

Student's Name \_\_\_\_\_ Version A

FILL IN YOUR NAME (Lastname\_Firstname) WHERE INDICATED, BE SURE TO FILL IN THE CORRESPONDING BUBBLES. **Do not** put your SSN on your bubble sheet. Mark the version of your test (A) on your bubble sheet in column K, (Fill in Bubbles 1=A, 2=B, 3=C and 4=D). Sheets without a name or without a version code will not be graded, and a ZERO will be recorded as your score. When completed, put your bubble sheet in the corresponding pile. I will not re-sort or hand grade the exam sheets. There are four section tests plus a comprehensive final. If you take all four section tests, the three tests with the highest scores will be counted toward your grade. **You have 50 minutes to complete the exam.**

**Spring 2017 Exam 2. Jacobus Ch 5-8, 19-21 and Neb. Agency****Multiple Choice**

*Identify the choice that best completes the statement or answers the question.*

1. In the absence of a special provision for such an event, an offer to purchase will probably be voided
  - a. by the death of either buyer or seller before acceptance.
  - b. if the seller changes his mind after accepting the offer.
  - c. if not accepted within 24 hours.
  - d. if the seller should receive a higher offer from another buyer.
2. The party making an offer is called the
  - a. offeree.
  - b. grantee.
  - c. offeror.
  - d. agent.
3. The requirement that transfers of real property be in writing is known as
  - a. contract law.
  - b. the bill of rights.
  - c. the statute of frauds.
  - d. due process.
4. If a contract is breached and the damaged party wants the contract carried out, he would sue for
  - a. specific performance.
  - b. money damages.
  - c. novation.
  - d. unilateral rescission.
5. An offer made in response to an offer:
  - a. Specific Performance
  - b. Contract
  - c. Counteroffer
  - d. Duress
6. A sum of money called for in a contract that is to be paid if the contract is breached:
  - a. Actual damages
  - b. Liquidated damages
  - c. Specific performance
  - d. Equitable relief
7. If a contract of sale is subject to the buyer's ability to secure a loan, and after diligent effort the buyer is unable to do so by the stated deadline, the
  - a. contract would become void.
  - b. contract would be voidable by the seller only.
  - c. buyer must be allowed additional time to meet the condition.
  - d. contract would be voidable by the buyer.
8. The seller decided that he didn't want to sell his house a few days before closing. He can
  - a. simply not show up to sign the deed.
  - b. return the earnest money deposit and declare the contract void.
  - c. be sued by the buyer for specific performance and damages.
  - d. can refuse to pay the broker a commission.
9. The phrase "time is of the essence" means?
  - a. The contract must be performed quickly
  - b. Mutual obligations must be performed mutually and punctually
  - c. The contract must be fully performed within strict time deadlines
  - d. Part performance of the agreement is unacceptable

10. Money that accompanies an offer to purchase as evidence of good faith:
  - a. Earnest deposit
  - b. Liquidated damages
  - c. Monetary consideration
  - d. Nominal consideration
11. A private seller received an offer from a private buyer for purchase of real estate, the offer failed to include any earnest deposit. The offer is
  - a. Valid
  - b. Void
  - c. Unenforceable
  - d. Voidable
12. A real estate listing is a contract between
  - a. the owner and the listing broker.
  - b. the owner, the broker, and the listing salesperson.
  - c. the owner and the listing salesperson.
  - d. the broker and the listing salesperson.
13. In order to get a sales license in Nebraska, a applicant must first have had \_\_\_\_ hours of pre-license education.
  - a. 12 class
  - b. 30 class
  - c. 60 class
  - d. 12 credit
14. All of the following are exempt from the requirement to hold a real estate sales or broker license EXCEPT:
  - a. An attorney at law in the course of representing a client
  - b. An owner of real estate
  - c. The Bankruptcy trustee
  - d. A person engaging in the profession of selling real estate for compensation
15. In whose name does a salesperson take a listing?
  - a. His broker's
  - b. His own name
  - c. The seller's
  - d. The Real Estate Commission
16. A listing agreement authorizes the broker to
  - a. find a buyer.
  - b. sell the property.
  - c. convey the property.
  - d. hypothecate the property.
17. A buyer who is ready to buy at the seller's price and terms and has the financial capacity to do so is known as:
  - a. a qualified buyer
  - b. a ready, willing and able buyer
  - c. a pre-qualified buyer
  - d. a hot buyer
18. The main reason real estate brokers prefer exclusive right to sell listings rather than exclusive agency or open listings is:
  - a. the broker's commission is protected
  - b. the broker's commission is the excess over the sales price
  - c. the owner could avoid paying a commission
  - d. an agent could sell the property
19. The purpose of a trust account is to
  - a. hold money belonging to clients and customers.
  - b. assure that a broker can be trusted.
  - c. to act as a neutral depository.
  - d. convert client's money to broker's account.
20. An owner requests that a broker list a property for \$100,000. After doing research, the broker finds that the property will sell for \$120,000. The broker should
  - a. Ask the seller for a net listing
  - b. Be loyal to the seller and list the property for \$100,000.
  - c. Inform the seller that the property is worth \$120,000
  - d. Offer to purchase the property for \$110,000
21. The authority of government to control land use is derived from the right of
  - a. escheat.
  - b. eminent domain.
  - c. property taxation.
  - d. police power.

