



Chapter 1 Homework

1. Which of the following factors applies to the New Jersey salesperson's license examination?
 - A. Exam fee of \$47
 - B. Walk-ins are permitted
 - C. One hour maximum to complete the exam
 - D. Retakes are permitted

2. After completing a real estate licensing course in New Jersey, how long does an individual have to pass the state exam and apply for a permanent license?
 - A. 3 months
 - B. 6 months
 - C. 1 year
 - D. 2 years

3. Who of the following needs a real estate license?
 - A. A lawyer selling a house for a client who lives in a nursing home
 - B. A son selling a house for his parents in exchange for a new car
 - C. An executor selling a house for a fee under the terms of a will
 - D. An investor selling his eight rental properties

4. Who must possess a real estate license in New Jersey?
 - A. Every principal to a real estate transaction
 - B. Anyone who receives consideration for taking part in a real estate transaction
 - C. Only persons claiming to be licensed as brokers or salespersons
 - D. Any person buying real estate with the intent of resale for profit

5. A rental referral agency advertises the availability of an apartment. How often must they check the availability of the unit?
 - A. Every day
 - B. Every three days
 - C. Every seven days
 - D. Every ten days

6. A rental referral agency charges prospective tenants an advance fee of \$50. This fee must be
 - A. turned over to the property owner.
 - B. deposited in an escrow account.
 - C. remitted to the New Jersey Real Estate Commission.
 - D. kept by the broker in a business account until a rental is obtained.

7. A licensee who is qualified to be a broker but wishes to work for another broker rather than for herself
- A. must obtain a salesperson's license.
 - B. can do so, provided she is the broker of record.
 - C. must return her broker's license to the state.
 - D. would be acting as a broker-salesperson.
8. Of these, a real estate license is required for
- A. a person who handles a real estate transaction under a court order.
 - B. persons who buy and sell real estate for profit.
 - C. banks and trust companies that one involves in real estate transactions for others.
 - D. persons employed on a fee basis by a rental referral agency.
9. A failure to renew will void a license after
- A. 30 days.
 - B. one year.
 - C. two years.
 - D. three years.
10. A salesperson licensed with a real estate referral company (SLWRERC) is allowed to only refer prospects for brokerage services to
- A. the supervising broker or the broker's designate.
 - B. the seller or the seller's designate.
 - C. the buyer or the buyer's designate.
 - D. no one; referral agents receive the referrals.



Chapter 2 Quiz

1. A broker's license was revoked. As a consequence, the licenses of the agents in the broker's employ were
 - 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. In New Jersey, with regards to trust accounts, a real estate broker must maintain
 - A. a separate trust account for each transaction.
 - B. any trust account in an authorized institution in New Jersey.
 - C. all trust account records for five years.
 - D. the account with a minimum amount of their own funds.

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 the broker
 - A. maintained his office in the home of a salesperson employed by that broker.
 - B. failed to keep a separate trust account for each transaction.
 - C. had \$10 of personal funds in the trust account.
 - D. placed a branch office under the supervision of a salesperson.

7. Which of these is legal for a real estate salesperson?
 - A. Be compensated by someone other than his or her supervising broker
 - B. Set up 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 broker.



Chapter 3 Homework

1. Which of these best describes 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. A seller is unhappy with the performance of the real estate broker. How can the seller terminate the agency relationship?
 - A. Hire another broker
 - B. Remove the listing broker's sign from the yard
 - C. Revoke the listing agreement
 - D. Notify the multiple listing service
3. One 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.
 - 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.



Chapter 4 Homework

1. The Civil Rights Act of 1866 prohibits discrimination in housing based on
 - A. handicap.
 - B. religion.
 - C. sex.
 - D. race.

2. Which agency is responsible for the enforcement of the Fair Housing Act?
 - A. Department of Housing and Urban Development
 - B. Federal Housing Administration
 - C. Department of Justice
 - D. Department of Veteran Affairs

3. The Fair Housing Act is contained in
 - A. the Civil Rights Act of 1964.
 - B. the Civil Rights Act of 1866.
 - C. Title VIII of the Civil Rights Act of 1968.
 - D. Executive Order No. 11063.

4. The refusal of a lending institution to make a residential real estate loan strictly because of the racial or ethnic composition of the neighborhood is called
 - A. blockbusting.
 - B. redlining.
 - C. steering.
 - D. panic peddling.

5. What is steering?
 - A. Leading prospective homeowners to or away from certain neighborhoods
 - B. Refusing to make loans on properties located in certain areas
 - C. A requirement for the broker to join MLS
 - D. A practice of standardizing commission rates

6. Which of the following lease provisions is illegal under New Jersey's Law Against Discrimination?
 - A. Pets are prohibited, except for service animals
 - B. Lease is null and void upon the birth of a child
 - C. Person with AIDS is considered a person with a disability
 - D. Limiting the number of persons based on the size of the apartment

7. Under the New Jersey Multiple Dwelling Report, owners of a certain number of apartments are required to file an annual report with the Division of Civil Rights about the racial composition of tenants and methods of advertising. What is the number of apartments that triggers this requirement?
- A. 10 and more
 - B. 50 and more
 - C. 25 and more
 - D. 75 and more
8. Which of the following is necessary for someone to file a fair housing complaint against a real estate licensee?
- A. Licensee is a good person who had no intention to discriminate
 - B. Licensee had knowledge that discrimination was occurring
 - C. That the licensee intended to discriminate
 - D. That discrimination occurred
9. Which of the following phrases is legal to use when advertising real estate for sale or rent?
- A. Chapel on premises
 - B. Married couple only
 - C. Wife's dream kitchen
 - D. Near a great Catholic school
10. Undercover volunteers who visit real estate offices to determine if all applicants are treated fairly are called
- A. testers.
 - B. samplers.
 - C. racial analysts.
 - D. illegal analysts.



