



MAGNOLIA

SCHOOL OF REAL ESTATE

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Ultimate State Exam Practice Test

1. Which of the following could be considered an implied easement?

- a. An assignment
- b. An acceleration clause
- c. A premise
- d. An encroachment

2. Which of the following does not describe leverage?

- a. The use of borrowed funds to purchase assets.
- b. The use of borrowed funds to finance an investment.
- c. When an investor uses his own money to finance an investment.
- d. When an investor uses other people's money to finance an investment.

3. Sabrina is an unlicensed assistant in a local brokerage office and is paid a salary for her services. Sabrina recently won an award from her broker for showing the most properties to prospective buyers in one week. Which of the following applies to Sabrina's situation?

- a. This is a violation and only the broker could be punished.
- b. This is a violation because real estate licensees can only show 10 houses a day.
- c. Sabrina is acting within the scope of her business and no violation occurred.
- d. Showing property is a service of real estate and therefore Sabrina and her broker are in violation and could be punished.

4. Which of the following is a written opinion of value?

- a. An appraisal
- b. A comparative market analysis
- c. A broker's price opinion
- d. The income approach to value

5. The Florida Real Estate Commission was informed of a felony that a licensee recently committed in California. Which punishment is FREC not authorized to administer to this licensee?

- a. The FREC cannot revoke the license of the licensee.
- b. The FREC cannot suspend the licensee of the licensee.
- c. The FREC cannot charge the licensee with a misdemeanor.
- d. The FREC cannot require the licensee to attend additional courses.

6. On January 12th Holly joined Sunshine Brokerage, a local brokerage in her town. Only one broker works at Sunshine Brokerage and last week, that broker's license was revoked. What will happen to Holly's license and all of the other licensee's that work for Sunshine Brokerage?

- a. All the licensee's license status will become involuntary inactive.
- b. All the licensee's license status will become null and void.
- c. Nothing will happen to the licensee's license status, but they do need to find another broker.
- d. All of the licensee's license status will stay active.

7. After completing the required 45-hour post licensing education before the first renewal period, licensees are required to complete 14 hours of continuing education each two-year cycle. Which of the following statements applies?

- a. Active and inactive licensees are required to complete the 14 hours of continuing education.
- b. Only active licensees are required to complete the 14 hours of continuing education.
- c. The 14 hours of continuing education are optional for licensees.
- d. Licensees that have listed more than 14 properties are not required to complete the 14 hours of continuing education.

8. What is the license status of a licensee if he does not complete the required 45-hour post licensing education before the first expiration of his license?

- a. Involuntary inactive
- b. Null and void
- c. Inactive
- d. Suspended

9. What are the rights that are associated with water flowing through your property?

- a. Littoral rights
- b. Riparian rights
- c. Erosion rights
- d. Water rights

10. A newly licensed sales associate has developed what she thinks is a great idea for acquiring more customers. She had decided to mail a hand-written card to local business owners explaining that for every customer the business owner refers her, she will pay the business owner \$200. Which of the following applies?

- a. The sales associate has a great idea and should implement it immediately.
- b. The sales associate would be in violation for paying an unlicensed person for the services of real estate and could be punished by the Commission.
- c. The sales associate can implement her idea, but she can only pay an unlicensed person up to \$50 for the services of real estate.
- d. The sales associate will be in violation and could be sentenced to prison by FREC.

11. Which direction would a property line run if starting at the POB, (point of beginning) and headed N90°East?

- a. North
- b. South
- c. East
- d. Northeast

12. Which of the following is true regarding an option contract?

- a. An option contract is the right or privilege to purchase or lease real property at a specified price during a designated period based on a sufficient consideration.
- b. Option contracts do not have to be in writing.
- c. Option contracts are bilateral.
- d. An option can be based on good consideration.