22. Denise applied for a permit to build a greenhouse in her back yard. Her request was denied because of setback requirements. She appealed at a hearing before the planning board and subsequently had her permit approved. Denise obtained
- a variance.
  - an offset deed.
  - a plat approval.
  - an encroachment permit.
23. Kelly finds that her intended improvement, a veterinary clinic, is allowed by the zoning classification of her land only if she gets specific approval for that single use. This is most likely an example of
- a nonconforming use.
  - a variance.
  - an illegal spot zoning.
  - a conditional use permit.
24. In Nebraska, a real estate broker may not disclose to a buyer customer:
- environmental facts about the property
  - material defects about the property
  - serious defects in the title to the property
  - that the seller would accept less
25. A grantor warrants the extent and quality of title by using a
- trust deed.
  - bargain and sale deed.
  - warranty deed.
  - quit claim deed.
26. What basic principle is involved in the requirement that a real property contract must be in writing to be valid?
- Bill of sale
  - Statute of Frauds
  - Uniform Commercial Code
  - Statue of Limitations
27. The following are necessary to make a deed valid EXCEPT
- a competent grantor.
  - covenants.
  - a granting clause.
  - a property description.
28. At what point in time does title actually pass from the Grantor to the Grantee?
- When the deed is signed
  - When the deed is recorded
  - When the deed is acknowledged
  - When the deed is delivered and accepted
29. As a real estate purchaser which deed would you prefer to receive?
- General Warranty
  - Bargain and Sale
  - Special Warranty
  - Quitclaim
30. Constructive notice is:
- Notice given by the public records
  - Notice given by occupying the land
  - Knowledge gained by observing
  - A lien for improvements to real estate
31. Most title insurance insures against
- claims that have already occurred
  - claims that will arise in the future
  - damages to the property
  - damages to your personal property
32. Insurance to protect a property owner against monetary loss if his title is found to be imperfect:
- Fire insurance
  - Title Insurance
  - Torrens System
  - Extended coverage
33. When a contract appears to be good and binding but, in fact, one of the parties may legally reject it, the contract is said to be
- unenforceable.
  - valid.
  - void.
  - voidable.
34. Which of the following is an essential element of a contract?
- A counter offer
  - Acceptance
  - Performance
  - A fair price

35. Two persons make an oral agreement. A day later they put it in writing with several small changes. What is true about the agreement in a court of law?
- The oral one would prevail.
  - The written one would prevail.
  - A new agreement must be made.
  - The agreement must be notarized to be legal.
36. The phrase “meeting of the minds” most closely refers to:
- the consummation of the contract
  - the consideration
  - the offer and acceptance
  - the closing of the transaction
37. The amount of earnest money necessary for a given transaction is NOT determined by
- the buyer.
  - the seller.
  - the buyer and seller.
  - the broker.
38. An earnest money agreement for the purchase of real property is
- not necessary in a cash sale when the amount of earnest money paid equals the purchase price.
  - a legally enforceable contract which is binding on the seller as soon as it is signed by the buyer if the price and terms of the listing agreement are met exactly.
  - legally enforceable and binding on the buyer as soon as it is signed by him.
  - enforceable when the seller signs it and the buyer is notified of the seller’s acceptance.
39. The printed portions of a standard residential sales contract refer to all the following EXCEPT
- title insurance.
  - liens.
  - discount rates.
  - closing date.
40. Which of the following people must be licensed to transact the business of real estate?
- court appointed guardian
  - real estate office secretary
  - the executor of an estate
  - an owner of income producing property
41. A listing that does not require the listing agent to show that he or his subagents are the procuring cause in order to earn a commission is
- an exclusive right to sell listing.
  - an exclusive agency listing.
  - a net listing.
  - illegal.
42. From the broker’s point of view, one of the least desirable listings is an
- net listing.
  - exclusive right to sell.
  - open listing.
  - exclusive agency listing.
43. If an owner sells her own home on which you have an exclusive agency listing:
- you receive no commission
  - you receive a full commission
  - you receive half commission
  - you receive 40% commission
44. If a broker is a little short of funds and “borrows” some money from his escrow account to pay monthly bills, this activity is called
- commingling and is illegal.
  - conversion and is illegal.
  - misrepresentation and may be illegal.
  - shrewd business and is legal.
45. A dual agency
- is unlawful.
  - is legal but unethical.
  - must be disclosed to all parties.
  - requires a permit from the real estate commissioner.
46. A broker listed a property and in one week found a buyer for the property herself. Under these circumstances, the broker
- may only represent the seller.
  - may have a dual agency.
  - may not represent the buyer.
  - is not required to disclose a dual agency.