Chapter 5 Homework

1. Which of the following is an example of an emblem?
 - A. Kitchen cabinet
 - B. Annual crops
 - C. An evergreen tree
 - D. A stockpile of wood in the backyard

2. The front-door key to a house is a
 - A. chattel.
 - B. fixture.
 - C. improvement.
 - D. trade fixture.

3. The term *littoral* describes land
 - A. bordering water affected by tide currents.
 - B. bordering water that is flowing, like a stream.
 - C. bordering any kind of body of water.
 - D. under a body of water and owned by owners of adjoining land.

4. A radiator in a single family home is considered
 - A. a chattel.
 - B. a fixture.
 - C. a trade fixture.
 - D. an improvement.

5. The phrase *bundle of legal rights* is properly included in
 - A. the definition of real property.
 - B. a legal description.
 - C. real estate transactions.
 - D. leases for less than one year.

6. Which of the following is considered to be personal property?
 - A. Wood-burning fireplace
 - B. Awnings
 - C. Bathtubs
 - D. Patio furniture

7. A rancher owns a parcel of land on which oil was discovered. If the rancher has not previously conveyed the oil rights, who owns the oil?
 - A. The rancher

- B. The tenant to whom the property has been leased
 - C. The state government
 - D. The federal government
8. All of the following are tests for determining a fixture *EXCEPT*
- A. intent of the parties.
 - B. size of the item.
 - C. method of attachment of the item.
 - D. adaptation of the item to the real estate.
9. Certain items on the premises that are installed by the tenant and are related to the tenant's business are called
- A. fixtures.
 - B. emblements.
 - C. trade fixtures.
 - D. easements.
10. A homeowner acquired the ownership of land that was deposited by a river running through her property by
- A. reliction.
 - B. succession.
 - C. avulsion.
 - D. accretion.



Chapter 6 Homework

1. Which of the following is a freehold estate?
 - A. Life estate
 - B. Estate for years
 - C. Estate at will
 - D. Easement in gross

2. An easement acquired by constant, open, and adverse use is called an easement by
 - A. appurtenance.
 - B. prescription.
 - C. necessity.
 - D. implication.

3. Which of the following encumbrances affects the title to property and is considered a general lien?
 - A. Judgment
 - B. Mortgage
 - C. Easement
 - D. Restrictive covenant

4. A power company has the right to install electric lines across property controlled by different owners. The power company has an easement
 - A. by necessity.
 - B. in gross.
 - C. by prescription.
 - D. appurtenant.

5. A person who has complete control over a parcel of real estate is said to own a
 - A. leasehold estate.
 - B. fee simple estate.
 - C. life estate.
 - D. defeasible fee estate.

6. A portion of a man's building was inadvertently built on a neighbor's land. This is called an
 - A. accretion.
 - B. avulsion.
 - C. encroachment.
 - D. easement.

7. A woman owned the fee simple title to a vacant lot adjacent to a hospital and was persuaded to make a gift of the lot. She had her attorney prepare a deed that conveyed the ownership of the lot to the hospital “so long as it is used for medical purposes.” After the completion of the gift, the hospital will own a
- A. life estate.
 - B. tenancy for years.
 - C. fee determinable.
 - D. periodic tenancy.
8. Your neighbors use your driveway to reach their garage on their property. Your attorney explains that the ownership of the neighbors’ real estate includes an easement appurtenant giving them the driveway right. Your property is the
- A. leasehold interest.
 - B. dominant tenement.
 - C. servient estate.
 - D. license property.
9. A man and a woman are next-door neighbors. The woman tells the man that he can store his bulldozer in her yard for a few weeks. The woman did not charge the man rent for the use of her yard. The woman has given the man
- A. an easement appurtenant.
 - B. an easement by necessity.
 - C. an estate in land.
 - D. a license.
10. A man conveys the ownership of his house to his mother and stipulates that upon her death he will recapture the ownership. The interest the man has in the ownership is a
- A. remainder estate.
 - B. curtesy estate.
 - C. legal life estate.
 - D. reversion estate.



Chapter 7 Homework

1. Which type of ownership is regarded in the same light as the owner of a single family dwelling?
 - A. Leasehold estate
 - B. Life estate
 - C. Cooperative ownership
 - D. Condominium ownership

2. In New Jersey, the creation of condominiums is regulated by the
 - A. Homeowner's Association Act.
 - B. Real Estate Commission.
 - C. Horizontal Properties Act.
 - D. Securities and Exchange Commission.

3. The occupancy rights of the owners in a cooperative building are based on
 - A. the number of shares of stock held.
 - B. a proprietary lease.
 - C. the articles of incorporation.
 - D. the bylaws of the cooperative association.

4. Three men own 25, 35, and 40 percent respectively of a large piece of land. Based on this information, they own property
 - A. as joint tenants.
 - B. in severalty.
 - C. in tenancy by the entirety.
 - D. as tenants in common.

5. Which of the following is *NOT* one of the four unities of joint tenancy?
 - A. Possession
 - B. Time
 - C. Equity
 - D. Interest

6. X, Y, and Z own property as joint tenants. Z dies and Y sells his interest in the property to W. How is the property now owned?
 - A. X and W as joint tenants
 - B. as joint tenants by X, W, and Z's widow R, his sole heir
 - C. X and W as tenants in common, each with interest
 - D. X and W and Y's wife

7. A man and a woman bought a store building and took title as joint tenants. The woman died testate. The man now owns the store
- A. as a joint tenant with rights of survivorship.
 - B. in severalty.
 - C. as a tenant in common with the woman's heirs.
 - D. in trust.
8. A man and a woman owned a combination apartment building with a small bar and grill on the premises. They shared their profits and losses on their venture equally, but they did not own the business under any written partnership agreement. One day, the woman died of a heart attack. If, after the woman's death, the man continued to own the same undivided interest in the real estate as he did before the woman's death and no more, then
- A. they were joint tenants.
 - B. they were tenants in common.
 - C. they were stockholders in their own corporation.
 - D. the woman died intestate.
9. An ownership interest that is based on annual occupancy intervals is the
- A. leasehold.
 - B. time-share.
 - C. condominium.
 - D. cooperative.
10. To create a joint tenancy relationship in the ownership of real estate, there must be unities of
- A. grantees, ownership, claim of right, and possession.
 - B. title, interest, encumbrance, and survivorship.
 - C. possession, time, interest, and title.
 - D. ownership, possession, heirs, and title.