13. Which of the following are rules that FREC implements?

- a. F.S. 120
- b. F.S. 455
- c. Chapter 475
- d. Chapter 61j2

14. An appraiser is appraising a three-bedroom home with a fireplace. One of the comparables the appraiser is using in his appraisal sold for \$295,000 and is a four-bedroom home with no fireplace. What would the adjusted sales price of the comparable be if a bedroom is worth \$5,000 and a fireplace is worth \$4,000?

- a. \$294,000
- b. \$304,000
- c. \$296,000
- d. \$295,000

15. Prospective buyers of residential property must be presented a disclosure summary , (property tax disclosure) concerning ad valorem taxes before or at the time of execution of the contract for sale. What is the purpose of this disclosure summary?

- a. The purpose of the property tax disclosure summary is to caution prospective buyers that they cannot rely on the amount of the seller's property taxes as an indication of the taxes the buyer will have to pay in taxes.
- b. The purpose of the property tax disclosure summary is to inform sales associates of the new tax laws in their state.
- c. There is no such document called the property tax disclosure.
- d. The purpose of the property tax disclosure summary is to inform prospective buyers what their taxes will be for the upcoming year.

16. If a borrower was offered a 5% interest rate and purchased four discount points, what would the effective yield of interest to the lender?

- a. 5%
- b. 5.25%
- c. 5.50%
- d. 6%

17. Which of the following is an economic indicator that is used to adjust the interest rate on an adjustable-rate mortgage?

- a. Margin
- b. Index
- c. Adjustment interval
- d. Payment cap

18. If property that is encumbered with an existing mortgage lien is sold without the lender's permission, what might the lender require?

- a. An acceleration clause
- b. A due-on-sale clause
- b. A premises clause
- c. A general warranty

19. Which of the following types of mortgages could be accompanied by a funding fee?

- a. An FHA insured loan
- b. A VA guaranteed loan
- c. An FHA guaranteed loan
- d. A VA insured loan

20. How is the binder deposit shown on the closing disclosure statement?

- a. Debit to the seller, credit the buyer page 3
- b. Debit to the buyer, credit to the seller page 3
- c. Debit seller only, page 2
- d. Credit buyer only, page 3

21. Which of the following government entities provides a secondary market for conventional mortgage loans originated by Savings associations?

- a. The Federal National Mortgage Association, (FNMA) (Fannie Mae).
- b. The Federal Home Loan Mortgage Corporation, (FHLMC) (Freddie Mac)
- c. The Government National Mortgage Association, (GNMA) (Ginnie Mae)
- d. None of the above

22. Which of the following is true regarding a constant, (level) monthly payment mortgage?

- a. The payments during the first few years are used almost entirely to pay interest, and payments during the last few years are almost entirely principal repayment.
- b. The payments during the first few years are almost entirely to pay principal, and payments during the last few years are almost entirely to pay interest.
- c. The interest rate adjusts on a level monthly payment mortgage.
- d. The payment amount adjusts each year on a level monthly payment mortgage.

23. When office space rentals are plentiful, what type of market are we most likely in?

- a. Seller's market
- b. Seller's and buyer's market
- c. Buyer's market
- d. Neither

24. What does USPAP stand for?

- a. Uniform Standards of Private Appraisal Practice.
- b. Uniform Standards of Peaceful Appraisal Practice.
- c. Uniform Standards of Professional Appraisal Practice.
- d. Unidentified Standards of Private Appraisal Programs.

25. Which of the following are deductible on federal income taxes?

- a. Mortgage interest, property taxes, discount points.
- b. Only mortgage interest.
- c. Mortgage principal payments, property taxes, discount points.
- d. Only discount points.

26. How is rental income noted on the closing disclosure form?

- a. Credit the seller
- b. Debit the seller
- c. Credit the seller, debit the buyer
- d. Credit the buyer, debit the seller

27. Which of the following types of mortgages would most likely contain a partial release clause?

- a. Package mortgage
- b. Blanket mortgage
- c. Fixed rate mortgage
- d. Balloon payment

28. In which theory of lending does legal title remain with the lender or in a deed of trust throughout the loan period?

- a. Lien theory
- b. Title theory
- c. Assignment theory
- d. Florida theory

29. Betty was ready to sell her property and she listed it with her sales associate friend, Susana which included a 6% commission. Susana had Betty sign an exclusive listing. After Susana listed the property, Betty's daughter came for a visit and Betty sold the house to her. Which applies?