- 47.** The listing broker owes a fiduciary responsibility to:
- a.** the seller
  - b.** the buyer
  - c.** both the seller and the buyer
  - d.** neither the buyer or the seller
- 48.** As agent of the seller, a real estate broker is usually authorized to do all of the following EXCEPT:
- a.** advertise the listed property
  - b.** place a “For Sale” sign on the listed property
  - c.** cooperate with other brokers to effect a sale
  - d.** bind the principal under a sales contract
- 49.** In Nebraska, unless there is a contract specifying to the contrary, real estate agents are assumed to be agents for:
- a.** Transactional agents are neither seller’s agent, nor buyer’s agent
  - b.** The seller
  - c.** The buyer
  - d.** Dual agent representing both buyer and seller
- 50.** In Nebraska, in order to disclose confidential information:
- a.** the agent must have written authorization from the customer
  - b.** the agent must have written authorization from the client
  - c.** the agent must have written authorization from both parties
  - d.** the agent need not have authorization from the client
- 51.** A Nebraska real estate agent representing a buyer may not:
- a.** disclose the buyer’s motivating factors for purchasing real estate
  - b.** disclose a material defect about the property being considered by the client
  - c.** disclose facts about the client’s ability to pay for the real estate
  - d.** disclose adverse material facts about the customer
- 52.** In Nebraska, a buyer contacts a broker who has a listing to sell a parcel of real estate. The broker does not offer any agreement to the buyer. The relationship between the buyer and the broker is most likely a
- a.** COALD
  - b.** customer and broker
  - c.** client and broker
  - d.** fiduciary

**Spring 2017 Exam 2. Jacobus Ch 5-8, 19-21 and Neb. Agency  
Answer Section**

**MULTIPLE CHOICE**

- |       |       |
|-------|-------|
| 1. A  | 40. B |
| 2. C  | 41. A |
| 3. C  | 42. C |
| 4. A  | 43. A |
| 5. C  | 44. B |
| 6. B  | 45. C |
| 7. D  | 46. B |
| 8. C  | 47. A |
| 9. B  | 48. D |
| 10. A | 49. C |
| 11. A | 50. B |
| 12. A | 51. A |
| 13. C | 52. B |
| 14. D |       |
| 15. A |       |
| 16. A |       |
| 17. B |       |
| 18. A |       |
| 19. A |       |
| 20. C |       |
| 21. D |       |
| 22. A |       |
| 23. D |       |
| 24. D |       |
| 25. C |       |
| 26. B |       |
| 27. B |       |
| 28. D |       |
| 29. A |       |
| 30. A |       |
| 31. A |       |
| 32. B |       |
| 33. D |       |
| 34. B |       |
| 35. B |       |
| 36. C |       |
| 37. D |       |
| 38. D |       |
| 39. C |       |

- 40. B**
- 41. A**
- 42. C**
- 43. A**
- 44. B**
- 45. C**
- 46. B**
- 47. A**
- 48. D**
- 49. C**
- 50. B**
- 51. A**
- 52. B**

Student's Name \_\_\_\_\_ Version B

FILL IN YOUR NAME (Lastname\_Firstname) WHERE INDICATED, BE SURE TO FILL IN THE CORRESPONDING BUBBLES. **Do not** put your SSN on your bubble sheet. Mark the version of your test (B) on your bubble sheet in column K, (Fill in Bubbles 1=A, 2=B, 3=C and 4=D). Sheets without a name or without a version code will not be graded, and a ZERO will be recorded as your score. When completed, put your bubble sheet in the corresponding pile. I will not re-sort or hand grade the exam sheets. There are four section tests plus a comprehensive final. If you take all four section tests, the three tests with the highest scores will be counted toward your grade. **You have 50 minutes to complete the exam.**

