

Alpha College of Real Estate

8-Hour Continuing Education Internet Correspondence Course Final Exam

01/07

Circle the correct answer.

1. Which of the following statements are “true” regarding the 2007 National Association of REALTORS® Code of Ethics:
 - a. The preamble was changed to include activities via technological means.
 - b. Standard of Practice 1-2 was amended to included activities and transactions conducted electronically or through other means.
 - c. The 2007 changes added standards of practice 12-8, 12-9, 12-10 and 12-11.
 - d. All of the above.

2. The 2006 Virginia legislative House Bill (HB) 316 requires effective July 1, 2007:
 - a. Every applicant for renewal for re-licensure as an active salesperson or broker shall complete a minimum one two-hour continuing education course (limited service agency) on the amendments to the real estate agency laws prior to renewal or reinstatement of his license.
 - b. If the licensee submits a notarized affidavit to the Real Estate Board which certifies that he does not practice residential real estate and shall not do so during the licensing term, training in the limited service agency shall not be required.
 - c. Both A and B.
 - d. Neither A nor B.

3. Which are true statements regarding the CAN-SPAM Act of 2003:
 - a. Emails whose primary purpose is advertising or promoting a commercial product or service, including content on a Web site.
 - b. A “transactional or relationship message:-email that facilitates an agreed-upon transaction or updates a customer in an existing business relationship-may not contain false or misleading routing information, but otherwise is exempt from most of the provisions of the CAN-SPAM Act.
 - c. The law was effective January 1, 2004.
 - d. All of the above.

4. Ministerial acts are acts that do not require judgment on the part of the Agent according to Virginia Agency Law. Which is an example of a ministerial act?
 - a. Making an appointment for the termite inspection.
 - b. Completing and interpreting a CMA.
 - c. Recommending that the buyer include a "kick out" clause in a Purchase Contract.
 - d. None of the above.

5. Virginia Agency Law defines a client as:
 - a. A person who has entered into a brokerage relationship with a licensee.
 - b. A seller who wants to sell his property.
 - c. A buyer who wants to buy property.
 - d. A landlord who wants to rent his property.

6. If a blind person with a seeing eye dog wants to rent an apartment in a building that has a "house rule" of no pets, the landlord may:
 - a. Refuse to rent, on the basis of the "no pet" rule.
 - b. Require the dog to live outside the apartment.
 - c. Charge an additional security deposit because of the dog.
 - d. Require the tenant, upon termination of the lease, to pay for any damage caused by the dog.

7. A licensed salesperson, is selling her own townhouse to move into a luxury high-rise condominium. She advertised her property in the local newspaper as follows: "Beautiful, 3 bedroom townhouse. Excellent assumption. Single females only. Call 555-1234 for details. Owner is licensed agent." Which of the following statements are TRUE?
 - a. Her ad is in violation of the Virginia Fair Housing Laws.
 - b. Her ad is not in violation of the Virginia Fair Housing Laws.
 - c. She has not violated the Real Estate Board regulations because she disclosed her license status in her ad.
 - d. She is exempt from the Real Estate board regulations in the sale of her personal residence.

8. The relationship created between the real estate broker and the client places the Broker in the position of:
 - a. a principal.
 - b. an attorney in fact.
 - c. a dual agent.
 - d. an agent.

9. A real estate broker started a chain of events that resulted in the sale of one of his client's properties. This is referred to as:
- Pro forma.
 - Procuring cause.
 - Private offering.
 - Proffered offer.
10. A broker is writing an advertisement for a property he has listed. He must include:
- The financing possibilities.
 - The name of the listing sales person.
 - The name of the seller.
 - The name of the listing brokerage firm.
11. Dual agency is not illegal in Virginia. However, if dual agency exists, the law requires:
- Disclosure verbally to both parties.
 - Disclosure in writing to both seller and purchaser.
 - Disclosure is required in writing.
 - Disclosure in writing to both parties, who must agree.
12. Article 1 of the Code of Ethics of the National Association of REALTORS[®] requires REALTORS[®] to:
- treat all parties to a transaction honestly.
 - treat all parties fairly.
 - promote the interest of their customers.
 - None of the above.
13. When screening applicants for rentals under the Fair Housing Laws you should:
- treat everyone the same.
 - have written guidelines that you follow with each applicant.
 - as part of your screening guidelines include an applicant's ability to timely pay the rent.
 - All of the above.

14. Article 4 of the National Association of REALTORS® allows REALTORS®:
- a. To acquire an interest in or buy or present offers from themselves, any member of their immediate families, their firms or any member thereof, or any entities in which they have any ownership interest, any real property without making their true position known to the owner or the owner's agent or broker.
 - b. To reveal their ownership or interest in writing to the purchaser or the purchaser's representative
 - c. A and B.
 - d. Neither A nor B.
15. Article 11 of the National Association of REALTORS® Code of Ethics provides that the services which REALTORS® provide to their clients and customers shall:
- a. Conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.
 - b. Not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client.
 - c. Both A and B.
 - d. Nether A nor B
16. Confidential information under Virginia Agency Law includes all of the following EXCEPT:
- a. Personal information of the Client.
 - b. Financial information of the Client.
 - c. Why the Client is selling.
 - d. The age of the client's house.
17. Discrimination based on familial status is prohibited by the:
- a. Civil Rights Act of 1866.
 - b. Civil Rights Act of 1964.
 - c. Fair Housing Act of 1968.
 - d. Fair Housing Amendments Act of 1988.

