

**Real Estate Final Examination – Practice
El Camino College & Inglewood One Stop**

1. Which of the following is NOT a test to determine whether an item is a fixture?

- | | |
|---------------------|--------------|
| A. Adaptability | C. Intention |
| B. Date of purchase | D. Agreement |

2. When an improvement is permanently attached to real property it becomes:

- | | |
|----------------------|----------------------|
| A. private property | C. real property |
| B. personal property | D. none of the above |

3. Which of the following is NOT a section and township starting point?

- | | |
|---------------|-------------------|
| A. Humboldt | C. Blythe |
| B. Mt. Diablo | D. San Bernardino |

4. How many square feet are in an acre?

- | | |
|------------|-----------|
| A. 345 | C. 43,560 |
| B. 100,000 | D. 435 |

5. Which of the following is NOT a recognized legal method of land description?

- | | |
|-----------------------|----------------------------|
| A. Metes and Bounds | C. Lots, Blocks and Tracts |
| B. Satellite Tracking | D. Sections and Townships |

6. 1/4 of a section is 1/2 mile by 1/2 mile and has how many acres?

- | | |
|--------|--------|
| A. 320 | C. 240 |
| B. 160 | D. 120 |

7. Real property consists of:

- | | |
|------------------------------------|-------------------------------------|
| A. land and structures on the land | C. anything appurtenant to the land |
| B. anything incidental to the land | D. all of the above |

8. Which of the following is FALSE concerning a grant deed?

- | | |
|--------------------------------------|--|
| A. The key word is "grant." | C. It is considered executed when signed by the grantor. |
| B. It is signed only by the grantee. | D. Grant deeds contain implied warranties. |

9. A person who is authorized by the Secretary of State to witness the acknowledgment of documents is known as a(n):

- | | |
|------------------|--------------------|
| A. administrator | C. document doctor |
| B. librarian | D. notary public |

10. Grantor A conveys some property to his wife to be used during her lifetime. Upon her death, the property is to go to their daughter. In this example, their daughter would be receiving:

- | | |
|---------------------------|--------------------------------|
| A. an estate in remainder | C. a less-than-freehold estate |
| B. an estate in waiting | D. a special limitation |

11. What is the legal process of making an instrument an official part of the county records?

- A. Acknowledgment
- B. Recording
- C. Constructive notice
- D. All of the above

12. Bob, Carla, and David own a property together as joint tenants. David decides to give his interest to his son as a wedding present. What type of interest in the property does the son obtain?

- A. Joint tenancy
- B. Tenancy in common
- C. Limited partnership
- D. None of the above

13. What is NOT one of the four unities involved in the establishment of a joint tenancy?

- A. Conveyance
- B. Title
- C. Time
- D. Interest

14. The greatest and most complete form of ownership known to the law is:

- A. estate at will
- B. estate in fee
- C. estate for years
- D. none of the above

15. You are a landlord who discovers that one of your tenants is having new carpet installed in his apartment without your consent. To protect yourself, you should file a(n):

- A. cease and desist order
- B. mechanic's lien
- C. unlawful detainer action
- D. notice of non-responsibility

16. An example of a voluntary lien is:

- A. trust deed
- B. mechanic's lien
- C. tax assessment
- D. all of the above

17. Easements appurtenant are for the benefit of:

- A. adjoining landowners
- B. homesteaded landowners
- C. the general public
- D. government use only

18. Easements are created by:

- A. express grant (in writing)
- B. implication of law
- C. long-term use (prescription)
- D. all of the above

19. A mechanic's lien is filed against the:

- A. property
- B. owner
- C. lender
- D. general contractor

20. Zoning is under the control of:

- A. private parties
- B. government agencies
- C. the Department of Real Estate
- D. none of the above

21. A lien placed on more than one parcel, all parcels having the same owner, is known as a:

- A. full lien
- B. blanket encumbrance
- C. multi-tract lien
- D. none of the above

22. In order to record a deed or trust deed, a notary requires the print of a person's:

- A. index finger
- B. right palm
- C. middle finger
- D. right thumb

23. The Agency Disclosure Form tells the seller and the buyer that their agent is working as a:

- A. seller's agent
- B. buyer's agent
- C. both seller's and buyer's agent
- D. any of the above

24. A person who sells final results rather than time is known as a(n):

- A. employee
- B. independent contractor
- C. subagent
- D. all of the above

25. Other than the small initial deposit to open the account, when are money deposits the personal property of the broker?

