

Real Estate Principles

Chapter 19 Quiz

1. A borrower took out a straight loan of \$265,000 for 10 years at a 15% per annum interest rate. How much interest would he pay over the course of the loan?
 - A. \$167,500
 - B. \$176,666
 - C. \$397,500
 - D. \$795,000

2. If a property produces a monthly income of \$1,200 and the appropriate gross income multiplier is 10.72, what is the value of the property?
 - A. \$12,864
 - B. \$147,888
 - C. \$154,368
 - D. \$112,500

3. A building that has interior dimensions of 25 feet by 30 feet and walls 6 inches thick will cover an area of:
 - A. 750 square feet
 - B. 777.75 square feet
 - C. 806 square feet
 - D. 696 square feet

4. A rectangular lot is 900 square yards in area. It has a 45-foot frontage. How deep is the lot?
 - A. 6.66 feet
 - B. 20 feet
 - C. 60 feet
 - D. 180 feet

5. A property that is 220 feet in width and 330 feet in length contains how many acres?
 - A. $1\frac{2}{3}$ acres
 - B. $1\frac{3}{5}$ acres
 - C. 5 acres
 - D. 6 acres

6. A bank made an amortized loan for \$1,140,000, payable \$8,000 or more per month for a 30-year term. If the interest rate for the loan is 7%, how much will the first monthly payment reduce the principal balance?
 - A. \$1,350
 - B. \$1,425
 - C. \$1,440
 - D. \$6,650

7. A farm's southern boundary runs for 7,920 feet along an east-west road. Its western boundary extends northward for 7,920 feet from the road. Its eastern boundary extends northward for 3,960 feet from the road. The northern boundary is an irrigation canal that connects the open sides. How many acres is this farm?

- A. 270 acres
- B. 540 acres
- C. 1,080 acres
- D. 1,440 acres

8. In order to earn \$750 per month, an investor would have to invest how much at a 5% per annum rate of return?

- A. \$60,000
- B. \$180,000
- C. \$200,000
- D. \$240,000

9. An appraiser values an investment property at \$200,000 using a capitalization rate of 9%, based on its annual income of \$18,000. What would the value of the property be if a 12% capitalization rate is applied?

- A. \$125,000
- B. \$150,000
- C. \$211,500
- D. \$225,000

10. A property is reassessed at \$600,000. The applicable tax rate is 1.15%. What will the new monthly property tax bill be?

- A. \$57.50
- B. \$575
- C. \$5,750
- D. \$6,900

11. A homeowner wanted to expand his current rectangular lot, which measured 17,550 square feet and was 150 feet deep. The rectangular lot next door was for sale, which contained 9,000 square feet and also was 150 feet deep. If he purchased the neighboring lot, what would be the total frontage of the combined lot?

- A. 57 feet
- B. 157 feet
- C. 177 feet
- D. 197 feet

12. An appraiser is valuing a single-family rental property that rents for \$1,280 per month. The property across the street sold last month for \$180,000, and rented for \$1,200 per month. What is the value of the property being valued?

- A. \$168,750
- B. \$192,000
- C. \$204,800
- D. \$220,000

13. A buyer bought a house for 20% less than the listed price. Later, she sold it for the originally listed price. What percentage of profit did she make?

- A. 10%
- B. 20%
- C. 25%
- D. 50%

14. A commercial property rents for \$3,000 per month. Its fixed operating expenses are \$9,000 per year; in addition, the property was vacant for three months during the past five years. If a 10% capitalization rate is used, what is the estimated value of the property?

- A. \$237,000
- B. \$252,000
- C. \$273,000
- D. \$336,000

15. A borrower paid \$9,450 interest on a straight note for \$70,000 at an annual interest rate of 9%. What was the length of the loan term?

- A. 12 months
- B. 18 months
- C. 21 months
- D. 24 months