- a. Susana gets the full commission
- b. Susana is not entitled to a commission
- c. Susana is entitled to expenses
- d. Susana is entitled to what she spent on advertising

30. Which of the following liens would have priority over all other liens?

- a. A special assessment lien recorded Aug 10, 2019.
- b. A vendor's lien recorded Aug 11, 2019.
- c. A real estate tax lien recorded Aug 14, 2019.
- d. A mortgage lien recorded May 12, 2019.

31. Which of the following is an example of a blind ad?

- a. Call Suzanna Smith, best sales associate in town 941.201.2434 (cell).
- b. Call Bob Blythe, Excel Realty 941.201.2434 (cell)
- c. Call Cindy Simon, Sunstate Brokerage 941.201.2434 (cell).
- d. Best sales associate in town, call Bob Barker, Townsgate Realty 941.201.2434 (cell).

32. If a sales associate picks up an escrow check on Tuesday, when does the broker have to deposit it into the escrow account?

- a. Immediately, as defined, by Wednesday.
- b. Immediately, as defined, by Friday.
- c. Immediately, as defined, by Thursday.
- d. Immediately, as defined, by Monday of the following week.

33. If the title company is holding the escrow check, what must be on the purchase and sales contract regarding the title company?

- a. The name of the title company.
- b. The name and address of the title company.
- c. The name, address, phone number and email of the title company.
- d. The name, address, and phone number of the title company.

34. A mortgagor broker is friends with a newly licensed sales associate, and they make an arrangement that for every customer the sales associate sends the mortgage broker, the mortgage broker will pay the sales associate a \$100 referral fee. Which applies?

- a. This is a legal arrangement provided the mortgagor broker discloses this arrangement to borrowers.
- b. This is a violation and both the mortgage broker, and the sales associate could be charged with a third-degree felony by FREC.
- c. This would be a legal arrangement provided the mortgagor offered a gift card instead of money.
- d. This is an illegal kickback and violates RESPA, (The Real Estate Settlement Procedures Act).

35. A sales associate was on a listing appointment when the seller mentioned that the roof occasionally leaks. Which applies?

- a. The sales associate is not required to disclose the leak to potential buyers.
- b. The sales associate is required to disclose the leak to all potential buyers.
- c. The sales associate can make a judgement call and decide if she wants to disclose the leak.
- d. The sales associate is only required to disclose the leak if buyers ask.

36. On the purchase and sales contract, the escrow money is noted as being held in a local bank by the seller's broker. A few days into the contract, the buyer and the seller decide to move the money out of the account and put it into an interest-bearing account. Which applies?

- a. Escrow money cannot be held in an interest-bearing account.
- b. If the seller agrees in writing, the money can be moved into an interest-bearing account.
- c. If the buyer agrees in writing, the money can be moved into an interest-bearing account.
- d. If the buyer and the seller agree in writing, the money can be moved into an interest-bearing account.

37. A broker sold an up to date and accurate rental list to a customer on June 10th for \$475.00. On June 14th the customer decided not to obtain a rental and then orally demanded, and should receive, how much of a refund?

- a. Nothing because the demand was made orally not in writing.
- b. Nothing because the list was completely up to date.
- c. \$475.00
- d. \$356.25

38. Which estate features the right of survivorship?

- a. Estate for years
- b. Estate by the entirety
- c. Tenancy in common
- d. Tenancy at will

39. Which of the following is a penalty for a first-time minor violation that is not accompanied by a fine?

- a. A citation
- b. A first-degree misdemeanor
- c. A notice of non-compliance
- d. A formal violation

40. What would a sales associate be charged with if he took copies of listings when he left the brokerage firm and started to work for another company?