Chapter 8 Homework

1. Both the ad valorem tax and a special assessment tax
 - A. are calculated using the same method.
 - B. allow a deduction for senior citizens and veterans.
 - C. are levied for the general support or operation of the local government.
 - D. are levied against specific parcels of property.

2. Taxes levied on a property owner to pay to install sidewalks or sewers are called
 - A. ad valorem taxes.
 - B. general property taxes.
 - C. special excise taxes.
 - D. special assessments.

3. After real estate has been sold by the state or county to satisfy a delinquent tax lien, the defaulted owner usually has a right to
 - A. have the sale canceled by paying the back taxes and penalties.
 - B. pay his or her creditors directly and have their liens removed.
 - C. redeem the property within the time specified by law.
 - D. record a notice of nonresponsibility for the unpaid taxes.

4. The current market value of an empty lot is \$35,000. For tax purposes, it is assessed at 40 percent of market value. The tax rate of \$4 per \$100 of assessed value. What is the amount of the tax due?
 - A. \$560
 - B. \$625
 - C. \$705
 - D. \$740

5. In New Jersey, a qualified war veteran is entitled to a reduction of real estate taxes in the amount of
 - A. \$250.
 - B. \$1,000.
 - C. \$5,000.
 - D. \$10,000.

6. Tax assessors in the state of New Jersey attempt to assess property at
 - A. 25 percent of value.
 - B. 50 percent of value.
 - C. 75 percent of value.
 - D. full value

7. Real estate properties that are totally exempt from real property taxes include those used
- A. for speculative purposes.
 - B. for religious, charitable, and not for profit purposes.
 - C. exclusively for farmland in the previous five years.
 - D. rental residential purposes.
8. Taxing authorities can determine a tax rate by
- A. dividing budgetary needs by the assessment roll.
 - B. multiplying the assessment roll by the equalization factor.
 - C. multiplying the budgetary needs by .001.
 - D. subtracting the budget needs from the assessment roll.
9. A single homeowner has a \$300,000 profit from the sale of her home where she has lived for the past 18 years. The taxable portion of the gain would be
- A. \$0.
 - B. 50,000.
 - C. \$150,000.
 - D. \$300,000.
10. Married taxpayers who file jointly and have lived in their principal residence for at least two years of the preceding five years are eligible for an exclusion from federal capital gain taxes on a gain up to
- A. \$100,000.
 - B. \$250,000.
 - C. \$500,000.
 - D. \$1,000,000.



Chapter 9 Homework

1. Deed restrictions can be created by all of the following *EXCEPT* by a
 - A. deed.
 - B. statute.
 - C. written agreement.
 - D. general plan of a subdivision.

2. For the past 30 years, a couple has operated a neighborhood grocery store. Last week the city council passed a zoning ordinance that prohibits packaged food sales in the area where the couple's grocery store is located. However, the couple is allowed to continue to operate their store as they have for 30 years. The store is now an example of
 - A. an illegal enterprise.
 - B. a nonconforming use.
 - C. a violation of the zoning laws.
 - D. a variance of the zoning laws.

3. Which of the following best describes the purpose of a building permit?
 - A. The method for overriding or substantiating deed restrictions
 - B. The municipal control over the volume of construction
 - C. The evidence of compliance with municipal regulations
 - D. The method of regulating the area and size of buildings

4. A development company owned property that the city wanted so that it could extend the runways at the municipal airport. If the company refuses to negotiate with the city, then the city may acquire the property by
 - A. escheat.
 - B. accretion.
 - C. confiscation.
 - D. eminent domain.

5. The presence of a mineral that was once used as insulation is now considered a health hazard. What is that mineral?
 - A. Radon
 - B. Lead
 - C. Asbestos
 - D. Urea-formaldehyde

6. In a widely publicized dispute, a man refused to sell his land to the local school district. He believed that the price the school district offered him for the land was not sufficient consideration. If the school district were to pursue the matter in court, what legal proceeding would it institute to force the man to sell his land to them?
 - A. Escheat
 - B. Foreclosure
 - C. Probate
 - D. Condemnation

7. Under an existing ordinance, signs that are placed on a building may extend no more than three feet above the highest point of the roof. An owner wants to erect a nine-foot high revolving sign on the roof of his store. In order to legally do this, the owner must get a
 - A. deed to the air rights.
 - B. variance.
 - C. nonconforming use permit.
 - D. court order.

8. Remediation is recommended if the radon levels measure
 - A. 4 picocuries (pci) or more.
 - B. at least 10 picocuries (pci).
 - C. 5 micrograms per deciliter.
 - D. at least 10 micrograms per deciliter.

9. When, if ever, are carbon monoxide detectors required in New Jersey?
 - A. Only in single family dwellings
 - B. Any building with three or more dwelling units
 - C. Both residential and commercial properties
 - D. There are no requirements for carbon monoxide detectors

10. Federal regulations, if any, apply to underground storage tanks that once stored petroleum products. The rules apply when at least what percent of the liquid was stored underground?
 - A. Any part was underground
 - B. At least 10% was underground
 - C. At least 50% was underground
 - D. There are no federal rules



Chapter 10 Homework

1. When a broker has an exclusive-agency listing, the broker may end up
 - A. spitting the commission with the owner/seller.
 - B. splitting the commission with a selling broker.
 - C. with no commission if another broker sells the property
 - D. with the full commission if the owner/seller sells the property.

