1. What happens if a real estate license expires? Choose the best answer.
2. A licensee must cease all real estate activities.
3. A licensee must refrain from accepting new business, but is allowed to finish any transactions that are already in progress.
4. A licensee is given an additional 60 days to complete deals received prior to the license’s expiration.
5. A licensee can continue representing a principal, but cannot close a transaction until the license is renewed.
6. Who does the Real Estate Commissioner report to?
7. Congress
8. Senate
9. Governor
10. Department of Real Estate
11. Who is responsible for administering real estate law?
12. The Department of Safety
13. The Department of Real Estate
14. Judge
15. Jury

4. What is the responsibility of the Real Estate Commissioner?

1. To implement policies requested by the Governor, investigate illegal transactions, and forward bills to the legislature
2. To implement policies requested by the Governor and investigate illegal transactions
3. To implement policies requested by the Governor, investigate illegal transactions, check current laws to see if changes are needed, gather public property information, and conduct licensing procedures
4. None of the above

5. If an agent is going to receive an extra profit from third party as a result of a real estate transaction, the agent must \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Have a written agreement with the third party
2. Disclose the extra profit to his or her principal
3. Inform the government of the extra profit
4. Have the extra profit approved by the DRE

6. Real property includes which rights if present on the land?

1. Land rights
2. Air rights
3. Mineral rights
4. All of the above

7. If a tenant cultivated oranges and avocados on a landlord's property, but is evicted before the fruits reach maturation, who is entitled to the crops?

1. Tenant
2. Landlord
3. Both
4. State

8. A fixture is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Any movable item in a house
2. Any piece of furniture in a house, including a bed, table, or chair
3. An item that is permanently bolted to a property
4. An item used to wire electricity on a property

9. The highest form of real property ownership is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Estate at will
2. Fee simple absolute
3. Life estate
4. Full estate

10. Community property is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Property acquired by both spouses
2. Property acquired by both spouses/domestic partners
3. Property acquired prior to marriage/domestic partnership
4. Property to which both spouses/domestic partners have equal rights

11. An individual who dies without creating a will is said to have died \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Intestate
2. Intestate succession
3. Testate
4. Testate succession

12. A testator is an individual who \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* Sells land
* Buys land
* Oversees the selling of a deceased party's land
* Creates a will for the division of his or her assets

13. A trustee is a neutral third party who works on behalf of a

1. Title company
2. Government
3. Court
4. Trustor and beneficiary

14. A sudden flood that damages a property is an example of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Avulsion
2. Accretion
3. Accession
4. Astrophy

15. A deed is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Written document that provides proof of a particular property's titleholder
2. Loan document which transfers real property interest from one lender to another
3. Loan document indicating that a borrower has satisfied his or her mortgage debt
4. Mortgage clause that resets the interest rate on the loan

16. Which of the following is a necessary component to claim a property through adverse possession?

1. Open and notorious use
2. Continuous use
3. Hostile use
4. All of the above

17. Which of the following people cannot file a mechanic's lien?

1. Landlord
2. Engineer
3. Lender
4. Painter

18. A clouded title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Prevents the sale of real property
2. Assists the sale of real property
3. Means that there are no other interest holders in a property
4. None of the above

19. Which individual or group can claim the highest homestead exemption?

1. Single
2. Married couple
3. Veteran
4. Senior citizen

20. If work is being performed on a property without the owner's approval, the property owner should file a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Notice of intent
2. Notice of responsibility
3. Notice of non-responsibility
4. Notice of completion

21. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the process that grants a court the power to seize property to prevent the transfer or concealment of assets.

1. Writ of attachment
2. Deed restriction
3. Forced sale decree
4. Forced deed decree

22. What is a net listing?

1. Listing that gives exclusive selling rights to an agent
2. Listing that gives exclusive buying rights to an agent
3. Type of listing whereby the agent would be compensated by the difference between the listing and sold price
4. Type of listing that requires a seller to compensate a seller regardless of the outcome of the listing

23. What is an open listing?

1. When an agent exclusively represents a seller
2. When an agent exclusively represents a buyer
3. When multiple agents have the ability to find a buyer for the seller
4. When the agent's commission is the difference between the listing and sold price

24. A (an) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ refers to when an agent may reasonably assume to have legal permission from the principal to represent a transaction.

1. Implied agency
2. Exclusive agency
3. Net listing
4. Open listing

25. In which type of agency agreement is only the listed agent allowed to sell the property and in return, be entitled to exclusive, negotiated commission?

1. Exclusive authorization and right-to-sell listing
2. Exclusive agency listing
3. Open listing
4. Net listing

26. An agent typically works for a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Cooperating broker
2. Listing broker
3. Principal
4. Both the buyer and seller

27. What constitutes a valid contract?

1. Mutual consent and lawful goals
2. Mutual consent, capable parties, sufficient consideration, and lawful goals
3. Sufficient consideration and lawful goals
4. None of the above

28. What is the statute of limitations?

1. The maximum period of time in which a lawsuit can be initiated
2. The maximum number of parties allowed in a real estate transaction
3. The maximum number of parties in a contract
4. The maximum period of time in which a lawsuit can be resolved

29. Are verbal contracts enforceable?

1. Yes
2. No
3. Under specific circumstances
4. Depending on a court order

30. In the event that a contract is impossible to perform, what happens?

1. The contract will be terminated
2. The enforcing party will be sued for demanding such a contract
3. The enforcing party can sue the party who cannot perform because he or she accepted the offer
4. None of the above

31. If a seller counteroffers a buyer's offer with another amount, can the seller later accept the buyer's original offer?