- a. Larceny
- b. Commingling
- c. Breach of trust
- d. A first-degree misdemeanor

41. If a buyer has decided to purchase a home that is located in a Home-Owner's Association, which applies?

- a. The seller's agent is responsible to give the HOA disclosure to the buyer.
- b. The seller is responsible for delivering the HOA disclosure to the buyer and this is detailed in F.S. 475.
- c. The seller is responsible for delivering the HOA disclosure to the buyer and this is detailed in F.S. 720.
- d. The HOA disclosure will disclose in detail all restrictive assessments and all special covenants.

42. Two brothers have decided to purchase investment property and not sure how they want to take title. The brother's wives have looked into the options and have decided that in the event that one of the brothers dies, his wife would like to receive title. With this information, how should the brothers take title?

- a. Tenancy in common
- b. Joint tenancy
- c. Estate for years
- d. Estate by the entirety

43. A father intended to leave his house to his son and executed a general warranty deed to the property and gave it to his son. Shortly after, the father died, before the deed could be recorded. Which applies?

- a. The son does not have legal title to the house because the deed was never recorded.
- b. The son has legal title to the house, but only after providing constructive notice, (recording the deed).
- c. The son has title to the property because title to the property was conveyed when the father delivered the deed to his son and his son voluntarily accepted it.
- d. Title to real property is conveyed after the deed is recorded and accepted. In this situation, the property will have to go through probate.

44. Which requirement does not apply regarding property that was built before January 1, 1978?

- a. Buyers must have the opportunity to have the property inspected for lead-based paint.
- b. Sellers and lessors must disclose the presence of known lead-based paint in residential property.
- c. The purchase and sale contract must include specific lead-based paint warning and disclosure language.
- d. Buyers must have the property inspected for lead-based paint.

45. Which of the following statements concerning market value is true?

- a. Market value is the most probable price a property should bring in a competitive and open market under all conditions, requisite to a fair sale under certain guidelines published by Fannie Mae and Freddie Mac.
- b. Market value is the same as price.
- c. Market value is the value an investor would pay, given the investor's own financing requirements.
- d. Market value is the same as the cost of the property.

46. William, who holds title in fee simple of a 35-acre property, deeds the land to Robert until Robert dies. At that time, Tonya is to receive title to the land. Which statement is true concerning this situation?

- a. William has a life estate and Robert has a remainder estate
- b. William and Robert have life estates
- c. Robert has a life estate and Tonya has a remainder estate
- d. William has a life estate

47. Which of these describes of a non-freehold estate that includes a definite specified amount of time?

- a. Tenancy at will
- b. Estate by the entireties
- c. Life estate
- d. Estate for years

48. Which of the following describes unliquidated damages?

- a. Unliquidated damages are damages that are specified in the contract and are also called compensatory damages.
- b. Unliquidated damages are damages that are not specified in the contract and are also called compensatory damages.
- c. Unliquidated damages are the same as punitive damages.
- d. Unliquidated damages are awarded by FREC.

49. Which of the following is not true concerning agency relationships?

- a. The Consent to Transition to Transaction Broker Disclosure Form must be signed by the principal in order for a broker to transition to a transaction broker relationship.
- b. A sales associate has a general agency relationship with his broker.
- c. The transaction broker relationship is the presumed relationship in Florida.
- d. A sales associate has a special agency relationship with an owner-developer.

50. Which of the following statements is true concerning advertising?

- a. Advertising is not a service of real estate.
- b. Blind advertisements are advertisements that fail to disclose the name of the brokerage firm.
- c. If you are on a team, there are no restrictions on the size of the lettering of your team's name.
- d. Sales associates can advertise in their name only, not including the name of the brokerage firm.

51. When payment from the Real Estate Recovery Fund is paid out on behalf of a licensee, and that claim was not associated with an Escrow Disbursement order, what happens to the licensee's license?