**Spring 2017 Exam 2. Jacobus Ch 5-8, 19-21 and Neb. Agency****Multiple Choice**

*Identify the choice that best completes the statement or answers the question.*

1. In the absence of a special provision for such an event, an offer to purchase will probably be voided
  - a. if not accepted within 24 hours.
  - b. by the death of either buyer or seller before acceptance.
  - c. if the seller should receive a higher offer from another buyer.
  - d. if the seller changes his mind after accepting the offer.
2. The party making an offer is called the
  - a. offeree.
  - b. grantee.
  - c. agent.
  - d. offeror.
3. The requirement that transfers of real property be in writing is known as
  - a. contract law.
  - b. the statute of frauds.
  - c. the bill of rights.
  - d. due process.
4. If a contract is breached and the damaged party wants the contract carried out, he would sue for
  - a. specific performance.
  - b. novation.
  - c. money damages.
  - d. unilateral rescission.
5. An offer made in response to an offer:
  - a. Counteroffer
  - b. Contract
  - c. Specific Performance
  - d. Duress
6. A sum of money called for in a contract that is to be paid if the contract is breached:
  - a. Actual damages
  - b. Specific performance
  - c. Liquidated damages
  - d. Equitable relief
7. If a contract of sale is subject to the buyer's ability to secure a loan, and after diligent effort the buyer is unable to do so by the stated deadline, the
  - a. contract would be voidable by the buyer.
  - b. buyer must be allowed additional time to meet the condition.
  - c. contract would become void.
  - d. contract would be voidable by the seller only.
8. The seller decided that he didn't want to sell his house a few days before closing. He can
  - a. be sued by the buyer for specific performance and damages.
  - b. can refuse to pay the broker a commission.
  - c. simply not show up to sign the deed.
  - d. return the earnest money deposit and declare the contract void.
9. The phrase "time is of the essence" means?
  - a. Mutual obligations must be performed mutually and punctually
  - b. The contract must be performed quickly
  - c. The contract must be fully performed within strict time deadlines
  - d. Part performance of the agreement is unacceptable



10. Money that accompanies an offer to purchase as evidence of good faith:
  - a. Liquidated damages
  - b. Earnest deposit
  - c. Monetary consideration
  - d. Nominal consideration
11. A private seller received an offer from a private buyer for purchase of real estate, the offer failed to include any earnest deposit. The offer is
  - a. Void
  - b. Voidable
  - c. Valid
  - d. Unenforceable
12. A real estate listing is a contract between
  - a. the owner and the listing salesperson.
  - b. the owner, the broker, and the listing salesperson.
  - c. the owner and the listing broker.
  - d. the broker and the listing salesperson.
13. In order to get a sales license in Nebraska, a applicant must first have had \_\_\_\_ hours of pre-license education.
  - a. 12 class
  - b. 12 credit
  - c. 30 class
  - d. 60 class
14. All of the following are exempt from the requirement to hold a real estate sales or broker license EXCEPT:
  - a. A person engaging in the profession of selling real estate for compensation
  - b. An owner of real estate
  - c. The Bankruptcy trustee
  - d. An attorney at law in the course of representing a client
15. In whose name does a salesperson take a listing?
  - a. The Real Estate Commission
  - b. His broker's
  - c. His own name
  - d. The seller's
16. A listing agreement authorizes the broker to
  - a. find a buyer.
  - b. convey the property.
  - c. hypothecate the property.
  - d. sell the property.
17. A buyer who is ready to buy at the seller's price and terms and has the financial capacity to do so is known as:
  - a. a qualified buyer
  - b. a hot buyer
  - c. a ready, willing and able buyer
  - d. a pre-qualified buyer
18. The main reason real estate brokers prefer exclusive right to sell listings rather than exclusive agency or open listings is:
  - a. the owner could avoid paying a commission
  - b. the broker's commission is the excess over the sales price
  - c. an agent could sell the property
  - d. the broker's commission is protected
19. The purpose of a trust account is to
  - a. assure that a broker can be trusted.
  - b. convert client's money to broker's account.
  - c. to act as a neutral depository.
  - d. hold money belonging to clients and customers.
20. An owner requests that a broker list a property for \$100,000. After doing research, the broker finds that the property will sell for \$120,000. The broker should
  - a. Ask the seller for a net listing
  - b. Be loyal to the seller and list the property for \$100,000.
  - c. Inform the seller that the property is worth \$120,000
  - d. Offer to purchase the property for \$110,000
21. The authority of government to control land use is derived from the right of
  - a. eminent domain.
  - b. police power.
  - c. escheat.
  - d. property taxation.