2. What is the effect of an oral listing?
 - A. Enforceable
 - B. Unenforceable
 - C. Void
 - D. Exclusive

3. A listing agreement may be terminated for any of the following reasons *EXCEPT*
 - A. the sale of the property.
 - B. the death of the salesperson.
 - C. the agreement of the parties.
 - D. the destruction of the premises.

4. The type of listing agreement that provides for the payment of a commission to the broker even if the owner makes the sale without the broker's help is called an
 - A. exclusive-right-to-sell listing.
 - B. open listing.
 - C. exclusive-agency listing.
 - D. option listing.

5. Under which of the following listing agreements can the owner of listed property sell the property on her own without having to pay the listing broker a commission?
 - A. Exclusive-right-to-sell listing only
 - B. Exclusive-agency listing only
 - C. Open and exclusive-agency listings
 - D. Open listing only

6. How are commissions established?
 - A. Negotiation between the seller and the broker
 - B. Set by the local multiple listing service (MLS)
 - C. By agreement between the brokers
 - D. List provided by the NJ Real Estate Commission

7. Which of the following will NOT terminate a listing agreement?
 - A. Mutual agreement
 - B. Operation of law
 - C. The seller cannot find another house to buy
 - D. Impossibility of performance

8. The broker enters into a listing agreement with a seller in which the seller will receive \$12,000 from the sale of a lot and the broker will receive any sale proceeds over this amount. This type of listing is
- A. a gross listing.
 - B. a legal and ethical way to ensure that the broker is compensated.
 - C. an exclusive agency.
 - D. a net listing.
9. A comparative market analysis (CMA) differs from an appraisal in that the CMA often includes
- A. a statement that the CMA prepared by a listing agent is more thorough than an appraisal by a licensed appraiser.
 - B. more information about the subject property than an appraisal does.
 - C. information comparing the original cost to the current asking price.
 - D. an analysis of properties that failed to sell.
10. Brokers and salespeople are obligated to provide the listing owner with a
- A. statement that local custom determines all fees.
 - B. comparison of the comparative market analysis and an appraisal.
 - C. one-page official summary of the NJ Law against Discrimination.
 - D. flood plain map.



Chapter 11 Homework

1. If the proposed contract contains a contingency for the sale of the buyer's present home, the seller often requires that it also includes an
 - A. option.
 - B. addendum.
 - C. escape clause.
 - D. assignment.

2. To be legally valid, a contract of sale must be
 - A. accompanied by earnest money.
 - B. witnessed by a notary public.
 - C. acknowledged by the parties to the contract.
 - D. negotiated between competent parties.

3. A rescission of a contract is
 - A. a ratification of a contract.
 - B. a modification of a contract.
 - C. an extension of a contract.
 - D. a cancellation of a contract.

4. The substitution of a new contract for an existing one is called
 - A. an option.
 - B. an assignment.
 - C. novation.
 - D. specific performance.

5. A meeting of the minds refers to
 - A. agreement on terms.
 - B. creation of counteroffer.
 - C. notification of acceptance.
 - D. creation of good faith.

6. A void contract is one that is
 - A. not in writing.
 - B. not legally enforceable.
 - C. rescindable by agreement.
 - D. voidable by only one of the parties.



7. The legal proceeding or legal action brought by either the buyer or the seller under a purchase contract to enforce the terms of the contract is known as
 - A. an injunction.
 - B. a lis pendens.
 - C. an attachment.
 - D. specific performance.

8. If, upon the receipt of an offer to purchase their property under certain conditions, the sellers make a counteroffer, the prospective buyers are
 - A. bound by the original offer.
 - B. bound to accept the counteroffer.
 - C. bound by whichever offer is lower.
 - D. relieved of their original offer.

9. If the buyer defaulted some time ago on a written contract to purchase a seller's real estate, the seller can still sue for damages if they are not prohibited from doing so by the
 - A. statute of frauds.
 - B. law of agency.
 - C. statute of limitations.
 - D. broker-attorney accord.

10. What is the effect of an option?
 - A. Requires the optionee to complete the purchase
 - B. Allows the optionee an easement on the property
 - C. Keeps an offer open for a specified time
 - D. Makes the seller liable for a commission



Chapter 12 Homework

1. The estate with the least degree of interest is
 - A. an estate at will.
 - B. a periodic tenancy.
 - C. an estate for years.
 - D. a tenancy at sufferance.

2. With regards to lease payments,
 - A. in a gross lease, the tenant pays all of the property charges.
 - B. ground leases are generally net leases.
 - C. a graduated lease is a form of percentage lease.
 - D. net leases are most often used for residential rentals.

3. An owner leases her house to a friend for five years. One year later, the owner decides to sell her home. In this situation,
 - A. the leasehold is terminated because of the sale.
 - B. the new owner has the option of evicting the tenant or renegotiating the lease.
 - C. the leasehold is not affected by the sale.
 - D. the tenant must renegotiate her lease with the new owner.

4. What is the maximum amount of the security deposit, if any, that the landlord may require from a tenant in a residential lease?
 - A. There is no set amount
 - B. Equal to one month's rent
 - C. Equal to one and a half months' rent
 - D. No more than two months' rent

5. A landlord fails to provide heat to an apartment and the tenant is forced to vacate the premises. This is an example of
 - A. abandonment.
 - B. actual eviction.
 - C. constructive eviction.
 - D. lessor negligence.

6. A tenant's lease has expired, but the tenant has not vacated the premises or negotiated a renewal lease. The landlord has told the tenant to leave, but the tenant refuses to go. This type of occupancy is referred to as an estate
 - A. for years.
 - B. from year to year.
 - C. at will.
 - D. at sufferance.

7. A lessee who pays some or all of the lessor's property expenses has a
 - A. gross lease.
 - B. net lease.
 - C. percentage lease.
 - D. sublease.