- a. It becomes automatically revoked
- b. It becomes automatically suspended until all the money has been paid back including interest
- c. It becomes automatically suspended for 2 years
- d. It becomes inactive for a period not to exceed 4 years until all the money is paid back including interest

52. Which of the following is the type of method a surveyor would use to describe a property that is in a subdivision?

- a. Surveyor's method, also called the metes and bounds
- b. Surveyor's method, also called the lot and block method
- c. Plat method, also called the lot and block method
- d. Plat method, also called the government survey method

53. The statute of frauds states that

- a. all leases must be in writing.
- b. all contracts must be in writing.
- c. all contracts that convey any interest in land must be in writing to be enforceable.
- d. all contracts must be acknowledged and in writing to be enforceable.

54. Which of the following is incorrect concerning FHA and VA mortgages?

- a. FHA and VA mortgages are government loans and therefore assumable.
- b. FHA is a government-insured loan.
- c. VA is a government guaranteed loan and could be accompanied by a funding fee.
- d. VA is a government insured loan and could be accompanied by an origination fee.

55. Which of the following form of ownerships is the simplest yet most comprehensive form of ownership?

- a. Fee simple
- b. Estate for years
- c. Non freehold estate
- d. Tenancy at will

56. If the assessed value of a homesteaded residence was \$89,000, and the homeowner was blind, what is the amount of the Constitutional Homestead tax exemption?

- a. \$50,500 for city and county taxing districts, and \$25,500 for the school board taxing district.
- b. \$50,000 for city and county taxing districts, and \$25,000 for the school board taxing district.
- c. \$25,000 for the city, county, and school board taxing districts.
- d. \$25,500 for the city, county, and school board taxing districts.

57. What is the tool called that provides information on homes that are listed, recently sold and expired and comes with a range of values?

- a. BPO (Broker Price Opinion)
- b. Appraisal
- c. CMA (Comparative Market Analysis)
- d. None of the above

58. Loss in value because of poor operation, changing tastes, or poor design is called what?

- a. External obsolescence
- b. Functional obsolescence
- c. Under improvement
- d. Demand

59. Which of the following is true concerning the intangible tax?

- a. On intangible taxes the tax rate is two mills per dollar of new debt.
- b. The tax rate on intangible taxes is negotiable.
- c. Intangible taxes are paid on all mortgages and are negotiable.
- d. Intangible taxes are paid on all mortgages and are not negotiable.

60. Concerning the government survey method of describing property, which statement is false?

- a. The government survey method breaks the state up into a checkerboard grid.
- b. The prime meridian goes through Tallahassee and runs north and south.
- c. The POB, (point of beginning) is used to start the legal description.
- d. Townships contain 36 sections.

61. Which relationship disclosure would a broker who has listed a property as a single agent, show a prospective buyer that wants to look at the property?

- a. A nonrepresentation disclosure, (no brokerage relationship disclosure).
- b. A single agent relationship disclosure.
- c. A consent to transition to transaction broker disclosure.
- d. A transaction broker disclosure.

62. A sales associate has hired an unlicensed assistant. Which of the following duties can the unlicensed assistant not perform?

- a. Type contracts
- b. Deposit escrow checks
- c. Negotiate a listing agreement with a seller
- d. Take phone calls

63. Which of the following statements is incorrect concerning a broker that has decided to hold escrow money?

- a. The broker cannot keep the escrow money in a stock brokerage firm.
- b. The broker cannot commingle his personal money with the escrow money.
- c. The broker cannot hold the money outside of Florida.
- d. The broker cannot keep the escrow money in an interest-bearing account.

64. Which of the following is not true concerning kickbacks.

- a. Not all kickbacks are illegal.
- b. A real estate licensee may not be paid a fee for referring buyers to a title company.
- c. Kickbacks cannot violate RESPA (Real Estate Settlement Procedures Act).
- d. All kickbacks are illegal.

65. Which of the following is true concerning qualifications of applicants for real estate sales associates in Florida?

- a. Applicants must be 18 years old and a resident of the state of Florida.
- b. Applicants must be of good character and a citizen of the United States.
- c. Applicants need not be a resident of the state of Florida or a citizen of the United States but must be of good character and at least 21 years of age.
- d. Applicants need not be a citizen of the United States or a Florida resident, but must have a high school diploma or equivalent and have a social security number.