- A. Never
- B. Only with the permission of the buyer
- C. Only during non-business days
- D. Always

26. Which of the following would best describe an open listing?

- A. Bilateral contract
- B. Illegal in California
- C. Nonexclusive
- D. Exclusive

27. All material facts affecting the value and desirability of a property must be disclosed on the:

- A. Residential Listing Agreement
- B. Disclosure of Agency Relationship
- C. Transfer Disclosure Statement
- D. None of the above

28. What type of listing binds a seller to a commission no matter who sells the property?

- A. Net Listing
- B. Exclusive right to sell listing
- C. Open listing
- D. All of the above

29. Which of the following is NOT a method to establish a real estate broker agency?

- A. Express agreement
- B. Implied agreement
- C. Secret ballot
- D. Estoppel

30. A contract that is binding and enforceable in a court of law is said to be:

- A. executory
- B. illusory
- C. valid
- D. all of the above

31. The replacement of an old contract with a new one is called:

- A. assignment
- B. novation
- C. mutual consent
- D. counter offer

32. Which of the following is NOT an essential element of a contract?

- A. Cash
- B. Mutual consent
- C. Capacity
- D. Proper writing

33. Prior to receiving communication of its acceptance, a buyer can withdraw an offer:

- A. in writing
- B. personally
- C. by registered mail
- D. all of the above

34. An incompetent person:

- A. is of unsound mind
- B. cannot individually contract
- C. must have court approval to contract
- D. all of the above

35. You enter a hardware store where you have an account, pick up a pair of \$5.00 pliers and wave them at the manager as you leave the store. This would be an example of a(n):

- A. express contract
- B. mutual consent
- C. implied contract
- D. all of the above

36. An emancipated minor:

- A. has legal capacity
- B. is always emancipated
- C. can acquire property
- D. all of the above

37. The broker most likely to earn the commission is the one who:

- A. does the most work
- B. communicates acceptance of the offer
- C. outsmarts the other brokers
- D. is best liked by the client

38. Which of the following is a remedy for a breach?

- A. Accept the breach
- B. Action for dollar damages
- C. Action for specific performance
- D. Any of the above

39. A document given to a tenant stating that he or she must pay past due rent or vacate is known as a(n):

- A. Three-day Notice To Pay
- B. Unlawful Detainer
- C. Writ of Possession
- D. Curb Summons

40. Tenant A has a month-to-month tenancy with landlord B. What is the minimum number of days' notice that A must give if she wishes to vacate?

- A. 14
- B. 15
- C. 30
- D. 20

41. Which of the following is a requirement of a lease?

- A. Length of lease
- B. Amount of rent
- C. Names of parties
- D. All of the above

42. It is unlawful for a landlord to:

- A. remove a tenant's door
- B. shut off a tenant's utilities
- C. lock a tenant out
- D. any of the above

43. A month-to-month rental agreement is usually a:

- A. tenancy for years
- B. periodic tenancy
- C. tenancy at will
- D. tenancy at sufferance

44. A lease for more than one year must be:

- A. in writing
- B. notarized
- C. filed with the county
- D. all of the above

45. A lease purchase option is the:

- A. right to renew a lease
- B. right to purchase the property
- C. right to terminate a lease
- D. none of the above

46. Which of the following is NOT a duty of the escrow company?

- A. Conditional delivery
- B. Confidentiality
- C. Holding deposits
- D. Selling title insurance