8. A property manager is usually responsible for
 - A. maintaining the racial and religious nature of the property on behalf of the owner.
 - B. buying property insurance for the owner and for the tenants.
 - C. paying for minor repairs and for some property upgrades.
 - D. preserving the value of the property while generating income for the owner.

9. What is the most effective way to ensure that tenants pay their rent on time?
 - A. Hire an enforcement officer to collect the rents
 - B. Manager should stop by every unit several times a month
 - C. Make careful tenant selection in the first place
 - D. Set low rental rates

10. New Jersey's Anti-Eviction Act provides, with only a few exceptions, that tenants who are current with their rent payments may not be evicted
 - A. unless the landlord obtains a court order.
 - B. solely on the grounds of foreclosure.
 - C. without at least 60 days' notice.
 - D. under any circumstances.



Chapter 13 Homework

1. A certified statement showing the outstanding balance due on a mortgage is
 - A. a satisfaction of mortgage.
 - B. a trust deed.
 - C. an estoppel certificate.
 - D. a covenant of seisin.

2. When a purchaser of real estate assumes a mortgage, the purchaser
 - A. does not have to meet loan qualifications.
 - B. accepts sole responsibility for the debt.
 - C. actually leases the property.
 - D. agrees to pay the debt.

3. A man bought a woman's property by assuming the existing mortgage and paying \$30,000 in cash. Three years later, the man defaulted on the mortgage loan and the mortgagee foreclosed on the mortgage. In this situation,
 - A. the man has less financial liability than if he purchased the property subject to the existing mortgage.
 - B. the most the man can lose is his equity.
 - C. the woman and the man would both be liable on a deficiency judgment unless the woman is removed from the bond or note.
 - D. the man is the only one with liability on a deficiency judgment.

4. The clause that makes a mortgage unassumable is the
 - A. defeasance clause.
 - B. estoppel clause.
 - C. acceleration clause.
 - D. alienation clause.

5. A deed in lieu of foreclosure conveys a title to whom?
 - A. Trustee
 - B. Mortgagor
 - C. Mortgagee
 - D. Sheriff

6. Charging more interest than is legally allowed is known as
 - A. escheat.
 - B. usury.
 - C. a deficiency.



D. an estoppel.



7. A mortgagor is the one who
 - A. borrows the funds.
 - B. holds the mortgage.
 - C. provides the mortgage funds.
 - D. forecloses on the mortgage.

8. If the amount realized at a sheriff's sale as part of a mortgage foreclosure is more than the amount of the indebtedness and expenses, then the excess belongs to the
 - A. mortgagor.
 - B. mortgagee.
 - C. sheriff's office.
 - D. county.

9. The term *real estate owned (REO)* refers to
 - A. corporations that own real estate.
 - B. an owner selling property without the help of a real estate licensee.
 - C. property for which a deed has been recorded.
 - D. properties acquired by lenders through foreclosure.

10. A mortgage document should be recorded in order to
 - A. establish the rights of the buyers.
 - B. protect the rights of the seller.
 - C. establish the lien's priority over future mortgages.
 - D. verify that the transfer of the property took place.



Chapter 14 Homework

1. What is the best means for a real estate licensee to help a buyer trying to determine how much it will cost to buy a home?
 - A. Provide and discuss the Toolkit: A step-by-step Guide
 - B. Explain how to use a search engine to research on the Internet
 - C. Provide a link to Freddie Mac's mortgage guide
 - D. Direct the buyer to a local lender

2. The difference between the amount owed and the value of the property is called
 - A. surplus.
 - B. consideration.
 - C. assessment.
 - D. equity.

3. Which of the following types of mortgages would most likely require private mortgage insurance (PMI)?
 - A. FHA loan with purchaser putting 3 percent down
 - B. Conventional loan with purchaser putting 10 percent down
 - C. VA loan with purchaser putting 3 percent down
 - D. New Jersey Housing and Mortgage Finance Agency loan with a purchaser putting 4 percent down

4. Federal income tax regulations allow a homeowner to reduce his or her taxable income by amounts paid for
 - A. repairs and maintenance.
 - B. hazard insurance premiums.
 - C. interest on the first mortgage.
 - D. both principal and interest on the first mortgage.

5. The amount of a loan expressed as a percentage of the value of the real estate offered as collateral is the
 - A. amortization ratio.
 - B. loan-to-value ratio.
 - C. debt-to-equity ratio.
 - D. capital-use ratio.

6. A real estate loan payable in periodic installments that are sufficient to pay the principal in full during the term of the loan is called
 - A. a conventional loan.
 - B. a straight loan.
 - C. a participation loan.
 - D. an amortized loan.

7. A lender may protect its interest in a mortgage loan by obtaining additional security from
- A. private mortgage insurance.
 - B. title insurance.
 - C. the borrower's note.
 - D. impound accounts.
8. A lender shifts the risk of changing interest rates to the borrower in an
- A. increase in the monthly escrow amounts.
 - B. interest-only loan.
 - C. amortized loan with a final balloon payment.
 - D. adjustable rate mortgage.
9. A borrower obtained a \$7,000 second mortgage loan for five years at 6 percent interest per annum. Monthly payments were \$50. The final payment included the remaining outstanding principal balance. What type of loan is this?
- A. A fully amortized loan
 - B. A straight loan
 - C. A partially amortized loan
 - D. An accelerated loan
10. In New Jersey, below-market-interest loans are offered to buyers with little or no down payments. The buyers must buy a home in
- A. any below state income neighborhood.
 - B. an integrated neighborhood.
 - C. a target area.
 - D. any urban neighborhood.



Chapter 15 Homework

1. What is the Federal National Mortgage Association (FNMA)?
 - A. A federal agency that regulates savings and loan banks, which make the primary loans
 - B. A primary lender that sells mortgages to secondary market agencies
 - C. A secondary mortgage market agency that provides liquidity to primary lenders
 - D. A federal agency that is completely government controlled and issues pass-through certificates to small investors, with principal and interest guaranteed

2. The buyers do not have enough money saved for a down payment. However, they do have excellent incomes. They really want to buy a certain home right now. If the owner is willing, they could enter into a
 - A. wraparound mortgage.
 - B. sale-leaseback.
 - C. open-ended mortgage.
 - D. lease-option.