22. Denise applied for a permit to build a greenhouse in her back yard. Her request was denied because of setback requirements. She appealed at a hearing before the planning board and subsequently had her permit approved. Denise obtained
- an encroachment permit.
  - a variance.
  - an offset deed.
  - a plat approval.
23. Kelly finds that her intended improvement, a veterinary clinic, is allowed by the zoning classification of her land only if she gets specific approval for that single use. This is most likely an example of
- a conditional use permit.
  - an illegal spot zoning.
  - a variance.
  - a nonconforming use.
24. In Nebraska, a real estate broker may not disclose to a buyer customer:
- that the seller would accept less
  - environmental facts about the property
  - material defects about the property
  - serious defects in the title to the property
25. A grantor warrants the extent and quality of title by using a
- quit claim deed.
  - trust deed.
  - warranty deed.
  - bargain and sale deed.
26. What basic principle is involved in the requirement that a real property contract must be in writing to be valid?
- Statute of Frauds
  - Bill of sale
  - Statue of Limitations
  - Uniform Commercial Code
27. The following are necessary to make a deed valid EXCEPT
- covenants.
  - a property description.
  - a competent grantor.
  - a granting clause.
28. At what point in time does title actually pass from the Grantor to the Grantee?
- When the deed is delivered and accepted
  - When the deed is signed
  - When the deed is recorded
  - When the deed is acknowledged
29. As a real estate purchaser which deed would you prefer to receive?
- Special Warranty
  - Bargain and Sale
  - General Warranty
  - Quitclaim
30. Constructive notice is:
- Notice given by occupying the land
  - A lien for improvements to real estate
  - Knowledge gained by observing
  - Notice given by the public records
31. Most title insurance insures against
- damages to your personal property
  - damages to the property
  - claims that will arise in the future
  - claims that have already occurred
32. Insurance to protect a property owner against monetary loss if his title is found to be imperfect:
- Fire insurance
  - Title Insurance
  - Torrens System
  - Extended coverage
33. When a contract appears to be good and binding but, in fact, one of the parties may legally reject it, the contract is said to be
- void.
  - voidable.
  - valid.
  - unenforceable.
34. Which of the following is an essential element of a contract?
- Acceptance
  - A fair price
  - A counter offer
  - Performance

35. Two persons make an oral agreement. A day later they put it in writing with several small changes. What is true about the agreement in a court of law?
- The agreement must be notarized to be legal.
  - The oral one would prevail.
  - The written one would prevail.
  - A new agreement must be made.
36. The phrase “meeting of the minds” most closely refers to:
- the consideration
  - the offer and acceptance
  - the consummation of the contract
  - the closing of the transaction
37. The amount of earnest money necessary for a given transaction is NOT determined by
- the broker.
  - the buyer and seller.
  - the seller.
  - the buyer.
38. An earnest money agreement for the purchase of real property is
- legally enforceable and binding on the buyer as soon as it is signed by him.
  - enforceable when the seller signs it and the buyer is notified of the seller’s acceptance.
  - not necessary in a cash sale when the amount of earnest money paid equals the purchase price.
  - a legally enforceable contract which is binding on the seller as soon as it is signed by the buyer if the price and terms of the listing agreement are met exactly.
39. The printed portions of a standard residential sales contract refer to all the following EXCEPT
- liens.
  - title insurance.
  - closing date.
  - discount rates.
40. Which of the following people must be licensed to transact the business of real estate?
- court appointed guardian
  - the executor of an estate
  - real estate office secretary
  - an owner of income producing property
41. A listing that does not require the listing agent to show that he or his subagents are the procuring cause in order to earn a commission is
- an exclusive agency listing.
  - a net listing.
  - an exclusive right to sell listing.
  - illegal.
42. From the broker’s point of view, one of the least desirable listings is an
- open listing.
  - exclusive right to sell.
  - exclusive agency listing.
  - net listing.
43. If an owner sells her own home on which you have an exclusive agency listing:
- you receive half commission
  - you receive a full commission
  - you receive 40% commission
  - you receive no commission
44. If a broker is a little short of funds and “borrows” some money from his escrow account to pay monthly bills, this activity is called
- commingling and is illegal.
  - misrepresentation and may be illegal.
  - shrewd business and is legal.
  - conversion and is illegal.
45. A dual agency
- must be disclosed to all parties.
  - is legal but unethical.
  - is unlawful.
  - requires a permit from the real estate commissioner.
46. A broker listed a property and in one week found a buyer for the property herself. Under these circumstances, the broker
- is not required to disclose a dual agency.
  - may not represent the buyer.
  - may only represent the seller.
  - may have a dual agency.

47. The listing broker owes a fiduciary responsibility to:
- neither the buyer or the seller
  - the buyer
  - both the seller and the buyer
  - the seller
48. As agent of the seller, a real estate broker is usually authorized to do all of the following EXCEPT:
- cooperate with other brokers to effect a sale
  - advertise the listed property
  - place a "For Sale" sign on the listed property
  - bind the principal under a sales contract
49. In Nebraska, unless there is a contract specifying to the contrary, real estate agents are assumed to be agents for:
- Transactional agents are neither seller's agent, nor buyer's agent
  - The seller
  - Dual agent representing both buyer and seller
  - The buyer
50. In Nebraska, in order to disclose confidential information:
- the agent need not have authorization from the client
  - the agent must have written authorization from both parties
  - the agent must have written authorization from the customer
  - the agent must have written authorization from the client
51. A Nebraska real estate agent representing a buyer may not:
- disclose a material defect about the property being considered by the client
  - disclose facts about the client's ability to pay for the real estate
  - disclose adverse material facts about the customer
  - disclose the buyer's motivating factors for purchasing real estate
52. In Nebraska, a buyer contacts a broker who has a listing to sell a parcel of real estate. The broker does not offer any agreement to the buyer. The relationship between the buyer and the broker is most likely a
- COALD
  - customer and broker
  - client and broker
  - fiduciary