18. One of Broker Jeffrey's sales agents obtained a listing on a property that seemed to Broker Jeffrey to be just the home his sister had been seeking. He immediately called her, showed it to her and wrote an offer for her to purchase it.
- This is perfectly proper, provided Broker Jeffrey does not tell the seller, the buyer is his sister.
 - This is perfectly proper, provided Broker Jeffrey tells the seller that the buyer is his sister.
 - This is perfectly proper provided Broker Jeffrey does not accompany his sales agent to present the offer.
 - This is perfectly proper provided Broker Jeffrey advises the seller, in writing in the contract, that the buyer is his sister.
19. When should a licensee disclose the agency relationship to a prospective buyer, seller, optionor or optionee?
- Upon discussion or showing of a specific property.
 - After they have discussed a specific property.
 - When the contract is being drafted.
 - When the contract is being signed.
20. Fair Housing Law defines Protected Class as any group, or any member of a group that can be identified by either:
- Race, Color.
 - Religion, Sex, National Origin.
 - Handicapped, Elderliness (VA Law).
 - All of the above.
21. Advertising, under the Fair Housing Law, should:
- not contain words that express a preference based on a protected class.
 - use phrases like "no children" or "adults only."
 - Real Estate Agents are not covered by the Fair Housing Law.
 - None of the above.

22. Louise, a licensed salesperson, needs to sell her house. She advertises it "For Sale by Owner - two bedrooms, two bath home, in good location. \$73,500. Call 923-7896." Louise:
- is not in violation of license regulations since it is her own home she is offering for sale.
 - is in violation of license regulations since she did not state in the ad that she was licensed.
 - is in violation since she did not list the name of her broker.
 - is not in violation of regulations since she did not use her name in the ad.
23. A licensee contacts a homeowner in an attempt to obtain a listing for the property. According to Virginia Agency Law, when must agency disclosure be provided to the homeowner?
- At the time the owner is signing the listing agreement.
 - At the first meeting.
 - When the licensee presents the first offer to purchase.
 - Agency disclosure is required only to buyers, not sellers.
24. A licensee is assisting a member of his/her family in the purchase of real property. In this situation what is the greatest risk facing the licensee?
- Alienation of the employing broker.
 - The family member will want to cut the commission.
 - Creation of an undisclosed dual agency.
 - Alienation of the relationship of the family member.
25. A broker has a listing on a house that contains a provision that the house is to be sold in "as-is" condition (disclaimer). The broker learns of a major hidden (latent) defect in the property. When showing the property to a prospective purchaser, the broker should:
- Advise the buyer of the defect.
 - Point out that the house will be sold in "as-is" condition.
 - Mention the defect to the buyer only if asked.
 - Inform the buyer that the seller has told him of no defects.

26. Recent changes in the Virginia real estate regulations requires each place of business and each branch office shall be supervised by a supervising broker.
- The supervising broker shall exercise reasonable and adequate supervision of the provision of real estate brokerage services by associate brokers and salespersons assigned to the branch office.
 - The supervising broker must reside in the state of Virginia.
 - Neither A nor B.
 - Both A and B.
27. Disabilities under The Americans with Disabilities Act are broadly defined as:
- a physical or mental impairment; that substantially limits one or more of the major life activities of such individual; has a record of such impairment; is regarded as having such impairment.
 - having a physical or mental impairment that does not substantially limit major life activities, but is treated by a recipient as constituting such a limitation.
 - having a physical or mental impairment that substantially limits major life activities only as a result of the attitudes of others toward such impairment.
 - All of the above.
28. Essential elements of a contract are:
- Legally competent parties, mutual agreement.
 - Lawful objective, consideration or cause, contract in writing when required by law.
 - A and B.
 - Only A.
29. It is illegal for a broker to represent both the buyer and seller in the same transaction unless:
- The broker obtains the prior written consent of both parties.
 - The broker charges only one of the parties a fee.
 - The parties fail to discover the dual representation.
 - The broker tells both parties of the dual representation.
30. Article 2 of the Code of Ethics of the National Association of REALTORS® requires REALTORS® to:
- misrepresent the condition of a property.
 - conceal the condition of a property.
 - discover latent defects in a property.
 - None of the above.

31. Article 10 of the National Association of REALTORS® requires:
- REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin.
 - REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin. (Amended 1/90)
 - Neither A nor B.
 - Both A and B.
32. Salesperson Glenda "forgets" to tell a buyer about a defect in the house; later, upon being sued by the buyer, she defends herself by saying that she was working for the seller, and that the buyer is responsible for finding defects. Is the salesperson right?
- She is correct in every detail.
 - No; she was working for the buyer and should have disclosed the defect.
 - No; even though she worked for the seller, she owed the buyer disclosure of defects in the property.
 - No; she should have explained the doctrine of caveat emptor to the buyer, who would then have obtained a property inspection.
33. During the executory period of a valid real estate contract, one of the principals defaults. The broker is required to hold any funds in his possession, as a condition of the contract, until:
- The seller advises the broker that the contract has been breached.
 - The lending institution has advised the broker that the buyer's loan application has been rejected.
 - A court of competent jurisdiction orders disbursement.
 - The attorney for the non-defaulting party orders the release of the funds.
34. Effective July 1, 2007 Virginia Agency law will require that, "A licensee may act as a limited service representative only pursuant to a written brokerage agreement in which the limited service representative..."
- Discloses that the licensee is acting as a limited service representative.
 - Provides a list of the specific services that the licensee will provide to the client.
 - Provides a list of the specific duties of a standard agent set out in the law that the agent will not provide to the client.
 - All of the above.

35. Virginia passed legislation in 2006 which requires as a condition of real estate licensure as a salesperson or broker, an applicant must have a minimum of:
- a. A high school diploma or its equivalent.
 - b. A masters in real estate.
 - c. 2 years of college.
 - d. None of the above.