3. Which of the following has a legal specific effect on the interest rate charged by the lender?
 - A. What type of job the applicants hold
 - B. FICO credit scores
 - C. Applicant's race and religion
 - D. Possibility of getting pregnant

4. Which of the following mortgages includes personal property?
 - A. Blanket mortgage
 - B. Package mortgage
 - C. Wraparound mortgage
 - D. Reverse mortgage

5. A "jumbo loan" is a loan
 - A. that two lenders supply for a large development.
 - B. in which the purchaser receives some financial help in the form of a contribution toward the down payment.
 - C. higher than the secondary market's limit.
 - D. that covers more than one parcel of real estate.

6. The grantor becomes the lessee and the grantee becomes the lessor under which of the following financing arrangements?
 - A. Partial sale
 - B. Wraparound mortgage
 - C. Sale and leaseback
 - D. Assumption of mortgage

7. Often used to obtain funds to improve the property, this type of real estate loan allows the lender to increase the outstanding balance of a loan up to the original sum in the note while advancing additional funds. This is
- A. a wraparound mortgage.
 - B. an open-end mortgage.
 - C. a growing-equity mortgage.
 - D. a graduated-payment mortgage.
8. The forms required by Consumer Financial Protection Bureau apply to
- A. home equity lines of credit.
 - B. most residential loans.
 - C. reverse mortgages.
 - D. loans for commercial purposes.
9. A mortgage broker generally offers which of the following services?
- A. Handling the escrow procedures
 - B. Bringing the borrower and the lender together
 - C. Providing credit qualification and evaluation reports
 - D. Granting real estate loans using investor funds
10. What is the effect of the “intent to proceed?”
- A. Lenders may charge additional fees
 - B. Closing agent may schedule the closing
 - C. Lenders can ask for the borrower’s social security number
 - D. Lender may issue a provisional loan acceptance



Chapter 16 Homework

- Which of the following would be necessary information for the income approach?
 - Depreciation
 - Rent loss
 - Reproduction method
 - Land value
- The three variables in the formula used in the income approach are
 - income, rate, and value.
 - rate, value, and expenses.
 - rate, value, and gross rent multiplier.
 - value, income, and expenses.
- The two characteristics of real estate that govern the way the market reacts to supply and demand are
 - financing and appraisal.
 - mobility and conformity.
 - uniqueness and immobility.
 - demographics and interest rates.
- When the supply of housing decreases,
 - prices tend to rise.
 - prices tend to drop.
 - demand tends to rise.
 - demand tends to drop.
- The income approach to value would be most important in the appraisal of
 - a condominium.
 - an office building.
 - a single-family residence.
 - a vacant residential lot.
- In an old retail building, which of the following would most likely be the cause of incurable functional obsolescence?
 - Deficient and inadequate lighting
 - Closely-spaced internal support columns
 - An unattractive store front
 - A decrease in the area's population
- The income approach as used by an appraiser makes use of which of the following?
 - Equalization
 - Depreciation
 - Appreciation
 - Capitalization

8. Both licensed and certified residential appraisers may conduct appraisals of residential properties that are valued of
- A. of more than \$1 million.
 - B. of no more than \$1 million.
 - C. between \$2 and \$5 million.
 - D. any amount.
9. Reconciliation is best described as
- A. selecting the highest value given by the three approaches to value.
 - B. comparing comparable properties and identifying their amenities.
 - C. determining the final value by selecting one value from those given.
 - D. analyzing the results obtained from the three approaches to value.
10. If the lender agrees, in a New Jersey federally related loan transaction, a real estate broker may be paid for
- A. supplying comparables to a licensed appraiser.
 - B. supplying a comparative market opinion.
 - C. a broker price opinion.
 - D. supplying mortgage leads to a financial institution.



Chapter 17 Homework

1. In a real estate exchange, the capital gains tax is
 - A. deferred.
 - B. eliminated.
 - C. deducted.
 - D. pyramided.

2. In addition to other skills, business opportunity brokers
 - A. must have a real estate license for every business opportunity transaction they broker.
 - B. must have a real estate license in every business opportunity transaction in which a real estate interest is present.
 - C. are not required to have a real estate license since business opportunity transactions involve personal property.
 - D. are required to be licensed under the Uniform Commercial Code.

3. The concept of “leverage” consists of
 - A. putting down as much of one's own money in a transaction as possible to reduce debt.
 - B. putting down as little of one's own money as possible to increase the rate of return on investment.
 - C. applying pressure on the seller to reduce his asking price
 - D. recovering the cost of an income-producing property by way of tax deductions over the asset's life

4. The body of law that covers such topics as security agreements, financing statements, and bulk transfers is the
 - A. American Land Title Law.
 - B. Uniform Commercial Code.
 - C. Parol Evidence Rule.
 - D. Statute of Limitations.

5. A bill of sale is used to transfer the ownership of
 - A. real property.
 - B. fixtures.
 - C. personal property.
 - D. appurtenances.

6. One of the disadvantages of real estate investments is its
 - A. leverage.
 - B. inflationary hedge.
 - C. liquidity.
 - D. income.