47. The CLTA policy protects against:

- A. lack of capacity
- B. deeds not properly delivered
- C. forgery
- D. all of the above

48. Escrows base monthly proration on how many days?

- A. 28
- B. 29
- C. 30
- D. 31

49. The current status of items from the county records affecting the properties title is called the:

- A. coinsurance clause
- B. title insurance
- C. preliminary title report
- D. none of the above

50. Which type of title insurance is usually requested by lenders?

- A. CLTA policy
- B. ALTA policy
- C. RESPA policy
- D. None of the above

51. If Miss Dooling borrowed \$8,000 from the Los Angeles Downtown Bank on a straight note that totaled \$1,800 in interest at a rate of 15%, what was the term of the loan?

- A. 12 months
- B. 15 months
- C. 18 months
- D. 80 months

52. The trustor is the:

- A. third party
- B. lender
- C. borrower
- D. escrow company

53. The mortgagee is a:

- A. third party
- B. lender
- C. borrower
- D. none of the above

54. Which of the following is TRUE concerning a trust deed?

- A. It needs a note for security.
- B. It is a negotiable instrument.
- C. It prevails in a conflict with a note.
- D. None of the above.

55. The nominal interest rate is:

- A. the effective interest rate
- B. compounded daily
- C. the current interest rate
- D. stated on the note

56. If a buyer defaults on a conditional sales purchase contract (land contract), who could file a quiet title action to remove the cloud on the title?

- A. Grantor
- B. Vendee
- C. Landlord
- D. Seller

57. Which of the following are considered noninstitutional lenders?

- A. Private lenders
- B. Mortgage companies
- C. Credit unions
- D. All of the above

58. If you want an FHA loan, you should go to:

- A. VA
- B. FHA
- C. CAL-VET
- D. an approved lender

59. Life insurance companies:

- A. prefer large loans
- B. are least likely to make small loans
- C. seldom make construction loans
- D. all the above

60. The California Department of Veteran Affairs' loan program is commonly known as the:

- A. VA
- B. FHA
- C. California VFW Program
- D. CAL-VET Program

61. A “good faith” estimate of settlement charges (Regulation Z) for the purchase of a home includes:

- A. rate of interest
- B. points on the loan
- C. additional loan fees
- D. all of the above

62. Second trust deed (junior) loans are usually obtained from:

- A. mutual savings banks
- B. banks
- C. insurance companies
- D. private parties

63. If the economy experiences an increase in inflation, which of the following is NOT protected?

- A. Lender
- B. Fixed- income saver
- C. Trustor
- D. All of the above

64. Which of the following is NOT one of the forces that affect the value of a neighborhood?

- A. Past sales considerations
- B. Economic considerations
- C. Physical considerations
- D. Social considerations

65. The bottom portion lining a doorway or window is the:

- A. joist
- B. sill
- C. ridge board
- D. flushing

66. Which of the following statements constitutes an example of progression?

- A. A home of greater value is worth more when located among homes of lesser value.
- B. A home of greater value is worth less when located among homes of lesser value.
- C. A home of lesser value is worth more when located among homes of greater value.
- D. A home of lesser value is worth less when located among homes of greater value.

67. Which of the following is NOT a type of property lot?

- A. Low income lot
- B. Interior lot
- C. Key lot
- D. Corner lot

68. An information booth is called a:

- A. kiosk
- B. turnkey
- C. BTU
- D. conduit

69. The term EER is used to measure:

- A. water purity
- B. credit rating
- C. water pressure
- D. energy efficiency (the higher the better)

70. If the prospective investor of real property is most concerned with making money off the usefulness of the improvements, he or she would be most concerned with:

- A. economic life remaining in the improvements
- B. physical life remaining in the improvements
- C. chronological age of the improvements
- D. none of the above

71. An appraiser using the market approach collects many recent comparable sales. If a comparable property has a feature that is NOT present in the subject property, the estimated value of the feature is:

- A. added to the sales price of the comparable
- B. subtracted from the sales price of the comparable
- C. just noted on the appraisal but nothing is done
- D. none of the above

