



Chapter 3 Quiz

1. Which words best describe the fiduciary relationship between an agent and the agent's principal?
 - A. Profit and action
 - B. Trust and confidence
 - C. Professionalism and caring
 - D. Efficiency and economy
2. Which of the following will *NOT* terminate an agency relationship?
 - A. Revocation by the principal
 - B. Mutual consent
 - C. Reciprocity
 - D. Renunciation by the agent
3. An essential element of a fiduciary relationship is
 - A. putting the principal's interests above all others.
 - B. acting for someone else in a legally binding capacity.
 - C. representing the principal in one specific capacity only.
 - D. blending one's personal interests with those of the principal.
4. The real estate broker's responsibility to keep the principal informed of all of the facts that could affect a transaction is the duty of
 - A. care.
 - B. disclosure.
 - C. obedience.
 - D. accounting.
5. Which of the following would be considered a dual agency?
 - A. The broker acting for both the buyer and the seller in the same transaction
 - B. Brokers cooperating with each other
 - C. The broker representing different principals
 - D. The broker listing and selling the same property
6. A broker is permitted to represent both the seller and the buyer in the same transaction when
 - A. the principals are not aware of such action.
 - B. the broker is a subagent rather than the agent of the seller.
 - C. commissions are collected from both parties.
 - D. both parties have been informed and agree to the dual representation.
7. Unless some other written agreement has been made, the broker will usually receive the sales commission from the seller when
 - A. the purchaser takes possession of the property.
 - B. the seller lists the property with the broker.
 - C. the transaction is closed.
 - D. an offer is procured from a ready, willing, and able buyer.
8. A real estate salesperson who is an independent contractor receives
 - A. a monthly salary or hourly wage.
 - B. company-provided health insurance.

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- C. a company-provided automobile.
 - D. negotiated commissions on transactions.
- 9. A salesperson who is employed by a broker told a prospective buyer that the house she was looking at is “the best house in the area.” Because of this statement,
 - A. the salesperson was guilty of fraud.
 - B. the broker was guilty of fraud because the employing broker is responsible for the actions of the salesperson.
 - C. the salesperson was guilty of puffing.
 - D. the salesperson would be guilty of fraud only if the buyer purchased the house.
- 10. A broker who is the broker of the buyer should do which of the following?
 - A. Disclose to the seller that the buyer is a minority.
 - B. Disclose to the seller the maximum price the buyer is willing to pay.
 - C. Present to the seller only offers that are acceptable.
 - D. Advise the buyer if the listing price of the seller’s house is unrealistic.