7. Investors who “pyramid” would be
- A. installing additional floors to a structure to increase its value.
 - B. building over the airspace of others.
 - C. refinancing property to buy additional property.
 - D. using minimal leverage in a purchase.
8. In real estate, the difference between the adjusted basis of property and its net selling price is called
- A. depreciated effects.
 - B. capital gains.
 - C. property exchanges.
 - D. cash flow through pyramiding.
9. The accounting concept that allows an investor to recover the cost of an income-producing asset by way of tax deductions is
- A. syndication.
 - B. deferral.
 - C. depreciation.
 - D. recovery.
10. A property has an annual gross income of \$100,000, taxes of \$10,000, operating costs of \$30,000 and mortgage payments of \$40,000. What is the annual cash flow from the property?
- A. \$10,000
 - B. \$20,000
 - C. \$60,000
 - D. \$100,000



Chapter 18 Homework

1. Of the following, clustering is often associated with which of the following?
 - A. Gridiron pattern
 - B. Bonding
 - C. Planned unit development
 - D. Uniform construction code

2. A person is in the business of buying large tracts of land and then reselling them to consumers in small tracts. The person is
 - A. a developer.
 - B. a real estate broker.
 - C. an engineer.
 - D. a subdivider.

3. What is the effect of impact fees?
 - A. Provides reimbursement to the community for increased demand for schools and more
 - B. Decreases tax revenue base
 - C. Increases tax revenue base
 - D. Makes it easier for buyers to qualify for mortgage loans

4. The purpose of construction permits is to
 - A. generate revenue for the municipality.
 - B. control the activities of building inspectors.
 - C. ensure compliance with building codes.
 - D. prevent encroachments.

5. The construction of a family room, additional bedroom and extra bath has been completed on the owner's home. Before the addition can be used, the municipality must issue a
 - A. building permit.
 - B. license.
 - C. certificate of occupancy.
 - D. conditional-use permit.

6. A parcel of land in New Jersey is classified as a subdivision if it is divided into
 - A. two or more parcels.
 - B. five or more parcels.
 - C. ten or more parcels.
 - D. 25 or more parcels.

7. The Interstate Land Sales Full Disclosure Act applies to interstate sale or leasing of
 - A. five or more lots.
 - B. 20 or more lots.
 - C. 25 or more lots.
 - D. 50 or more lots.

8. An existing building must be brought up to the Uniform Construction Code
 - A. within five years of code enactment.
 - B. whenever any alterations are made.
 - C. when alterations or repair costs more than half of the value of the existing building.
 - D. before an occupancy permit will be issued to a new tenant.

9. Density zoning limits the
 - A. size of dwellings.
 - B. number of units per acre.
 - C. height of buildings.
 - D. use of buildings.

10. Subdivisions requiring a disclosure statement under the Planned Real Estate Development Act must allow the buyer the right to cancel a contract within
 - A. 24 hours.
 - B. one business day.
 - C. three business days.
 - D. seven business days.



Chapter 19 Homework

1. Which of the following deeds gives the most protection to the grantee?
 - A. Warranty deed
 - B. Special warranty deed
 - C. Sheriff's deed
 - D. Executor's deed

2. An acknowledgment in a deed
 - A. is required to make a deed valid.
 - B. provides evidence that the grantor's signature is genuine.
 - C. attests to the true amount of consideration of the property transfer.
 - D. is not necessary.

3. Which of the following is directly connected to the land description known as lot and block?
 - A. Plat
 - B. Parallel
 - C. Datum
 - D. Section

4. An organization buys abandoned properties and resells them to qualified buyers. The organization provides a deed that assures marketable title through the time of ownership of the organization. The deed will be a
 - A. quitclaim deed.
 - B. bargain and sale deed.
 - C. bargain and sale CAG deed.
 - D. general warranty deed.

5. A metes and bounds legal description
 - A. can be made only in areas excluded from the rectangular survey system.
 - B. is not acceptable in court in most jurisdictions.
 - C. must commence and finish at the same identifiable point.
 - D. is used to complete areas omitted from recorded subdivision plats.

6. In New Jersey, where are the records about land descriptions?
 - A. Located in the county designated by the original owner
 - B. On the Internet, because nothing disappears on the Internet
 - C. County clerk's office in the state and county where the owner is located
 - D. County clerk's office in the county where the land is located

7. The system of legal description that defines a parcel of land by its perimeter is the
 - A. geodetic survey.
 - B. rectangular survey.
 - C. lot and block system.
 - D. metes and bounds system.

8. The type of deed commonly used for transfers within a family and for property transferred during divorce settlements is the
 - A. bargain and sale deed.
 - B. special warranty deed
 - C. warranty deed.
 - D. quitclaim deed.

9. The purpose of the acknowledgment by a notary public on a deed is to
 - A. make the deed eligible for recording.
 - B. assure that the title is valid.
 - C. show the genuineness of the grantor's signature.
 - D. prove that the property has not been encumbered.

10. A deed must be signed by the
 - A. grantor.
 - B. grantee.
 - C. grantor and grantee.
 - D. grantee and two witnesses.



Chapter 20 Homework

1. Grantee is to a deed as devisee is to a
 - A. trust.
 - B. will.
 - C. estate.
 - D. leasehold.

2. With regard to adverse possession,
 - A. the person taking possession must compensate the owner at the end of the possessory period.
 - B. occupancy of the property may not be continuous over a specified period of time.
 - C. the person taking possession of the property must use the land without the owner's consent.
 - D. the person taking possession cannot become the owner of the property.

3. A single person owned a parcel of land. After the owner's death, the probate court determined the distribution of the land in accordance with the state's statutes. This person
 - A. died testate.
 - B. died intestate.
 - C. was the devisee.
 - D. was the grantee.

4. What will happen to the real estate if the deceased owner did not write a will and has no heirs?
 - A. The ownership will pass by devise.
 - B. The ownership will escheat to the state.
 - C. The courts will seize the ownership.
 - D. The ownership will revert to the previous owner.

5. Title to real estate that is inherited from a person who died testate is referred to as a
 - A. legacy.
 - B. bequest.
 - C. devise.
 - D. demise.

6. The reversion of real estate to the state because of its lack of heirs or other persons legally entitled to own the property is
 - A. eminent domain.
 - B. escheat.
 - C. attachment.
 - D. estoppel.