72. The flight pattern of a metropolitan airport was altered so that planes began passing over a single-family residential neighborhood. Any loss in the value of these properties should be attributed to:

- A. economic obsolescence
- B. functional depreciation
- C. physical deterioration
- D. all of the above

73. The most comprehensive and complete appraisal report is the:

- A. short form
- B. narrative report
- C. commissioner's report
- D. none of the above

74. The market data method is the most common approach for:

- A. houses
- B. condos
- C. vacant land
- D. all of the above

75. Depreciation can be:

- A. curable
- B. incurable
- C. loss in value from any cause
- D. all of the above

76. Which of the following is TRUE concerning the Cap Rate?

- A. The greater the risk, the greater the Cap Rate.
- B. Appraised value increases when the Cap decreases.
- C. Finding the Cap Rate is the most difficult step in the income approach.
- D. All of the above.

77. The original housing law in California that deals with discrimination in business is called the:

- A. Unruh Civil Rights Act
- B. Rumford Act
- C. Federal Civil Rights Act
- D. none of the above

78. What federal case in 1968 upheld the 1868 Civil Rights Act?

- A. Easton vs. Strassburger
- B. Huber vs. the State of California
- C. Jones vs. Mayer
- D. None of the above

79. The seller must provide the buyer of a condominium with:

- A. the CC&Rs
- B. the bylaws
- C. a copy of the most recent financial statement
- D. all of the above

80. A zoning act that requires disclosure of a property's vicinity to hazardous earthquake faults is known as the:

- A. Alquist-Priolo Special Studies Zones Act
- B. California Coastal Act
- C. San Andreas State Earthquake Act
- D. none of the above

81. Changing the zoning from R3 to R1 (with less use density) is an example of:

- A. condemnation
- B. police power
- C. involuntary conversion
- D. down zoning

82. The California Fair Employment and Housing Act is also known as the:

- A. Federal Civil Rights Act of 1866
- B. Federal Civil Rights Act of 1968
- C. Rumford Act
- D. Garn Act

83. The federal Fair Housing poster became mandatory under the:

- A. Unruh Civil Rights Act
- B. Federal Civil Rights Act of 1968
- C. Rumford Act
- D. Garn Act

84. What must a potential listing agent do if a seller requires the agent to discriminate?

- A. Discriminate
- B. Charge a higher commission
- C. Refuse the listing
- D. All of the above

85. Depreciation for tax purposes is a yearly tax deduction on the taxpayer's income tax form. Which of the following is NOT acceptable for depreciation?

- A. Your office building
- B. Your apartment building
- C. Your shopping center
- D. Your owner-occupied residence

86. Installment sales and exchanges have as their primary purpose:

- A. tax deduction
- B. tax evasion
- C. tax postponement
- D. none of the above

87. The county assessor determines the:

- A. tax rate
- B. documentary transfer tax
- C. estate taxes
- D. assessed valuation

88. For how much assessed value is the Homeowner's Property Tax Exemption?

- A. \$1,000
- B. \$7,000
- C. \$2,000
- D. \$200

89. By 2006, a Federal Estate tax return must be filed for any U.S. resident whose gross estate exceeds:

- A. 2,000,000
- B. 200,000
- C. 20,000
- D. all of the above

90. Income property owners can deduct:

- A. property taxes
- B. prepayment penalties
- C. depreciation
- D. all of the above

91. The salesperson exam requires what percent of correct answers to pass?

- A. 60%
- B. 80%
- C. 70%
- D. 90%

92. Which of the following is NOT a required document in a personal property security transaction?

- A. Federal Tax Return
- B. Promissory note
- C. Security Agreement
- D. Compliance with UCC-1 Financing Statement

