

Name: \_\_\_\_\_

Ch 6 Suex Test

Form: 0

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1. The law will act to end a listing agreement:
  - A. if the owner declares bankruptcy.
  - B. by supervening illegality.
  - C. if the home is destroyed by fire.
  - D. All of the other answers are correct.
  
2. A broker whose negligence in preparing a sales contract allows the purchaser to void the agreement breaches his/her duty of:
  - A. personal performance.
  - B. obedience.
  - C. accountability.
  - D. due care.
  
3. The unauthorized withdrawal of any portion of an earnest deposit from a broker's trust account before the sale is consummated or otherwise terminated, regardless of the intended use, is considered:
  - A. constructive fraud.
  - B. commingling.
  - C. negligent misrepresentation.
  - D. None of the other answers are correct.
  
4. According to Georgia law, a listing agent must voluntarily disclose to a buyer customer:
  - A. the fact that a suicide has taken place on the property.
  - B. the fact that a previous occupant had AIDS.
  - C. latent defects.
  - D. patent defects.
  
5. Mario is showing a buyer client houses in a residential subdivision. He knows that there is a parcel of vacant land 3,500 feet to the north of these homes where an owner recently received permission to operate a waste disposal facility. Must Mario disclose this fact to a prospective purchaser?
  - A. No, because the disposal site is not close enough to be of concern
  - B. No, because the site has not yet been developed
  - C. Yes, this would be considered a ministerial duty
  - D. Yes, because Mario owes absolute duty to the buyer

Ch 6 Suex Test

6. According to the law of agency, a fiduciary relationship exists between the:
- A. listing broker and seller.
  - B. selling broker and seller.
  - C. selling broker and listing broker.
  - D. salesperson and buyer.
7. Which of the following statements concerning a power of attorney is INCORRECT?
- A. The document must always be recorded.
  - B. When used in regard to real estate transactions, the document must always be in writing.
  - C. Authorization to act for the principal is granted to attorney-in-fact.
  - D. The formality with which the document must be executed is governed by the equal dignities rule.
8. Earnest money in a purchase and sale agreement serves as:
- A. punitive damages.
  - B. liquidated damages.
  - C. the consideration.
  - D. the down payment.
9. A cooperating broker (subagent) finds a buyer for a home listed with ABC Realty Company, Inc. The selling broker represents:
- A. the seller.
  - B. the buyer.
  - C. both the buyer and the seller.
  - D. neither the buyer nor the seller.
10. Under "BRRETA," a listing agent is required to present to the seller:
- A. all written offers.
  - B. all qualified offers.
  - C. all signed offers.
  - D. all offers.
11. Agent Norris is working with a buyer prospect who chooses to be a customer. The prospect wants to see a listing on Pine Street, but the listing company has indicated it will not offer subagency.
- A. Norris can show the house as a "transaction broker."
  - B. The house can be shown only by buyer brokers.
  - C. The listing company had no right to refuse subagency.
  - D. A dual agency will result if Norris' buyer decides to offer on the Pine Street house.

Ch 6 Suex Test

12. A broker engaged by a seller who performs such acts as locating lenders, inspectors, attorneys, surveyors, and schools for the purchaser would be performing:
- A. buyer agent duties.
  - B. transactional broker responsibilities.
  - C. ministerial acts.
  - D. contractual obligations on behalf of the seller.
13. Prior to entering into brokerage engagement relationships, a broker must:
- A. advise the prospective client of the types of brokerage relationships available through the broker.
  - B. advise the prospective client of any other brokerage relationships held by the broker that would conflict with any interests of the prospective client actually known to the broker.
  - C. advise the prospective client as to the broker's compensation and whether the broker will share such compensation with other brokers who may represent their parties to the transaction.
  - D. All of the other answers are correct.
14. In a typical listing contract, the relationship established between the property owner and the listing broker is that of:
- A. principal and agent
  - B. agent and subagent
  - C. broker and customer
  - D. All of the other answers are correct.
15. The listing contract is a contract between:
- A. seller and multiple listing system.
  - B. seller and listing salesperson.
  - C. seller and broker.
  - D. broker and listing salesperson.
16. The listing salesperson can sign the listing contract on behalf of his/her company if:
- A. he/she is the only person available.
  - B. the broker has verbally approved of this action.
  - C. the seller is satisfied to have it done this way.
  - D. the salesperson has written authorization from the broker.
17. When a prospective purchaser comes to an "open house" being held by the listing salesperson, the prospect should be treated as:
- A. a customer.
  - B. a client.
  - C. an agent.
  - D. a subagent.

Ch 6 Suex Test

18. A broker might choose to have salespeople in an employer/employee relationship because:
- A. the broker would have less bookkeeping to do.
  - B. the broker would have more control over the agent's activities.
  - C. the broker's contribution to FICA would be smaller.
  - D. the cost of unemployment insurance and workman's compensation insurance would be lower.
19. Which of the following statements about the independent contractor status is FALSE?
- A. Most real estate sales people are independent contractors.
  - B. A broker can control the results he/she expects from independent contractors, but not the method of obtaining the results.
  - C. An independent contractor is literally in business for him/herself.
  - D. Nothing is withheld from the commission checks for independent contractors except income taxes.
20. You have agreed with your broker to split commissions 60% to you, 40% to the broker. Your listing was just sold by another company for \$139,000. Your broker has agreed to pay the selling broker 50% of any commission. If the commission on this sale was 6%, what was your share?
- A. \$8,340.00
  - B. \$2,502.00
  - C. \$1,668.00
  - D. \$4,170.00

**You have completed the test!**