



Chapter 2 Quiz

1. When a broker's license is revoked, the licenses of the agents in the broker's employ are
 - A. suspended.
 - B. revoked.
 - C. canceled.
 - D. not affected.
2. For a violation of the License Act, the New Jersey Real Estate Commission may *NOT*
 - A. suspend a license.
 - B. revoke a license.
 - C. put a licensee on probation.
 - D. impose a fine of \$150,000.
3. Which of the following statements is *TRUE* with respect to a trust account?
 - A. A broker must maintain a separate trust account for each transaction.
 - B. The trust account must be kept only in an authorized institution in New Jersey.
 - C. Records of the trust account must be kept for five years.
 - D. Brokers may never mix their own funds with money in the trust account.
4. For which of the following crimes does the New Jersey Real Estate Commission have the power to promptly revoke the license of an agent awaiting trial?
 - A. Larceny
 - B. Kidnapping
 - C. Forgery
 - D. Possession of drugs
5. Who may provide a purchaser of real estate with a portion of the broker's commission in the form of a rebate?
 - A. Escrow officer
 - B. Broker
 - C. Seller
 - D. No one; rebates are illegal
6. A broker violated real estate law when
 - A. his office was in the home of a salesperson employed by that broker.
 - B. the broker failed to keep a separate trust account for each transaction.
 - C. the broker had \$10 of personal funds in the trust account.
 - D. the broker placed a branch office under the supervision of a broker-salesperson.

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7. A real estate salesperson may
 - A. be compensated by someone other than his or her supervising broker.
 - B. have his or her own escrow account.
 - C. work for more than one broker at a time.
 - D. prepare a sales contract for a four-family home.
8. Brokers are required to deposit funds of others received for a real estate transaction into their trust account within
 - A. 24 hours of receipt.
 - B. 48 hours of receipt.
 - C. 3 business days.
 - D. 5 business days.
9. The violation referred to as “commingling” refers to
 - A. the mixing of funds from more than one transaction in the same trust account.
 - B. the mixing of broker funds with trust funds.
 - C. splitting commissions by paying referral fees.
 - D. renting or selling the same premises to more than one tenant or buyer.
10. If a broker has no agency duties, that broker is acting as a
 - A. buyer’s broker.
 - B. seller’s broker.
 - C. dual agent.
 - D. transaction broke