93. A broker who mixes his personal funds with his principal's is guilty of:

- A. false promise
- B. commingling
- C. divided agency
- D. all of the above

94. Which of the following is NOT a required 3-hour class as part of the 45 hours of real estate continuing education?

- A. Ethics
- B. Fair housing
- C. Finance
- D. Agency

95. An advertisement by an agent that gives the impression that he is the owner of the property is referred to as a:

- A. blind advertisement
- B. shadow listing
- C. secret profit
- D. none of the above

96. The Regulations of the Real Estate Commissioner:

- A. have the force and effect of the law itself
- B. are unenforceable
- C. are enforced by the IRS
- D. none of the above

97. A "Realtist" is the name for a member of:

- A. AAA
- B. CAR
- C. NAR
- D. NAREB

98. The formula for finding the area of a triangle is:

- A. $T = (B \times H) \div 2$
- B. $T = B \div H$
- C. $A = (B \times H) \div 2$
- D. $A = (B \div H) \times 2$

99. How many square feet are there in a triangle that has a 200-foot base and a 120-foot height?

- A. 24,000
- B. 16,666
- C. 12,000
- D. 33,333

100. To convert a decimal number to a percent, you add on a percent sign and move the decimal point:

- A. two spaces to the left
- B. two spaces to the right
- C. one space to the left
- D. one space to the right

ANSWERS - FINAL EXAM "A" (CHAPTERS 1-15)

- | | | | |
|---------------|---------------|-----------------|-----------------|
| 1. B (p.9) | 27. C (p.108) | 53. B (p.256) | 79. D (p.415) |
| 2. C (p.7) | 28. B (p. 98) | 54. A (p.260) | 80. A (p.422) |
| 3. C (p.12) | 29. C (p.85) | 55. D (p.250) | 81. D (p.423) |
| 4. C (p.19) | 30. C (p.130) | 56. D (p.275) | 82. C (p.435) |
| 5. B (p.11) | 31. B (p.140) | 57. D (p.308) | 83. B (p.437-8) |
| 6. B (p.15) | 32. A (p.132) | 58. D (p.315) | 84. C (p.386) |
| 7. D (p.6) | 33. D (p.134) | 59. D (p.306-7) | 85. D (p.467) |
| 8. B (p.33) | 34. D (p.133) | 60. D (p.318) | 86. C (p.470) |
| 9. D (p.47) | 35. C (p.130) | 61. D (p.296) | 87. D (p.448) |
| 10. A (p.30) | 36. D (p.133) | 62. D (p.308) | 88. B (p.454) |
| 11. B (p.45) | 37. B (p.135) | 63. B (p.294) | 89. A (p.461) |
| 12. B (p.42) | 38. D (p.144) | 64. A (p.343) | 90. D (p.466) |
| 13. A (p.43) | 39. A (p.191) | 65. B (p.355) | 91. C (p.485) |
| 14. B (p.28) | 40. C (p.177) | 66. C (p.362) | 92. A (p.495) |
| 15. D (p.61) | 41. D (p.164) | 67. A (p.346) | 93. B (p.501) |
| 16. A (p.59) | 42. D (p.191) | 68. A (p.358) | 94. C (p.493) |
| 17. A (p.67) | 43. B (p.177) | 69. D (p.357) | 95. A (p.500) |
| 18. D (p.68) | 44. A (p.185) | 70. A (p.381) | 96. A (p.500) |
| 19. A (p.60) | 45. B (p.194) | 71. C (p.372) | 97. D (p.517) |
| 20. B (p.71) | 46. D (p.209) | 72. A (p.382) | 98. C (p.530) |
| 21. B (p.57) | 47. D (p.228) | 73. B (p.391) | 99. C (p.530) |
| 22. D (p.48) | 48. C (p.214) | 74. D (p.373) | 100. B (p.536) |
| 23. D (p.89) | 49. C (p.222) | 75. D (p.380) | |
| 24. B (p.92) | 50. B (p.229) | | |
| 25. A (p.112) | | | |

26. C (p.97)

51. C (p.250)

52. C (p.260)

76. D (p.386-8)

77. A (p.435)

78. C (p.437)