7. A trespasser built a log cabin in a national park and occupied the structure for over 15 years. That person will never be able to claim the property under adverse possession statutes because:
- A. the possession was not “notorious.”
 - B. the possession was not “hostile.”
 - C. the property was not privately owned.
 - D. the property was not properly fenced.
8. The condemnation of private property for public use is exercised under the government right of
- A. taxation.
 - B. escheat.
 - C. prior appropriation.
 - D. eminent domain.
9. A man bought acreage in a distant county, never went to see it, and did not use it, although he regularly paid the real estate taxes on it. A woman moved her mobile home onto the man’s property, drilled a well for water, and lived there for many years. The woman may have become the owner of the acreage if she has complied with New Jersey laws regarding
- A. intestate succession.
 - B. adverse possession.
 - C. the statute of frauds.
 - D. the doctrine of prior appropriation.
10. Two owners have agreed to disagree. They own property together but cannot decide how to divide the profits after the sale. In this situation, one owner will have to go to court in
- A. a dedication.
 - B. a partition proceeding.
 - C. a condemnation suit.
 - D. an action to quiet title.



Chapter 21 Homework

1. Which of the following is generally acceptable as the evidence of marketable title?
 - A. A trust deed
 - B. A warranty deed
 - C. A title insurance policy
 - D. An affidavit

2. An abstract of title does not provide evidence of title unless it is accompanied by a
 - A. copy of the title insurance policy.
 - B. letter of insurance coverage.
 - C. letter of warranty.
 - D. legal opinion of title.

3. A written summary of the history of all conveyances and legal proceedings affecting a specific parcel of real estate is called
 - A. an affidavit of title.
 - B. a certificate of title.
 - C. an abstract of title.
 - D. a title insurance policy.

4. Documents affecting real estate are recorded or filed with the county in which the property is located to
 - A. satisfy the legal requirements for recording.
 - B. give constructive notice of the real estate interest.
 - C. comply with the terms of the statute of frauds.
 - D. prove the execution of the document.

5. The primary reason a buyer obtains title insurance is
 - A. because the mortgage lender requires it.
 - B. to ensure that the buyer has marketable title.
 - C. to ensure that the abstractor has prepared a complete summary of title.
 - D. to pay future liens that may be filed.

6. The purpose of the Real Estate Settlement Procedures Act (RESPA) is to
 - A. see that buyers do not borrow more money than they can repay.
 - B. make real estate brokers more responsive to the needs of buyers.
 - C. help sellers know how much money is required to purchase the property.
 - D. see that buyers and sellers know all of their settlement costs.

7. At the closing, a seller's attorney informed her that he would be giving credit to the buyer for certain accrued items. These items represent
- A. bills related to the real estate that have already been paid by the seller.
 - B. bills related to the real estate that have not been paid as of the time of the closing.
 - C. all of the seller's outstanding bills.
 - D. all of the buyer's outstanding bills.
8. Under TRID rules, the lender is required to provide the five-page closing disclosure to the buyer
- A. within 24 hours of closing.
 - B. at least three business days before closing.
 - C. within 36 hours of completed loan application.
 - D. seven days of closing.
9. The Real Estate Settlement Procedures Act (RESPA) specifically prohibits
- A. lenders from requiring escrow accounts.
 - B. kickbacks to real estate licensees for making referrals to lenders or other interested parties.
 - C. discriminatory advertising.
 - D. redlining.
10. In New Jersey, the realty transfer fee is always
- A. split between the seller and the buyer.
 - B. charged to the buyer.
 - C. charged to the seller.
 - D. negotiated between the buyer and the seller.



Unit Homework Answer Key

Unit 1

1. D
2. C
3. B
4. B
5. A
6. B
7. D
8. D
9. C
10. A

Unit 2

1. A
2. D
3. B
4. C
5. B
6. A
7. D
8. D
9. B
10. D

Unit 3

1. B
2. C
3. A
4. B
5. A
6. D
7. C
8. D
9. C
10. D

Unit 4

1. D
2. A
3. C
4. B
5. A
6. B
7. C

8. D
9. A
10. A

Unit 5

1. B
2. B
3. A
4. B
5. A
6. D
7. A
8. B
9. C
10. D

Unit 6

1. A
2. B
3. A
4. B
5. B
6. C
7. C
8. C
9. D
10. D

Unit 7

1. D
2. C
3. B
4. D
5. C
6. C
7. B
8. B
9. B
10. C

Unit 8

1. D
2. D

3. C
4. A
5. A
6. D
7. B
8. A
9. B
10. C

Unit 9

1. B
2. B
3. C
4. D
5. C
6. D
7. B
8. A
9. B
10. B

Unit 10

1. B
2. B
3. B
4. A
5. C
6. A
7. C
8. D
9. D
10. C

Unit 11

1. C
2. D
3. D
4. C
5. A
6. B
7. D
8. D
9. C



10. C

Unit 12

1. D
2. B
3. C
4. C
5. C
6. D
7. B
8. D
9. C
10. B

Unit 13

1. C
2. D
3. C
4. D
5. C
6. B
7. A
8. A
9. D
10. C

Unit 14

1. A
2. D
3. B
4. C
5. B
6. D
7. A
8. D
9. C
10. C

Unit 15

1. C
2. D
3. B
4. B
5. C
6. C

7. B
8. B
9. B
10. A

Unit 16

1. B
2. A
3. C
4. A
5. B
6. B
7. D
8. B
9. D
10. C

Unit 17

1. A
2. B
3. B
4. B
5. C
6. C
7. C
8. B
9. C
10. B

Unit 18

1. C
2. D
3. A
4. C
5. C
6. A
7. C
8. C
9. B
10. D

Unit 19

1. A

2. B
3. A
4. C
5. C
6. D
7. D
8. D
9. C
10. A

Unit 20

1. B
2. C
3. B
4. B
5. C
6. B
7. C
8. D
9. B
10. B

Unit 21

1. C
2. D
3. C
4. B
5. B
6. D
7. B
8. B
9. B
10. C