

Education Services, Inc.
Real Estate Academy
Session Three Quiz – Chapters 4, 5, 6

CHAPTER FOUR

1. A real estate broker acting as the agent of the seller:
 - a. Is obligated to render faithful service to the principal
 - b. Can disclose the seller's minimum price
 - c. Should present to the seller only the highest offer for the property
 - d. Can accept an offer on behalf of the seller

2. The relationship of a broker to his or her client is that of a(n):
 - a. Trustee
 - b. Subagent
 - c. Fiduciary
 - d. Attorney in fact

3. A broker is permitted to represent both the seller and the buyer in the same transaction when:
 - a. The principals are not aware of such action
 - b. The broker is a subagent rather than the agent of the seller
 - c. Commissions are collected from both parties
 - d. Both parties have been informed in writing and have agreed to the dual representation

4. Which of the following best defines the "law of agency"?
 - a. The selling of another's property by an authorized agent
 - b. The rules of law that apply to the responsibilities of a person who acts for another
 - c. The principles that govern one's conduct in business
 - d. The rules and regulations of the state's licensing agency

5. Upon discovering a latent defect in the property, the licensee should discuss the problem with the seller and then:
 - a. Notify the seller that the defect must be repaired
 - b. Arrange for the repairs himself or herself
 - c. Inform any prospective buyers of the defect
 - d. Contact the city building inspector about the defect

6. A salesperson sells a buyer a property listed by another brokerage firm on the MLS. The salesperson has been working with the buyer for many months, but does not have an agency contract with the buyer. This salesperson has fiduciary obligations to:
 - a. The seller
 - b. The buyer
 - c. No one
 - d. The public

CHAPTER FIVE

7. A broker's salesperson lists a unit for sale in a condominium building. The salesperson in this transaction:
 - a. Has a direct contractual relationship with the owners of the unit
 - b. Acts on behalf of the broker
 - c. Acts on behalf of the condominium association
 - d. Must find a buyer for the unit to obtain a share of the commission

8. A real estate broker was responsible for a chain of events that resulted in the sale of one of his client's properties. This is referred to as a:
- Pro forma
 - Procuring cause
 - Private offering
 - Proffered offer
9. A salesperson may advertise a property for sale only if he or she:
- Personally listed the property
 - Uses the employing broker's name in the advertisement
 - Personally pays the advertisement
 - Is a member of the local real estate board
10. Willa is a salesperson working for Broker Vic. Willa sells a \$150,000 home listed by Vic's office. The listed commission is 6.5 percent of the selling price. Broker Vic and Willa agreed that Willa would receive 55 percent of any commission that she generated for the office. Willa is entitled to receive:
- \$2,632.50
 - \$5,362.50
 - \$3,412.50
 - \$5,850.00
11. To be entitled to collect a real estate commission, a broker must be able to prove all of the following EXCEPT that he or she:
- Had a valid real estate broker's license
 - Was a procuring cause
 - Was employed to perform certain acts
 - Belonged to a real estate board
12. A licensed salesperson may not receive compensation or commission from anyone EXCEPT:
- His/her sponsoring broker
 - From the principal
 - From any broker
 - From a landlord

CHAPTER SIX

13. Which of the following is NOT prohibited under the antitrust laws?
- Property management companies standardizing management fees
 - Brokers allocating markets based on the value of homes
 - Real estate companies agreeing NOT to cooperate with a broker because of the fees that broker charges
 - A broker deciding whether to join a MLS
14. A property owner signed a 90-day listing agreement with a broker. The owner was killed in an accident before the listing expired. Now the listing is:
- Binding on the owner's spouse for the remainder of the 90 days
 - Still in effect as the owner's intention was clearly defined
 - Binding only if the broker can produce offers to purchase the property
 - Terminated automatically upon the death of the principal
15. The type of listing agreement that provides for the payment of a commission to the broker even though the owner makes the sale without the aid of the broker is called an:
- Exclusive-right-to-sell listing
 - Open listing
 - Exclusive-agency listing
 - Option listing

16. Under which of the following listing agreements can the owner of listed property sell the property on his or her own without having to pay the listing broker a commission?
 - a. Exclusive right-to-sell listing only
 - b. Exclusive agency listing only
 - c. Open listing and exclusive agency listing
 - d. Open listing only

17. Gerald is an unlicensed real estate assistant. Under Illinois law, Gerald may do all the following EXCEPT:
 - a. Submit listing and changes to listing to a local or regional multiple-listing service
 - b. Prepare and distribute flyers and promotional materials to market the services of an employing licensed real estate broker
 - c. Place yard signs on a listed property
 - d. Host an open house

18. Broker Paul listed the Kennedy's property for sale under an exclusive-right-to-sell agreement. One of Paul's salespeople, Tanya, obtained an offer to purchase the property along with a certified check for 5 percent of the purchase price as earnest money. What should Tanya do with the earnest money check?
 - a. Give it to the Kennedy's
 - b. Hold it until the closing
 - c. Deposit the money in her trust account
 - d. Give the money to Paul for deposit in his escrow trust account

19. The type of listing agreement that provides the least protection for the listing broker is the:
 - a. Exclusive-right-to-sell listing
 - b. Exclusive-agency listing
 - c. Open listing
 - d. Net listing

20. An owner lists her property for sale with a broker. Another broker, however, finds a buyer for the house. The listing broker did not receive a commission from the sale. The type of listing contract between the owner and the broker could have been a(n):
 - a. Exclusive right-to-sell
 - b. Exclusive agency
 - c. Open listing
 - d. Multiple listing