**Spring 2017 Exam 2. Jacobus Ch 5-8, 19-21 and Neb. Agency  
Answer Section**

**MULTIPLE CHOICE**

- |       |       |
|-------|-------|
| 1. B  | 40. C |
| 2. D  | 41. C |
| 3. B  | 42. A |
| 4. A  | 43. D |
| 5. A  | 44. D |
| 6. C  | 45. A |
| 7. A  | 46. D |
| 8. A  | 47. D |
| 9. A  | 48. D |
| 10. B | 49. D |
| 11. C | 50. D |
| 12. C | 51. D |
| 13. D | 52. B |
| 14. A |       |
| 15. B |       |
| 16. A |       |
| 17. C |       |
| 18. D |       |
| 19. D |       |
| 20. C |       |
| 21. B |       |
| 22. B |       |
| 23. A |       |
| 24. A |       |
| 25. C |       |
| 26. A |       |
| 27. A |       |
| 28. A |       |
| 29. C |       |
| 30. D |       |
| 31. D |       |
| 32. B |       |
| 33. B |       |
| 34. A |       |
| 35. C |       |
| 36. B |       |
| 37. A |       |
| 38. B |       |
| 39. D |       |

- 40.** C
- 41.** C
- 42.** A
- 43.** D
- 44.** D
- 45.** A
- 46.** D
- 47.** D
- 48.** D
- 49.** D
- 50.** D
- 51.** D
- 52.** B

Student's Name \_\_\_\_\_ **Version C**

FILL IN YOUR NAME (Lastname\_Firstname) WHERE INDICATED, BE SURE TO FILL IN THE CORRESPONDING BUBBLES. **Do not** put your SSN on your bubble sheet. Mark the version of your test (C) on your bubble sheet in column K, (Fill in Bubbles 1=A, 2=B, 3=C and 4=D). Sheets without a name or without a version code will not be graded, and a ZERO will be recorded as your score. When completed, put your bubble sheet in the corresponding pile. I will not re-sort or hand grade the exam sheets. There are four section tests plus a comprehensive final. If you take all four section tests, the three tests with the highest scores will be counted toward your grade. **You have 50 minutes to complete the exam.**

**Spring 2017 Exam 2. Jacobus Ch 5-8, 19-21 and Neb. Agency****Multiple Choice**

*Identify the choice that best completes the statement or answers the question.*

1. In the absence of a special provision for such an event, an offer to purchase will probably be voided
  - a. by the death of either buyer or seller before acceptance.
  - b. if not accepted within 24 hours.
  - c. if the seller changes his mind after accepting the offer.
  - d. if the seller should receive a higher offer from another buyer.
2. The party making an offer is called the
  - a. offeror.
  - b. offeree.
  - c. agent.
  - d. grantee.
3. The requirement that transfers of real property be in writing is known as
  - a. the statute of frauds.
  - b. due process.
  - c. the bill of rights.
  - d. contract law.
4. If a contract is breached and the damaged party wants the contract carried out, he would sue for
  - a. money damages.
  - b. specific performance.
  - c. novation.
  - d. unilateral rescission.
5. An offer made in response to an offer:
  - a. Duress
  - b. Specific Performance
  - c. Counteroffer
  - d. Contract
6. A sum of money called for in a contract that is to be paid if the contract is breached:
  - a. Specific performance
  - b. Liquidated damages
  - c. Equitable relief
  - d. Actual damages
7. If a contract of sale is subject to the buyer's ability to secure a loan, and after diligent effort the buyer is unable to do so by the stated deadline, the
  - a. contract would be voidable by the seller only.
  - b. buyer must be allowed additional time to meet the condition.
  - c. contract would become void.
  - d. contract would be voidable by the buyer.
8. The seller decided that he didn't want to sell his house a few days before closing. He can
  - a. be sued by the buyer for specific performance and damages.
  - b. simply not show up to sign the deed.
  - c. can refuse to pay the broker a commission.
  - d. return the earnest money deposit and declare the contract void.
9. The phrase "time is of the essence" means?
  - a. Part performance of the agreement is unacceptable
  - b. Mutual obligations must be performed mutually and punctually
  - c. The contract must be fully performed within strict time deadlines
  - d. The contract must be performed quickly

