the following state agencies acts to prevent discrimination in housing accommodations based on race, color, sex, national origin, or ancestry? (A) Department of Housing; (B) Labor Commission; (C) Department of Fair Employment and Housing; (D) Real Estate Commission.
11. Why do brokers have client trust accounts? (A) in order to earn interest on client money; (B) in order to impress clients; (C) in order to commingle client's funds; (D) in order to separate trust fund money from the broker's money.
12. A broker who keeps a buyer's cash deposit in his office safe and refuses to release the money to escrow, the seller, or the buyer, is: (A) acting properly; (B) wrong in refusing to release the money to the seller but acting properly when keeping the buyer's cash in his safe; (C) probably going to be subject to discipline by the Commissioner; (D) none of the above.

## Answers for Salesperson Practice Exam 12 question sample

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. B The net lease requires the tenant to pay certain expenses such as taxes, insurance or maintenance.
4. C Private restrictions are created by deed or by written agreement, not by zoning. Zoning is a public restriction.
5. C As vendor in a land contract, Mr. Smith has retained legal title to the home. He should post and record a notice of nonresponsibility within ten days of obtaining knowledge of the work to protect his interest from mechanic's liens.
6. C The primary purpose of city building codes is to establish minimum construction standards.
7. C All real estate documents must be kept three years. Note: If the question had asked about "loan documents," they must be kept four years.
8. D A "hard money" loan is a loan where the borrower receives cash using a new note, secured by a trust deed. Typically, when a home owner borrows against the equity in his home, he receives "cash in his hand." There are limits on the commissions and costs loan brokers can charge to negotiate such loans.
9. B Such behavior is called panic selling or block busting. It violates fair housing laws and would subject the licensee to discipline by the Commissioner.
10. C Housing complaints are submitted to the Department of Fair Employment and Housing under the Rumford Act.
11. D A broker uses a client trust fund account to separate clients' money from the broker's money.
12. C Once an offer is accepted, if the seller demands it, the broker must give the cash deposit to him. The broker also violated the law by placing the buyer's cash deposit in his safe, this is called commingling.