

14. Credibility as a real estate professional comes from:

- a. knowledge and preparation.
- b. a large sphere of influence.
- c. holding open houses.
- d. closing the most sales.

15. There is nothing more important than:

- a. sales experience.
- b. a qualified buyer.
- c. a pre-approved buyer.
- d. your personal safety.

16. Since January 1987 any seller of residential 1-4 units, whether represented by a real estate licensee or not is required to give the buyer:

- a. a statement of non-responsibility.
- b. a written disclosure of the condition of the property.
- c. an agency disclosure statement.
- d. a written estimate of all repairs needed.

17. Which of the following C.A.R. disclosure forms may be substituted for local condition disclosures:

- a. Agent Visual Inspection Disclosure (AVID).
- b. Seller Property Questionnaire (SPQ).
- c. Statewide Buyer Seller Advisory (SBSA).
- d. none of the above.

18. In traditional real estate parlance the client is most often a:

- a. buyer.
- b. seller.
- c. prospect.
- d. lead.

19. In traditional real estate parlance the customer is most often a:

- a. buyer.
- b. seller.
- c. prospect.
- d. lead.

20. Full disclosure requires licensees and sellers to:
- a. reveal fully and accurately all known material facts.
 - b. reveal only those facts deemed relevant by the seller.
 - c. reveal relevant facts about the specific property not the neighborhood.
 - d. reveal facts concerning family status.
21. An effective long term type of lead generating system is:
- a. regular mailings.
 - b. a geographic farm.
 - c. horse owners.
 - d. cold calling.
22. In a buyer representation agreement the broker agrees to _____ and the buyer agrees to pay a fee for this service.
- a. arrange suitable financing
 - b. locate a ready willing and able seller
 - c. locate suitable property as defined by the buyer
 - d. all of the above
23. When a listing is signed an agency relationship is created that requires specific action by the broker:
- a. selling the listed property.
 - b. arranging financing for the sale.
 - c. procuring a ready willing and able buyer.
 - d. all of the above.
24. An institutional lender is a:
- a. pension fund.
 - b. real estate investment trust (REIT).
 - c. mortgage company.
 - d. commercial bank.
25. An Exclusive Authorization and Right to Sell listing agreement is a:
- a. unilateral contract.
 - b. bilateral contract.
 - c. contract of sale.
 - d. contract for deed.

26. A main goal of a licensee's marketing plan is to:
- a. list the property on the MLS.
 - b. achieve maximum exposure of the property.
 - c. do whatever is necessary to present the property as favorably as possible.
 - d. create a competitive market analysis and pricing structure.
27. The C.A.R. listing agreement gives the broker/manager the right to cancel the listing:
- a. within 5 days.
 - b. within 4 days.
 - c. within 3 days.
 - d. never.
28. A cooperating agent may negotiate a higher commission split with the listing agent:
- a. anytime.
 - b. before the close of escrow.
 - c. using the purchase contract.
 - d. before submitting the offer.
29. Most unhappy sellers cite _____ as their number one issue.
- a. overpricing by the licensee
 - b. poor communication with the licensee
 - c. insufficient advertising by the licensee
 - d. not enough open house activity by the licensee
30. In real estate parlance REO stands for:
- a. Real Estate Opportunity.
 - b. Real Estate Offering.
 - c. Real Estate Owned.
 - d. Regional Economic Outlook.

31. A conforming loan:

- a. is kept as a portfolio loan.
- b. meets conventional bank underwriting standards.
- c. meets underwriting standards for purchase by the FNMA.
- d. all of the above.

32. Overpricing a home:

- a. helps sell other seller's homes.
- b. is a way to get top dollar for a seller.
- c. is desirable as it keeps the broker's sign up longer.
- d. builds a licensee's reputation as an "aggressive marketer".

33. To be most effective "Just Listed" cards need to be mailed:

- a. anytime during a listing.
- b. before the listing becomes active.
- c. once the property is listed.
- d. before the final walk through inspection.