10. Money that accompanies an offer to purchase as evidence of good faith:
  - a. Monetary consideration
  - b. Liquidated damages
  - c. Earnest deposit
  - d. Nominal consideration
11. A private seller received an offer from a private buyer for purchase of real estate, the offer failed to include any earnest deposit. The offer is
  - a. Void
  - b. Unenforceable
  - c. Voidable
  - d. Valid
12. A real estate listing is a contract between
  - a. the owner and the listing salesperson.
  - b. the owner and the listing broker.
  - c. the broker and the listing salesperson.
  - d. the owner, the broker, and the listing salesperson.
13. In order to get a sales license in Nebraska, a applicant must first have had \_\_\_\_ hours of pre-license education.
  - a. 12 class
  - b. 30 class
  - c. 12 credit
  - d. 60 class
14. All of the following are exempt from the requirement to hold a real estate sales or broker license EXCEPT:
  - a. An attorney at law in the course of representing a client
  - b. The Bankruptcy trustee
  - c. A person engaging in the profession of selling real estate for compensation
  - d. An owner of real estate
15. In whose name does a salesperson take a listing?
  - a. His own name
  - b. The seller's
  - c. His broker's
  - d. The Real Estate Commission
16. A listing agreement authorizes the broker to
  - a. convey the property.
  - b. sell the property.
  - c. find a buyer.
  - d. hypothecate the property.
17. A buyer who is ready to buy at the seller's price and terms and has the financial capacity to do so is known as:
  - a. a qualified buyer
  - b. a ready, willing and able buyer
  - c. a hot buyer
  - d. a pre-qualified buyer
18. The main reason real estate brokers prefer exclusive right to sell listings rather than exclusive agency or open listings is:
  - a. the broker's commission is protected
  - b. the owner could avoid paying a commission
  - c. the broker's commission is the excess over the sales price
  - d. an agent could sell the property
19. The purpose of a trust account is to
  - a. to act as a neutral depository.
  - b. assure that a broker can be trusted.
  - c. convert client's money to broker's account.
  - d. hold money belonging to clients and customers.
20. An owner requests that a broker list a property for \$100,000. After doing research, the broker finds that the property will sell for \$120,000. The broker should
  - a. Be loyal to the seller and list the property for \$100,000.
  - b. Ask the seller for a net listing
  - c. Offer to purchase the property for \$110,000
  - d. Inform the seller that the property is worth \$120,000
21. The authority of government to control land use is derived from the right of
  - a. eminent domain.
  - b. property taxation.
  - c. escheat.
  - d. police power.



22. Denise applied for a permit to build a greenhouse in her back yard. Her request was denied because of setback requirements. She appealed at a hearing before the planning board and subsequently had her permit approved. Denise obtained
- a variance.
  - an offset deed.
  - an encroachment permit.
  - a plat approval.
23. Kelly finds that her intended improvement, a veterinary clinic, is allowed by the zoning classification of her land only if she gets specific approval for that single use. This is most likely an example of
- an illegal spot zoning.
  - a variance.
  - a nonconforming use.
  - a conditional use permit.
24. In Nebraska, a real estate broker may not disclose to a buyer customer:
- material defects about the property
  - serious defects in the title to the property
  - that the seller would accept less
  - environmental facts about the property
25. A grantor warrants the extent and quality of title by using a
- bargain and sale deed.
  - trust deed.
  - quit claim deed.
  - warranty deed.
26. What basic principle is involved in the requirement that a real property contract must be in writing to be valid?
- Statute of Frauds
  - Bill of sale
  - Uniform Commercial Code
  - Statue of Limitations
27. The following are necessary to make a deed valid EXCEPT
- a competent grantor.
  - a property description.
  - covenants.
  - a granting clause.
28. At what point in time does title actually pass from the Grantor to the Grantee?
- When the deed is delivered and accepted
  - When the deed is acknowledged
  - When the deed is signed
  - When the deed is recorded
29. As a real estate purchaser which deed would you prefer to receive?
- Quitclaim
  - Special Warranty
  - General Warranty
  - Bargain and Sale
30. Constructive notice is:
- A lien for improvements to real estate
  - Notice given by occupying the land
  - Knowledge gained by observing
  - Notice given by the public records
31. Most title insurance insures against
- claims that will arise in the future
  - claims that have already occurred
  - damages to the property
  - damages to your personal property
32. Insurance to protect a property owner against monetary loss if his title is found to be imperfect:
- Torrens System
  - Title Insurance
  - Fire insurance
  - Extended coverage
33. When a contract appears to be good and binding but, in fact, one of the parties may legally reject it, the contract is said to be
- void.
  - valid.
  - unenforceable.
  - voidable.
34. Which of the following is an essential element of a contract?
- Performance
  - Acceptance
  - A fair price
  - A counter offer