66. Salaried employees that work for a local owner-developer in Tampa, Florida sell time-share units. At Christmas, the employees receive a year-end bonus based on sales production for the year. Are the employees required to hold an active real estate license?

- a. No, the employees are exempt from a real estate license because they work for an owner-developer.
- b. No, the employees are exempt from a real estate license, but they must hold an active time-share license.
- c. Yes, they must be licensed as real estate sales associates because part of the compensation is based on real estate sales production.
- d. Yes, they must be licensed as a real estate sales associate because anyone that performs the services of real estate for an owner-developer must be actively licensed.

67. Each of these is a method of acquiring legal title to real property except

- a. novation.
- b. descent.
- c. eminent domain
- d. a deed.

68. If a person dies intestate without heirs, the principle of law applying to disposition of the person's real property is

- a. estoppel.
- b. bargain and sale deed.
- c. escheat.
- d. descent.

69. Essential elements of a real estate contract include all of the following, except

- a. in writing and signed.
- b. offer and acceptance.
- c. consideration.
- d. recording.

70. Which of the following contracts is not covered by the Statute of Frauds?

- a. Option contracts
- b. Mortgages
- c. 16-month listing agreement
- d. 6-month lease agreement

71. Which of the following is true regarding an “as is” provision in a sale contract?

- a. The “as is” provision in a purchase and sale contract relieves the seller of liability for failure to disclose material defects.
- b. The “as is” provision in a purchase and sale contract relieves the licensee of the liability for failure to disclose material defects.
- c. The “as is” provision does not relieve the seller or the licensee of the duty to disclose all known facts that materially affect the value of residential real property.
- d. The “as is” provision is not used in Florida.

72. In regard to commingling, which applies?

- a. Commingling personal funds with escrow funds is legal in the state of Florida.
- b. Commingling is the mixing of personal funds and escrow funds and only permitted if the broker holds escrow in a designated account.
- c. Commingling occurs when broker deposits earnest money in a personal account and this is a violation.
- d. When earnest money is placed with personal funds the buyer and seller must agree.

73. What is the first thing a broker is required to do when presented with an escrow dispute?

- a. Contact FREC within 15 business days in writing.
- b. Implement one of the four settlement procedures.
- c. Contact FREC within 30 business days in writing.
- d. Mediate the matter.

74. A seller was extremely pleased with the performance of the sales associate that listed her property. What can the seller do for the sales associate?

- a. The seller can give the sales associate a bonus.
- b. Legally the seller can only give the sales associate a gift of up to \$25.
- c. The seller can express her thanks to the sales associate.
- d. The seller may give the sales associate a bottle of wine.

75. Who is the only person that can pay a sales associate?

- a. The seller in a transaction that the sales associate was a part of.
- b. The buyer in a transaction that the sales associate was a part of.
- c. The sales associate’s employer, which is either a broker or an owner-developer.
- d. The sales associate’s employer and the sales associate’s owner-developer.

76. Two brokers decide to split the town they live in down the center and one broker is going to list on the north of town, while the other broker is going to list on the south of town. Each broker has agreed to stay on their side of the imaginary line. Which applies?

- a. No violation has occurred.
- b. No violation has occurred provided that the brokers honor this agreement.
- c. This is an example of a violation of the Sherman-Clayton Anti-trust laws.
- d. This is a violation of the Real Estate Settlement Procedures Act.

77. A broker wants to open a new branch office. Which applies?

- a. He can transfer the registration of another one of his offices to the new office.
- b. He cannot transfer the registration of his office. He needs to register the new office.
- c. A broker cannot have branch offices.
- d. He is in violation.