* No
* Yes
* In special circumstances
* Only if the seller violated the term of the contract

32. An A.R.M. loan is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Mortgage program in which the interest rate on the loan adjusts
2. Loan in which the interest rate remains the same for the life of the loan
3. Mortgage program that gradually increases
4. None of the above

33. What is the borrower called in a trust deed?

1. Trustee
2. Trustor
3. Beneficiary
4. Can be any of the proceeding parties

34. The Federal Reserve can do which of the following?

* Buy and sell government securities to control the amount of funds available in the economy for consumers
* Establish a discount rate for member banks to pay for borrowing
* Raise and lower reserve requirements for member banks
* All of the above

35. What is a land contract?

1. Seller financing
2. Primary funding
3. Secondary funding
4. None of the above

36. A reverse mortgage is designed for:

1. First time home buyers
2. Investors
3. Seniors
4. Veterans

37. RESPA was created to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Require lenders to disclose loan terms and fees
2. Prevent lenders from charging more than five points in origination fees
3. Prevent lenders from alternating interest rates based on a borrower’s credit
4. Require lenders to provide a disclosure form upon the original loan’s approval

38. What does a uniform settlement statement do?

1. Provides a breakdown of all costs and fees in the transaction
2. Provides borrowers with a preapproval letter
3. Provides borrowers a letter of explanation regarding why they were denied a loan
4. Provides borrowers with information regarding foreclosure alternative programs

39. Usury laws primarily apply to which of the following?

1. Banks
2. All lenders
3. Banks and lenders
4. Private lenders

40. What is usury?

1. When the borrower uses the equity in their property to pay mortgage payments
2. When the interest rate and points are above the legal limit
3. An instance when the lender overcharges and is required to pay a penalty
4. Term that describes an instance when the borrower falls more than three months behind and qualifies for a mortgage modification
   1. Ultimately what governing body or piece of legislation requires a party that buys and sells real estate on behalf of another to have a real estate agent license? C
5. Superior Court
6. California supreme court
7. Supreme Court
8. Business and Professions Code
   1. In what set of books can California’s legal system be found? B
9. Legislature Legal Code
10. Codes
11. Business and Professions Code
12. California Legal Code
    1. Who is responsible for interpreting California real estate law? D
13. California superior court
14. California supreme court
15. Real Estate Department
16. Real Estate Commissioner
    1. What is the real estate advisory commission? C
17. Party that manages disputes between licensees
18. Group that submits claims on behalf of damaged parties
19. Organization appointed by real estate commissioner to assist in public real estate policy
20. Organization appointed by governor to assist in reevaluating case law for real estate legal disputes
    1. Real estate brokerages vary in size. What type of business can a brokerage be identified as? D
21. Partnership
22. Sole Proprietorship
23. Corporation
24. All of the above
    1. What is the name of the broker of record in a brokerage? B
25. Primary broker
26. Broker-officer
27. Recording broker
28. None of the above
    1. What are real estate agents considered? A
29. Employees
30. Independent contractors
31. Business owners
32. All of the above depending on situation
    1. What do agents typically file taxes as? B
33. Employees
34. Independent contractor
35. Both
36. Depends on the situation
    1. Before an agent can perform business they must? C
37. Have errors and omissions insurance
38. Work under an agent with at least 3 years of experience
39. Work under a broker
40. Take an ethics course
    1. Which parties are exempt from having a real estate license? D
41. Hotel manager
42. Property manager
43. Mortgage expert
44. All of the above
    1. Riparian rights refer to: C
45. Ownership rights
46. Air rights
47. Water rights
48. Oil and gas rights
    1. What does right of prior appropriation mean? A
49. Concept whereby first user is entitled to future use
50. Concept that permits a land user to lease their mineral or water rights
51. Concept that permits a land user to sell his mineral or water rights
52. None of the above
    1. What does right of appropriation mean? C
53. The right of a landowner to sell mineral or water rights
54. The right of a landowner to lease mineral or water rights
55. Government right to confiscate or divert water for beneficial public purpose
56. Government right to require landowner to sell their property to government for a public purpose
    1. Which of the following is not one of the three main property types? C
57. Real
58. Personal
59. Private
60. Public
    1. What are the two types of public land? C
61. Land held in a trust by the government
62. Government owned
63. Both A and B
64. None of the above
    1. Personal property is any property that is: B
65. Not real property
66. Movable
67. Anything attached to a property
68. All of the above
    1. When personal property is attached to real property it becomes a part of the real property. What is the term that describes this concept? A
69. Annexation
70. Affixation
71. Negation
72. Attachment
    1. A (an) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a physical asset that is permanently attached to a property without the ability for it to be easily removed. A
73. Fixture
74. Attachment
75. Right of affixation
76. None of the above
    1. What is an emblement? B
77. Attached item to a property
78. Profit derived from the sale of crops
79. Personal property that became real property
80. Real property that became personal property
    1. Crops that required labor to grow are known as: B
81. Personal property
82. Fructus industrials
83. Fructus naturales
84. Emblement