34. A seller who has vacated their home before closing should be advised to contact their insurance agent to determine:

- a. if a home vacant for thirty days or more is considered abandoned.
- b. the extent of insurance on lock box coverage.
- c. the liability limits for cooperating licensees.
- d. the limits for workmen's compensation coverage.

35. It is highly advisable that a licensee provide a Disclosure and Consent for Representation of More than One Buyer or Seller (DA) form to a:

- a. seller.
- b. buyer.
- c. both buyer and seller.
- d. seller in a dual agency transaction.

14. a. Pulling up the latest listing and sales information from the Multiple Listing Service (MLS) and driving around the neighborhood prior to holding an Open House will give you the knowledge you need to earn the credibility that comes with being well prepared. p. 167

15. d. There is nothing more important than your personal safety. p15

16. b. Since January 1, 1987, any seller, whether represented by a licensee or not, is required to give the buyer a written disclosure statement of the condition of the seller's property. p. 108
17. d. C.A.R. has developed an Agent Visual Inspection Disclosure (AVID) form, Statewide Buyer Seller Advisory (SBSA) and Seller Property Questionnaire (SPQ) that should be used with every listing. It should be noted that none of these advisory or disclosure forms are a substitute for local condition disclosures. p. 118
18. b. In common real estate parlance in California, a client is the seller and the buyer is the prospect or customer. p.95
19. a. see #18 above. p. 95
20. a. What does full disclosure really mean? It is the act of disclosing to a buyer fully and accurately all known material facts relevant to a decision maker in a transaction. p. 94
21. b. A geographical farm is probably one of the most effective long term types of prospecting available to a real estate licensee. p. 155
22. c. In the case of a Buyer/Broker (Buyer Representation) Agreement, the broker agrees to be diligent in locating a suitable property for a buyer and the buyer promises to pay the broker a fee for service when she successfully finds such a property. p. 238
23. c. When a listing is signed, an agency relationship is created that requires the completion of a specified action, such as procuring a "ready, willing, and able" buyer for the purchase of the seller's property for compensation. p. 238
24. d. Institutional lenders are commercial banks, savings associations, life insurance companies, credit unions or any lending institution whose activities are regulated by law. p. 305
25. b. A bilateral agreement is created in a listing when a broker agrees to use diligence in procuring a "ready, willing, and able" buyer, and the seller promises to pay compensation. p. 238
26. b. Your main goal is to maximize exposure of the listed property to as many potential buyers as possible. p. 259
27. a. The California Association of REALTORS® (C.A.R.) Residential Listing Agreement (RLA) gives the broker or manager the right to cancel within five days of execution if the broker/manager does not agree with its terms. p.271

28. d. Proper procedure requires that the cooperating licensee call the listing broker/licensee before submitting an offer to attempt to negotiate any change in the compensation offered in the MLS. p.277
29. b. Most owners who have been unhappy with the sale process cite poor communication with their licensee as the number one issue. p. 282
30. c A foreclosure sale, or Real Estate Owned sale, is a sale by a lender that has taken a property back through the foreclosure process; she now owns the home and acts as the seller. p. 286
31. b. Conforming loans are conventional loans that meet the underwriting standards for purchase by Fannie Mae or Freddie Mac. p. 304
32. a. If the price is too high, remind the sellers that by comparison they are really helping to sell their neighbors' homes, because when buyers look at all the available homes in the neighborhood, the other homes look like very good buys. p. 285
33. c. Once the property is listed, have at least 100 "Just Listed" postcards made and send them to the homes around your new listing. p. 281
34. a. Many insurance policies also state that the policy is void if the property has been vacant for longer than thirty consecutive days. p. 275
35. b. In the purchase agreement paragraph #2B states "Buyer and seller acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal." and notifies each party that her broker may be representing more than one buyer for the same type of property. p. 204