78. When advertising on an internet site, the name of the brokerage firm must appear where?

- a. The name of the brokerage firm must be adjacent to or immediately above or below the point of contact information of the brokerage firm or the licensee.
- b. Anywhere in the advertising, provided it is clear which brokerage firm is being advertised.
- c. The name of the brokerage firm does not need to be included in internet advertising.
- d. Each individual brokerage firm has the choice where to include the brokerage name in internet advertising.

79. Which of the following is an example of a legal and valid office sign?

- a. Moonlight Brokerage
Thomas Moore, LLC
Real Estate Broker
- b. Moonlight Brokerage
Thomas Moore
Licensed Real Estate Broker
- c. Thomas Moore
Lic Broker
- d. Thomas Moore
Licensed Real Estate Office

80. Sales associate Linda has been working for her broker for 26 months. She has been thinking about her future and has decided to discuss her options with her broker. Which of the following is incorrect about Linda's options?

- a. Linda could take the broker's course and pass a state exam and become a broker associate. Then if she decided to, she could open an office and become a broker.
- b. Linda could become a partner in her current brokerage firm, allowing her more opportunities for advancement.
- c. Linda could quit her brokerage and go to work for another brokerage.
- d. Linda could buy stock in the current brokerage firm she works for.

81. What is the penalty for giving false information on a DBPR license application, reproduction or theft of a real estate license exam, and providing real estate services for compensation without a real estate license?

- a. 1st degree misdemeanor
- b. 2nd degree misdemeanor
- c. 3rd degree felony
- d. 3rd degree misdemeanor

82. A sales associate and his former broker have a dispute over a commission. What recourse does the sales associate have to resolve the commission dispute?

- a. The sales associate can request the FREC to issue an escrow disbursement order.
- b. The sales associate can sue the principal named in the listing contract that is in dispute.
- c. The sales associate can sue his former broker and request the civil courts resolve the matter.
- d. The sales associate can seek relief from the Real Estate Recovery Fund.

83. Sales associate Trevor works for Lenar Homes, an owner-developer in St. Petersburg, Florida. What would Trevor need to do if he wanted to work at Lenar's Tampa location?

- a. Trevor would request a multiple license.
- b. Trevor would request a group license.
- c. Trevor would need to have Lenar Homes request a multiple license.
- d. Trevor would need to have Lenar Homes request a group license.

84. Which is the only form that must be signed or initialed and by whom?

- a. Consent to transition to transaction broker disclosure form/principal
- b. Consent to transition to transaction broker disclosure/customer
- c. Transaction broker disclosure form/principal
- d. Single agent disclosure form/broker

85. Broker William owns a brokerage firm. He would like to open a new brokerage firm. What should William apply for?

- a. A group license
- b. Multiple licenses
- c. A reissue of his license
- d. A transfer of his license

86. Discount points are

- a. a charge to financial lenders for borrowing from the Federal Reserve Bank.
- b. an up-front charge, usually paid by the developer to lower the buyer's mortgage interest rate for the first one to three years.
- c. up-front charges to the FHA for mortgage insurance.
- d. A charge by a lender to increase the bank's interest yield on a mortgage.

87. A buyer makes a written offer on a seller's property. The seller makes a counteroffer, which the buyer accepts. The listing broker conveys the buyer's written acceptance to the seller. At this point, the offer becomes

- a. an express contract.
- b. a parol contract.
- c. a ratified offer.
- d. a contingent contract.

88. Seller Tia has her home listed with Sunshine Brokerage. The listing agreement was signed on January 10 and on February 12th the broker discovered that Tia has filed for bankruptcy. Which applies?

- a. The listing agreement is still enforceable.
- b. The listing agreement is still enforceable if it is in writing.
- c. The listing agreement is terminated.
- d. The listing agreement will continue to be in effect.

89. What is the gross rent multiplier of a property that has a sales price of \$495,000 and a monthly rent of \$3,000?

- a. 100
- b. 150
- c. 160
- d. 165

90. If a property sold for \$102,750 and the new note/mortgage is 85,000 and the assumed note/mortgage is \$25,000, what is the amount that must be paid for the intangible tax?