35. Two persons make an oral agreement. A day later they put it in writing with several small changes. What is true about the agreement in a court of law?
- The oral one would prevail.
  - The written one would prevail.
  - The agreement must be notarized to be legal.
  - A new agreement must be made.
36. The phrase “meeting of the minds” most closely refers to:
- the offer and acceptance
  - the consideration
  - the consummation of the contract
  - the closing of the transaction
37. The amount of earnest money necessary for a given transaction is NOT determined by
- the buyer and seller.
  - the buyer.
  - the broker.
  - the seller.
38. An earnest money agreement for the purchase of real property is
- legally enforceable and binding on the buyer as soon as it is signed by him.
  - a legally enforceable contract which is binding on the seller as soon as it is signed by the buyer if the price and terms of the listing agreement are met exactly.
  - enforceable when the seller signs it and the buyer is notified of the seller’s acceptance.
  - not necessary in a cash sale when the amount of earnest money paid equals the purchase price.
39. The printed portions of a standard residential sales contract refer to all the following EXCEPT
- discount rates.
  - closing date.
  - liens.
  - title insurance.
40. Which of the following people must be licensed to transact the business of real estate?
- an owner of income producing property
  - the executor of an estate
  - court appointed guardian
  - real estate office secretary
41. A listing that does not require the listing agent to show that he or his subagents are the procuring cause in order to earn a commission is
- illegal.
  - an exclusive agency listing.
  - a net listing.
  - an exclusive right to sell listing.
42. From the broker’s point of view, one of the least desirable listings is an
- open listing.
  - exclusive right to sell.
  - net listing.
  - exclusive agency listing.
43. If an owner sells her own home on which you have an exclusive agency listing:
- you receive a full commission
  - you receive 40% commission
  - you receive no commission
  - you receive half commission
44. If a broker is a little short of funds and “borrows” some money from his escrow account to pay monthly bills, this activity is called
- misrepresentation and may be illegal.
  - commingling and is illegal.
  - conversion and is illegal.
  - shrewd business and is legal.
45. A dual agency
- requires a permit from the real estate commissioner.
  - must be disclosed to all parties.
  - is unlawful.
  - is legal but unethical.
46. A broker listed a property and in one week found a buyer for the property herself. Under these circumstances, the broker
- may not represent the buyer.
  - is not required to disclose a dual agency.
  - may only represent the seller.
  - may have a dual agency.

47. The listing broker owes a fiduciary responsibility to:
- a. the seller
  - b. neither the buyer or the seller
  - c. both the seller and the buyer
  - d. the buyer
48. As agent of the seller, a real estate broker is usually authorized to do all of the following EXCEPT:
- a. cooperate with other brokers to effect a sale
  - b. bind the principal under a sales contract
  - c. place a "For Sale" sign on the listed property
  - d. advertise the listed property
49. In Nebraska, unless there is a contract specifying to the contrary, real estate agents are assumed to be agents for:
- a. The seller
  - b. Dual agent representing both buyer and seller
  - c. Transactional agents are neither seller's agent, nor buyer's agent
  - d. The buyer
50. In Nebraska, in order to disclose confidential information:
- a. the agent must have written authorization from both parties
  - b. the agent need not have authorization from the client
  - c. the agent must have written authorization from the customer
  - d. the agent must have written authorization from the client
51. A Nebraska real estate agent representing a buyer may not:
- a. disclose a material defect about the property being considered by the client
  - b. disclose facts about the client's ability to pay for the real estate
  - c. disclose the buyer's motivating factors for purchasing real estate
  - d. disclose adverse material facts about the customer
52. In Nebraska, a buyer contacts a broker who has a listing to sell a parcel of real estate. The broker does not offer any agreement to the buyer. The relationship between the buyer and the broker is most likely a
- a. customer and broker
  - b. fiduciary
  - c. client and broker
  - d. COALD

**Spring 2017 Exam 2. Jacobus Ch 5-8, 19-21 and Neb. Agency  
Answer Section**

**MULTIPLE CHOICE**

- |       |       |
|-------|-------|
| 1. A  | 40. D |
| 2. A  | 41. D |
| 3. A  | 42. A |
| 4. B  | 43. C |
| 5. C  | 44. C |
| 6. B  | 45. B |
| 7. D  | 46. D |
| 8. A  | 47. A |
| 9. B  | 48. B |
| 10. C | 49. D |
| 11. D | 50. D |
| 12. B | 51. C |
| 13. D | 52. A |
| 14. C |       |
| 15. C |       |
| 16. C |       |
| 17. B |       |
| 18. A |       |
| 19. D |       |
| 20. D |       |
| 21. D |       |
| 22. A |       |
| 23. D |       |
| 24. C |       |
| 25. D |       |
| 26. A |       |
| 27. C |       |
| 28. A |       |
| 29. C |       |
| 30. D |       |
| 31. B |       |
| 32. B |       |
| 33. D |       |
| 34. B |       |
| 35. B |       |
| 36. A |       |
| 37. C |       |
| 38. C |       |
| 39. A |       |

- 40. D**
- 41. D**
- 42. A**
- 43. C**
- 44. C**
- 45. B**
- 46. D**
- 47. A**
- 48. B**
- 49. D**
- 50. D**
- 51. C**
- 52. A**