

FREE Exam Answers

Remember, there is more than one way to work most math questions.

1. D - The right of survivorship is a right found in joint tenancy and tenancy by the entirety, but it is not a part of the bundle of legal rights. The bundle of legal rights include the right of possession, control, enjoyment, transfer, exclusion, and disposition (lease, sell, leave to someone in a will, gift, etc.)
2. C – Emblements are annual crops that are classified as personal property of the person who grew them. (Potatoes, tomatoes, tobacco, and corn) They are also known as fructus industrialies, or fruits of industry (work). Trees, grasses, and perennials that do not require annual planting are classified as real property. They are also classified as fructus naturales, or fruits of nature.
3. A – Heterogeneity, or nonhomogeneity, is describes a physical characteristic of real estate. Every parcel of land is physically different from another parcel of land.
4. D – A transaction broker is not known as a fiduciary. A transaction broker is a facilitator, intermediary, or nonagent, because neither party in the transaction is a client. The parties are customers. A fiduciary is a person placed in a position of trust and confidence.
5. A - A general agent is expected to be involved in an on-going business relationship. A special agent is limited to a specific transaction. A universal agent is acting on behalf of a person, as if he/she was the person. (Guardian) A licensee who has listed a property is a general agent to the broker, because they are expected to be in an on-going business relationship; and the licensee is a special agent to the seller, because the agency relationship is limited to that transaction.

6. B

<u>\$14,000</u>	<u>\$33,500</u>	\$7,500	\$33,500	<u>\$7,500</u>
\$200,000   7%	\$200,000   6%	+ 12,000	- 26,000	\$150,000   5%
<b>x</b>	<b>x</b>	<u>\$26,000</u>	<u>\$7,500</u>	<b>x</b>

$\$200,000 + \$200,000 + \$150,000 = \$550,000$

7. B

<u>\$937.50 ÷</u>	<u>\$3,750 ÷</u>	<u>\$7,500 ÷</u>
<b>\$3,750</b>   25%	<b>\$7,500</b>   50%	<b>\$250,000</b>   3%

8. C - There are many definitions of the word misrepresentation. The basic definition is that a party made a decision based on information he/she/they thought was true, but it was not. Was it a mistake and no one could have reasonably known? Was it intentional? Was it fraud? Negligent misrepresentation occurs when it is determined that this is information that the licensee “should have known and did not know.”
9. D - The Sherman Antitrust Act does not allow tying (tie-in) agreements. To “tie” an offer to a listing agreement is not allowed.
10. A - Most states do not allow a listing contract to “automatically renew.” There must be definite beginning and ending dates in a listing.
11. D - When a person dies testate, it means the person died with a will. Real property is devised or transferred by the will. If a person dies intestate, or without a will, the laws of descent and distribution are followed. Demise is to give up the right of possession in a lease. (Yes, it also means someone has died.) Escheat means the property reverts to the state when it is classified as abandoned. This may happen when someone dies intestate and no heirs can be found.
12. C - A fee simple defeasible estate means that the title may revert upon the occurrence or non-occurrence of a specified event. The two types of fee simple defeasible estates are special limitation with the possibility of reverter and condition subsequent with the right of re-entry.
13. B - Joint tenancy requires the unities of time, title, interest and possession. When Jayne sells her property to Maggie, the unity of time and title is breached. Agnes and Zelma are still joint tenants, but Maggie would be a tenant in common with them.
14. B - The unities of time, title, interest, possession are person are found in tenancy by the entireties, when two people are married to each other.
15. C -  $\$787.50 \times 12 = \$9450$  Annual Interest \$

$$\frac{\$9,450 \div}{\$135,000} \mid 7\% \qquad \frac{\$135,000 \div}{\$168,750} \mid 80\%$$

16. D -  $640 \div 4 \div 2 = 80$   
 $640 \div 4 \div 4 = 40$   
 $120 \text{ acres} \times 43,560 = 5,227,200 \text{ square feet}$

17. C - A land contract is also known as an installment sale. The seller agrees to finance the property in a land contract.
18. B -  $\$275,000 \div 475 = \$578.947$
19. A -  $475 \times 525 = 249,375 \div 43,560 = 5.7248$  acres  $\$275,000 \div 5.7248 = \$48,036$
20. C -  $\$2.75 \div \$100 = .0275$        $\$144.375 \times 12 = \$1732.50$        $\frac{\$1732.50 \div}{\$63,000 \mid .0275}$
- $$\frac{\div \$63,000}{\$140,000 \mid .45 \text{ or } 45\%}$$
21. A - The listing must be signed by the parties who have the authority to sell.
22. C - The habendum clause is found in a deed. The seller is transferring the rights to the new owner "to have and to hold." It is sometimes called the granting clause.
23. A -  $\$969.12$  per month  $\times 12 \times 20$  years =  $\$232,588.80$  Principal and Interest  
 $\$232,588.80$  P&I -  $125,000$  Loan =  $\$107,588.80$  Interest paid over 20 years
24. B - The Real Estate Settlement Procedures Act (RESPA) prohibits kickbacks from service providers.
25. D - Please celebrate, send me an email and let me know you passed, and tell your broker. Thank you in advance for any referrals you send my way!

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