- a. \$170.00
- b. \$250.00
- c. \$400.00
- d. \$420.00

91. A woman owned the NW1/2 of a section. She sold the W1/2 of that NW1/2. How many acres does she still own?

- a. 160 acres
- b. 400 acres
- c. 225 acres
- d. 215 acres

92. An appraiser is appraising a 3-bedroom home that has only one bathroom. From an analysis of the market, the appraiser believes a bathroom contributes \$4,000 to the value of a home. If a comparable property having 3 bedrooms and 2 baths recently sold for \$126,000, and is similar in all other respects to the subject property, what value should be estimated for the subject?

- a. \$130,000
- b. \$126,000
- c. \$122,000
- d. \$125,000

93. If net operating income is \$4,000 and the capitalization rate is 16%, and operating expenses are \$12,000, what is the value of the property?

- a. \$20,000
- b. \$25,000
- c. \$15,000
- d. \$45,000

94. The city is paving the street in front of Sabrina's home. The cost of the paving is estimated to be \$18.50 per lineal foot and city has agreed to pay 20% of the cost. If Sabrina has a lot measuring 115'x150', what will Sabrina's share of the assessment be?

- a. \$920
- b. \$875
- c. \$851
- d. \$900

95. A building is 4 stories high and each floor is 100x50. I want to put bins in all the space I can. I can't use 10% of each floor. The bins are 5x5. How many bins can I put in this building?

- a. 128
- b. 785
- c. 720
- d. 541

96. If annual property taxes for a property are \$1,200 and the closing is on July 10 with the day of closing allocated to the seller, what is the amount of the tax proration using the 365-day method and how is it shown on the closing statement?

- a. Debit seller \$627.94, credit buyer \$627.94
- b. Credit seller \$627.94, debit buyer \$627.94
- c. Debit seller \$627.94
- d. Debit seller \$597.50, credit buyer \$597.50

97. A sales associate negotiated a contract to sell a property for \$250,000. The broker charges a commission of 5% on the first \$100,000 of the sales price. 5% on the next \$75,000 and 7.5% on the next \$20,000. Then 10% on the balance. What is the sales associates share if the broker retains 40% of the total fee?

- a. \$9,450
- b. \$10,852
- c. \$9,458
- d. \$8,450

98. If a sales associate is entitled to 60% of all commissions earned and sells a property for \$64,000 with a 7% commission due to the broker, how much should the broker pay the sales associate?

- a. \$2,688
- b. \$4,500
- c. \$4,600
- d. \$2,985

99. A developer has 20 acres of land and he wants to create 20 lots that are the same size. He is going to use 15% of the land for common areas. How big will each lot be?

- a. 37,026 square feet
- b. 56,225 square feet
- c. 18,513 square feet
- d. 12,268 square feet

100. A buyer has applied for a loan. The purchase price of the property is \$460,000. If the borrower has \$100,000 for a down payment, what will the loan to value ratio be?

- a. 75%
- b. 78%
- c. 80%
- d. 70%

Answer Key

1 d	23 c	45 a	67 a	89 d
2 c	24 c	46 c	68 c	90 a
3 d	25 a	47 d	69 d	91 a
4 c	26 d	48 b	70 d	92 c
5 c	27 b	49 d	71 c	93 b
6 a	28 b	50 b	72 c	94 c
7 a	29 b	51 b	73 a	95 c
8 b	30 c	52 c	74 c	96 a
9 b	31 a	53 c	75 c	97 a
10 b	32 b	54 d	76 c	98 a
11 c	33 d	55 a	77 b	99 a
12 a	34 d	56 a	78 a	100 b
13 d	35 b	57 c	79 b	
14 a	36 d	58 b	80 b	
15 a	37 d	59 a	81 c	
16 c	38 b	60 c	82 c	
17 b	39 c	61 a	83 b	
18 b	40 c	62 c	84 a	
19 b	41 c	63 d	85 b	
20 d	42 a	64 d	86 d	
21 b	43 c	65 d	87 a	
22 a	44 d	66 c	88 c	